



Office of the  
Comptroller of the Currency  
Washington, DC 20219

# **INTERMEDIATE SMALL BANK**

## **PUBLIC DISCLOSURE**

June 23, 2025

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Quontic Bank  
Charter Number: 717974

31-05 Broadway, 2nd Floor  
Astoria, NY 11106

Office of the Comptroller of the Currency

7 Times Square, 10th Floor  
New York, NY 10036

**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

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

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

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

The major factors that support this rating include:

- The loan-to-deposit (LTD) ratio is more than reasonable given the bank's size, financial condition and strategy.
- The distribution of loans across geographies of different income levels is excellent.
- The bank exhibits reasonable distribution of loans to individuals of different income levels.
- The bank's community development (CD) activities show adequate responsiveness to identified community needs in its assessment area (AA).

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's LTD ratio is more than reasonable.

Quontic's average LTD ratio was calculated using quarterly data of the 12 quarters from the first quarter of 2021 through the fourth quarter of 2023. The bank's quarterly LTD ratio averaged 119.9 percent. During this period, the bank's LTD ratio ranged from a low of 71.8 percent to a high of 248.2 percent.

The OCC compared the bank's LTD ratio performance to eight peer institutions of similar size, location, and product offerings. The bank's performance was higher in comparison to the peer group, which showed an average LTD ratio of 78.4 percent, ranging from a low of 34.9 percent to a high of 114.9 percent.

### Lending in Assessment Area

A majority of the bank's loans were outside its AA.

The bank originated and purchased 30.3 percent of its total loans inside the bank's AA during the evaluation period. By dollar volume, 36.1 percent were inside the AA. The low lending inside the AA is reflective of the bank's strategy as a digital bank and its mission as a Community Development Financial Institution (CDFI) to provide lending opportunities to urban and rural low-income communities across the nation.

This analysis is performed at the bank, rather than the AA, level. This performance had a neutral impact on the overall analysis of the geographic distribution of lending by income level of geography.

Table 1: Lending Inside and Outside of the Assessment Area										2021 - 2023		
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)		
	Inside		Outside			Inside		Outside				
	#	%	#	%		\$	%	\$	%			
Home Mortgage	2,688	30.3	6,186	69.7	8,874	1,422,456	36.1	2,514,615	63.9	3,937,071		
<b>Total</b>	<b>2,688</b>	<b>30.3</b>	<b>6,186</b>	<b>69.7</b>	<b>8,874</b>	<b>1,422,456</b>	<b>36.1</b>	<b>2,514,615</b>	<b>63.9</b>	<b>3,937,071</b>		

Source: 1/1/2021 - 12/31/2023 Bank Data.  
Due to rounding, totals may not equal 100.0%

## Description of Institution

Quontic Bank is a digital bank headquartered in Astoria, NY. The bank had total assets of \$623.2 million as of December 31, 2023. The bank was founded in 2009 and is the principal subsidiary of Quontic Bank Holding Corporation, also headquartered in Astoria, NY. The bank has no affiliates. In 2015, Quontic was certified as a CDFI which reflects the bank's commitment to promoting access to credit for underserved populations. In 2021, the bank closed its sole branch and maintained a deposit taking ATM in Astoria, NY. The bank did not have any merger or acquisition activity that affected the scope of the bank's operations during the evaluation period.

As of December 31, 2023, Quontic had one AA, the New York-Newark-Jersey City, NY-NJ-PA MSA. This included the entire Nassau County-Suffolk County, NY MD. The AA also included the full counties of Bronx, Kings, New York, Queens, and Westchester which comprised a portion of the New York-Jersey City-White Plains, NY-NJ MD. See Appendix A for details of the AA.

In March 2020, the World Health Organization declared COVID-19 a pandemic. In response to the pandemic, the United States was under a shelter-in-place order to limit the spread of the virus. Due to the shelter-in-place orders, certain businesses deemed non-essential were shut down or limited in operations. The evaluation of the bank's performance takes into consideration the impact of the pandemic.

