



PUBLIC DISCLOSURE

March 7, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Sterling Bank & Trust FSB
Charter Number: 708028

One Towne Square, Southfield MI 48076

Office of the Comptroller of the Currency

Northern Ohio Field Office
200 Public Square Suite 1610
Cleveland, OH 44114-2301

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 following table indicates the performance level of Sterling Bank and Trust, Federal Savings Bank (Sterling FSB or bank) with respect to the Lending, Investment, and Service Tests:

Performance Levels	Sterling Bank FSB Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
Needs to Improve			
Substantial Noncompliance			

* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- The Lending Test rating is weighted heavily on lending in the State of California. The bank’s overall lending activity, for the purposes of the lending test as defined in 12 C.F.R. § 25.22, in the state of California is good.
- The Investment Test rating is based on the adequate level of qualified CD investments in the State of California, where a majority of the bank’s operations are focused.
- The Service Test rating is based on the bank’s performance across all rating areas. The bank’s products and services do not vary in any way that inconveniences portions of the bank’s AAs, particularly in low- and moderate-income geographies. The bank provides an adequate level of CD services.

Lending in Assessment Area

A majority of the bank’s loans are in its AAs.

The bank originated and purchased 86.5 percent of its total loans inside the bank’s AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

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											
2018	2,081	87.0	311	13.00	2,392	1,263,484	92.10	108,698	7.9	1,372,182	
2019	1,545