The bank's strategic focus was delivering technology-driven banking and lending solutions tailored to the needs of underserved and non-traditional customers. In 2020 and 2021, the bank sold off its commercial loan portfolio and discontinued commercial lending to focus on growth in the mortgage banking line of business. Quontic offers a full suite of traditional consumer deposit products, including money market accounts, time deposits, checking, and savings accounts. The bank's lending products specialize in one-to-four family residential mortgage lending with an emphasis on serving borrowers who may not qualify under conventional agency guidelines. The bank originated non-qualified mortgages which were designed to meet the needs of self-employed individuals, immigrants, and others with limited or alternative income documentation.

As of December 31, 2023, total loans and leases represented 71.3 percent of the bank's total assets. The loan portfolio consisted primarily of residential real estate mortgages which amounted to 97.2 percent of total loans and leases at year-end 2023. Tier 1 capital was \$72.9 million as of December 31, 2023.

At the last CRA evaluation dated December 6, 2021, the OCC assigned Quontic a "Satisfactory" rating under the intermediate small bank evaluation procedures.

# Scope of the Evaluation

## Evaluation Period/Products Evaluated

The OCC evaluated home mortgage loans, specifically one-to-four family residential mortgage loans, qualified investments; and CD services from January 1, 2021, through December 31, 2023, under the intermediate small bank examination procedures, which included a lending test and a CD test. Examiners did not consider small loans to businesses, small farm loans, consumer loans, or community development loans in this evaluation, as the bank did not offer these types of loans during the evaluation period.

Due to updated 2020 U.S. Census data, census tract income level designation changes became effective January 1, 2022. This required an analysis of loan data against applicable demographic data for two separate review periods, resulting in multiple analyses for each. Examiners analyzed home mortgage loan data from January 1, 2021, through December 31, 2021 (2021 analysis period), using 2015 American Community Survey (ACS) demographic information and home mortgage loan data from January 1, 2022, through December 31, 2023 (2022-2023 analysis period), using 2020 U.S. Census demographic information.

For the lending test, examiners used home mortgage loan data collected and reported by Quontic. For lending performance, the loan distribution analyses compared originated and purchased home mortgage loans to demographic and aggregate data under the applicable lending test components.

Examiners generally gave equal weighting to geographic and borrower distribution components of the lending test unless performance context factors supported a heavier weighting of one component over the other. In the analysis of geographic distribution, examiners reviewed the distribution of loans within the low- and moderate-income areas in the bank's AA. Examiners then assessed whether there were any unexplained gaps in lending in any geographic areas within the AA.

For the CD test, examiners' analysis considered qualified investments included in the investment portfolio as well as donations and grants made during the evaluation period that had CD as their primary purpose. Qualified investments included investments that met the definition of CD that the bank made in the current evaluation period or prior to the current evaluation period and were still outstanding. Examiners considered prior-period investments at the book value of the investment at the end of the current evaluation period and current-period investments at their original investment amount. To provide perspective regarding the relative level of qualified investments, examiners compared the dollar amount of investments to tier 1 capital.

## 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 AAs located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA), if applicable 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 based on performance in the bank's one AA within the New York MSA.

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

Pursuant to 12 CFR 25.28(c) in determining a national banks 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.

## State Rating

### State of New York

**CRA rating for the State of New York:** Satisfactory.

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

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

The major factors that support this rating include:

- The bank exhibited excellent geographic distribution of loans in its AA.
- The bank exhibits reasonable distribution of loans to individuals of different income levels given the product lines offered by the bank.
- The bank exhibited adequate responsiveness to CD needs through qualified investments, relative to investment opportunities in the area.

### Description of Institution's Operations in New York MSA

The bank has one AA, which includes portions of the New York-Newark-Jersey City, NY-NJ-PA MSA. The bank designated the counties of Bronx, Kings, New York, Queens, and Westchester in the New York-Jersey City-White Plains, NY-NJ Metropolitan Division (NY MD). The bank also included in its AA the Nassau County-Suffolk County, NY MD (Nassau MD), which includes the counties of Nassau and Suffolk. Refer to the table in Appendix A for a list of counties reviewed.

The bank maintained its main office in this AA and one deposit-taking ATM. Both were in Astoria, NY. The bank closed its sole Astoria, NY branch in August 2021 and operated as a fully digital bank, but the ATM remained open. In addition, the bank had five loan production offices throughout the nation, including Astoria, NY, Flushing, NY, Melville, NY, Mesa, AZ, and Miami, FL.

As of 2023, the AA consisted of 307 low-income tracts, 705 moderate-income tracts, 1,100 middle-income tracts, 836 upper-income tracts and 165 tracts with income not designated. The total population in the AA was 12,234,594 as of December 31, 2023, comprised of 4,765,069 households, 2,730,019 families and 636,031 businesses. Of this population, 12.0 percent of individuals are in low-income geographies, 24.2 percent are in moderate-income geographies, 34.9 percent are in middle-income geographies, and 27.7 percent are in upper-income geographies. The AA met the requirements of the regulation and do not arbitrarily exclude low- and moderate-income geographies.

Quontic operated in a highly competitive financial services market and competed with large, regional, and community banks for both deposits and lending opportunities. Based on the June 30, 2023, Federal Deposit Insurance Corporation (FDIC) Summary of Deposit Market Share Report, the bank ranked 99 out of 156 FDIC-insured depository institutions with a nominal 0.02 percent deposit market share. The top three banks by deposit market share were JP Morgan Chase Bank, NA (ranked first with a 33.0 percent deposit market share), Goldman Sachs Bank USA (ranked second with a 9.0 percent deposit market share), and The Bank of New York Mellon (ranked third with a 7.5 percent deposit market share).

Based on 2023 Peer Home Mortgage Data, 465 lenders originated loans in the New York AA. Quontic was ranked 50, with 0.4 percent market share. The top five home mortgage loan lenders in the AA have

a combined market share of 37.5 percent and include JP Morgan Chase Bank, NA (20.5 percent market share), CBNA (4.6 percent market share), Citibank, NA (4.5 percent market share), United Wholesale Mortgage (4.3 percent market share), and TD Bank (3.6 percent market share).

The following tables provide a summary of the demographics, including housing and business information for the New York MSA for each evaluation period.

## New York MSA

Assessment Area(s) - New York MSA 2023						
2022 - 2023						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
<b>Geographies (Census Tracts)</b>	3,113	9.86	22.65	35.34	26.86	5.30
<b>Population by Geography</b>	12,234,594	12.02	24.20	34.89	27.66	1.23
<b>Housing Units by Geography</b>	4,765,069	11.48	22.38	33.42	31.62	1.11
<b>Owner-Occupied Housing by Geography</b>	1,918,985	2.52	15.51	43.37	38.00	0.59
<b>Occupied Rental Units by Geography</b>	2,404,665	19.41	28.20	26.07	24.87	1.46
<b>Vacant Units by Geography</b>	441,419	7.23	20.50	30.20	40.64	1.43
<b>Businesses by Geography</b>	636,031	7.06	17.88	31.32	40.10	3.63
<b>Farms by Geography</b>	7,929	4.05	18.22	39.97	36.10	1.66
<b>Family Distribution by Income Level</b>	2,730,019	26.55	16.10	17.51	39.83	0.00
<b>Household Distribution by Income Level</b>	4,323,650	29.00	14.27	15.50	41.23	0.00
<b>Unemployment rate (%)</b>	6.07	11.15	6.98	5.44	4.44	7.90
<b>Households Below Poverty Level (%)</b>	14.37	35.86	19.21	9.89	7.10	22.52
<b>Median Family Income (35004 - Nassau County-Suffolk County, NY MD)</b>	\$130,301			<b>Median Housing Value</b>		\$549,300
<b>Median Family Income (35614 - New York-Jersey City-White Plains, NY-NJ MD)</b>	\$85,483			<b>Median Gross Rent</b>		\$1,586
<b>Median Family Income (35004 - Nassau County-Suffolk County, NY MD) for 2023</b>	\$156,300			<b>Families Below Poverty Level</b>		10.88
<b>Median Family Income (35614 - New York-Jersey City-White Plains, NY-NJ MD) for 2023</b>	\$99,300					
FFIEC File - 2020 Census						
2023 Dun & Bradstreet SBSF Demographics						
Due to rounding, totals may not equal 100.0%						
(*) The NA category consists of geographies that have not been assigned an income classification						

Assessment Area(s) - New York MSA 2021						
2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
<b>Geographies (Census Tracts)</b>	2,887	10.56	23.69	34.81	28.23	2.70
<b>Population by Geography</b>	11,777,562	12.70	25.81	33.33	27.82	0.34
<b>Housing Units by Geography</b>	4,651,571	11.58	24.04	32.02	32.14	0.23
<b>Owner-Occupied Housing by Geography</b>	1,833,712	2.44	14.74	42.63	40.06	0.13
<b>Occupied Rental Units by Geography</b>	2,390,394	19.13	31.25	24.23	25.11	0.29
<b>Vacant Units by Geography</b>	427,465	8.56	23.68	30.05	37.43	0.28
<b>Businesses by Geography</b>	758,108	6.91	19.35	31.16	41.04	1.54
<b>Farms by Geography</b>	9,640	3.84	20.23	39.33	35.96	0.64
<b>Family Distribution by Income Level</b>	2,685,627	27.10	16.03	17.18	39.70	0.00
<b>Household Distribution by Income Level</b>	4,224,106	29.01	14.58	15.69	40.72	0.00
<b>Unemployment rate (%)</b>	8.68	14.38	10.42	8.15	5.92	7.08
<b>Households Below Poverty Level (%)</b>	16.00	39.62	22.70	10.89	7.18	23.75
<b>Median Family Income (35004 - Nassau County-Suffolk County, NY MD)</b>	\$108,193			<b>Median Housing Value</b>		\$448,700
<b>Median Family Income (35614 - New York-Jersey City-White Plains, NY-NJ MD)</b>	\$67,560			<b>Median Gross Rent</b>		\$1,347
<b>Median Family Income (35004 - Nassau County-Suffolk County, NY MD) for 2021</b>	\$129,900			<b>Families Below Poverty Level</b>		13.49
<b>Median Family Income (35614 - New York-Jersey City-White Plains, NY-NJ MD) for 2021</b>	\$85,500					
FFIEC File - 2010 Census						
2021 Dun & Bradstreet SBSF Demographics						
Due to rounding, totals may not equal 100.0%						
(*) The NA category consists of geographies that have not been assigned an income classification						

Housing affordability is challenging for low- and moderate-income borrowers in the AA. Based on the 2023 median family information in the above table, low-income families earned less than \$65,151 or \$42,742, and moderate-income families earned \$104,241 or \$68,386, in the Nassau and NY MDs, respectively. The median housing value in the AA is \$549,300. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment was between \$1,241 and \$1,954 for a low-income borrower and between \$1,986 and \$3,126 for a moderate-income borrower, depending on the MD. Assuming a 30-year mortgage with a 5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be \$2,949. Based on these calculations, low- and moderate-income borrowers would be challenged to qualify for and afford home mortgage financing in this AA.

The poverty level across the AA was also considered in the evaluation of lending performance. Families living below the poverty level are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above the poverty level. For this AA, 10.88 percent of families were living below the poverty level.

## **Economic Data**

According to the Bureau of Labor Statistics (BLS), the non-seasonally adjusted unemployment rate for the New York MSA was the highest at 9.4 percent as of January 2021. The pandemic and associated lockdowns and business closures contributed to the increased rate. Since that time, rates declined to 4.1 percent as of December 2023. The national non-seasonally adjusted unemployment rate was lower at 3.7 percent as of December 2023.

Key sectors of the economy based on percentage of total employment included banking and health services. Based on data from the 2023 Moody's Analytics report, the area's economy faced slow recovery since the pandemic. The return of international travelers and robust demand for in-person events drove rapid growth in consumer industries. In addition, falling residential rents improved affordability, however, work-at-home flexibility persisted after the pandemic and led to continued lower demand for office space. The residential market experienced instability, and demand for affordable housing grew rapidly. Major employers included the Montefiore Health System, Mount Sinai Health, JP Morgan Chase, Bank of America, and New York-Presbyterian Healthcare System.

## **Community Contacts**

To determine local economic conditions and community needs, the OCC reviewed information from two CD organizations. One organization is an affordable housing trade association, dedicated to developing and preserving affordable housing across New York City. The organization advances its mission through strategic policy work, legislative engagement, and budget advocacy, ensuring that affordable housing remains a priority at every level of government. The second organization is dedicated to helping individuals and families achieve economic stability. Through comprehensive job and career training programs, they empower clients to overcome the challenges of poverty and build stable, independent futures. Their Small Business Services division supports low-income, minority, and women entrepreneurs across New York City, providing the tools and resources needed to grow and sustain their businesses. The contacts stated that opportunities exist for financial institutions to participate in community development and identified the following community needs:

- Investing in CDFIs, enabling their funds to be used for micro-loans that support underserved entrepreneurs and small businesses.
- Greater collaboration with financial institutions to fund affordable housing projects that incorporate environmental sustainability.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW YORK

### LENDING TEST

The bank's performance under the lending test in the State of New York is rated Satisfactory.

Based on a full-scope review, the bank's lending performance in the state of New York was reasonable.

#### Distribution of Loans by Income Level of the Geography

The bank exhibited excellent geographic distribution of loans in the AA.

##### *Home Mortgage Loans*

Refer to Table 7 in the state of New York 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.

The geographic distribution of home mortgage loans in 2021 was excellent. The bank's proportion of home mortgage loans in both low- and moderate-income geographies exceeded both the percentage of owner-occupied housing located in those geographies and the aggregate performance of all reporting lenders.

The geographic distribution of home mortgage loans in 2022-2023 was similar to the 2021 evaluation period.

##### *Lending Gap Analysis*

OCC examiners reviewed supervisory data and other summary reports detailing Quontic's lending activity over the evaluation period for home mortgage loans to identify gaps in the geographic distribution of loans. No unexplained conspicuous gaps were identified.

#### Distribution of Loans by Income Level of the Borrower

The bank exhibits reasonable distribution of loans to individuals of different income levels given performance context.

##### *Home Mortgage Loans*

Refer to Table 8 in the state of New York section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

When considering the high poverty levels and housing affordability challenge detailed above, low- and moderate-income borrowers would be unlikely to qualify for a mortgage, considering the median housing value, even with the unconventional underwriting standards of the bank. Peer bank's loan distributions were also below the percentage of families in low- and moderate-income categories.

For 28.2 percent and 22.1 percent of home mortgage loans reported by the bank in 2021 and 2022 through 2023, respectively, borrower income was not available. Some mortgage borrowers underwritten under the bank's flexible products were entities without borrower income information available for the bank to report.

In 2021, the proportion of home mortgage loans to low-income borrowers was significantly below both the percentage of families in that income category and the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of home mortgage loans to moderate-income borrowers was below the percentage of families in that income category and near to the aggregate industry distribution of home mortgage loans to those borrowers.

In 2022 through 2023, the proportion of home mortgage loans to low-income borrowers was significantly below both the percentage of families in that income category and the aggregate industry distribution of home mortgage loans to those borrowers. The bank's performance was near to the percentage of families in the moderate-income category and exceeded the aggregate industry performance.

### **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 CD test in the state of New York is rated Satisfactory.

Based on a full-scope review, the bank exhibited adequate responsiveness to CD needs in the state through CD investments, and CD services, as appropriate, considering the bank's financial capacity and the need and availability of such opportunities for community development in the bank's AA. The bank's financial condition over the evaluation period limited its ability to make additional community development investments.

### Number and Amount of Community Development Loans

Quontic did not originate any CD loans during the review period. Quontic's operations are focused on residential mortgage lending activities, and they did not have the infrastructure or expertise to offer CD lending.

### Number and Amount of 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 AA	0	0	46	630	46	95.8	630	54.4	0	0
Broader Statewide or Regional Area	0	0	2	528	2	4.2	528	45.6	0	0
Total	0	0	48	1,158	48	100	1,158	100	0	0

The Qualified Investment Table, shown above, sets forth the information and data used to evaluate the bank's level of qualified investments. The table includes all qualified investments, including prior period investments that remain outstanding at the end of the evaluation period.

Over the evaluation period, the bank made a total of \$1.2 million in investments and donations, representing 1.59 percent of its tier 1 capital as of December 31, 2023. Of this amount, \$630,000 was directed to, and primarily benefited, the bank's AA, representing 0.86% of tier 1 capital. As a certified CDFI, the bank engaged in community development investments and donations that supported affordable housing, economic development, and services targeted to low- and moderate-income (LMI) individuals and geographies.

The following are examples of qualified investments in the AA:

- The bank invested \$250,000 in a local CDFI that provides low-cost financial services, affordable loan rates and financial education to underserved communities.
- The bank invested \$250,000 in a local CDFI that provides personal and business financial products.
- A total of 32 grants and donations totaling \$110,000 were distributed with the purpose of supporting affordable housing initiatives for LMI families. These contributions were made to various nonprofit and community-based organizations providing essential housing-related services such as first-time homebuyer education and counseling, home repair and grants, and tenant advocacy and support services.

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

- A total of 12 grants and donations totaling \$19,000 were distributed with the benefited organizations providing community services to LMI individuals for health care, food, and educational/youth programs.

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

During the evaluation period, bank employees and directors provided 1,438 service hours for the benefit of organizations in the New York AA. Quontic board members contributed approximately 1,378 hours of leadership and financial expertise across eight different organizations. These efforts were primarily focused on providing community services to LMI individuals, emphasizing education for LMI individuals and families, and providing health, shelter and related services for LMI individuals and families.

Quontic employees contributed approximately 60 hours of financial expertise across 12 different organizations and events. These efforts were primarily focused on providing community services to LMI individuals, with an emphasis on homeownership education and support. Collectively, these events reached a total of 2,607 attendees.

## 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 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”.

<b>Time Period Reviewed:</b>	01/01/2021 – 12/31/2023	
<b>Bank Products Reviewed:</b>	Home mortgage loans Community development investments, community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None		None
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>New York</b>		
New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area	Full scope	Bronx, Kings, Nassau, New York, Queens, Suffolk, and Westchester Counties in State of New York

## Appendix B: Summary of MMSA and State Ratings

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RATINGS			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/ Multistate Rating
Quontic Bank	Satisfactory	Satisfactory	Satisfactory
MMSA or State:			
New York	Satisfactory	Satisfactory	Satisfactory

(\*) The lending test and CD test carry equal weight in the overall rating.

## Appendix C: Definitions and Common Abbreviations

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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 CD loans and qualified investments, branch distribution, and CD services).

**Low-Income:** Individual income that is at 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 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.

**Multistate Metropolitan Statistical Area (MMSA):** Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

**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.

**Prior Period Investments:** Investments made in a previous evaluation period that are outstanding as of the end of the evaluation period.

**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 multistate 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 multistate metropolitan statistical area, the institution will receive a rating for the multistate 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.

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

**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

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### 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/AA. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> 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 7. 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 8. Assessment Area Distribution of Home Mortgage 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 families by income level in each MMSA/AA. The table also presents aggregate peer data for the years the data is available.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table 7: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																	2021		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total Number	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
New York MSA 2021	1,126	608,137	100.00	270,054	2.44	3.37	2.85	14.74	20.78	14.78	42.63	46.80	42.17	40.06	28.95	40.07	0.13	0.09	0.13
<b>Total</b>	<b>1,126</b>	<b>608,137</b>	<b>100.00</b>	<b>270,054</b>	<b>2.44</b>	<b>3.37</b>	<b>2.85</b>	<b>14.74</b>	<b>20.78</b>	<b>14.78</b>	<b>42.63</b>	<b>46.80</b>	<b>42.17</b>	<b>40.06</b>	<b>28.95</b>	<b>40.07</b>	<b>0.13</b>	<b>0.09</b>	<b>0.13</b>

Source: FFIEC File - 2010 Census; 1/1/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

Table 7: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																	2022 - 2023		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total Number	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
New York MSA 2023	1,562	814,319	100.00	271,121	2.52	3.14	2.97	15.51	22.22	15.77	43.37	50.32	41.41	38.00	23.82	39.16	0.59	0.51	0.70
<b>Total</b>	<b>1,562</b>	<b>814,319</b>	<b>100.00</b>	<b>271,121</b>	<b>2.52</b>	<b>3.14</b>	<b>2.97</b>	<b>15.51</b>	<b>22.22</b>	<b>15.77</b>	<b>43.37</b>	<b>50.32</b>	<b>41.41</b>	<b>38.00</b>	<b>23.82</b>	<b>39.16</b>	<b>0.59</b>	<b>0.51</b>	<b>0.70</b>

Source: FFIEC File - 2020 Census; 1/1/2022 - 12/31/2023 Bank Data, 2022, 2023 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

Table 8: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2021
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total Number	Overall Market	% Families	% Loans	% Aggregate	% Families	% Loans	% Aggregate	% Families	% Loans	% Aggregate	% Families	% Loans	% Aggregate	% Families	% Loans	% Aggregate
New York MSA 2021	1,126	608,137	100.00	270,054	27.10	1.24	3.33	16.03	11.55	12.67	17.18	21.14	21.28	39.70	37.83	50.41	--	28.24	12.30
<b>Total</b>	<b>1,126</b>	<b>608,137</b>	<b>100.00</b>	<b>270,054</b>	<b>27.10</b>	<b>1.24</b>	<b>3.33</b>	<b>16.03</b>	<b>11.55</b>	<b>12.67</b>	<b>17.18</b>	<b>21.14</b>	<b>21.28</b>	<b>39.70</b>	<b>37.83</b>	<b>50.41</b>	--	<b>28.24</b>	<b>12.30</b>

Source: FFIEC File - 2010 Census; 1/1/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

Table 8: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2022 - 2023
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total Number	Overall Market	% Families	% Loans	% Aggregate	% Families	% Loans	% Aggregate	% Families	% Loans	% Aggregate	% Families	% Loans	% Aggregate	% Families	% Loans	% Aggregate
New York MSA 2023	1,562	814,319	100.00	271,121	26.55	0.77	4.30	16.10	15.17	13.24	17.51	25.22	19.29	39.83	36.75	43.57	--	22.09	19.60
<b>Total</b>	<b>1,562</b>	<b>814,319</b>	<b>100.00</b>	<b>271,121</b>	<b>26.55</b>	<b>0.77</b>	<b>4.30</b>	<b>16.10</b>	<b>15.17</b>	<b>13.24</b>	<b>17.51</b>	<b>25.22</b>	<b>19.29</b>	<b>39.83</b>	<b>36.75</b>	<b>43.57</b>	--	<b>22.09</b>	<b>19.60</b>

Source: FFIEC File - 2020 Census; 1/1/2022 - 12/31/2023 Bank Data, 2022, 2023 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%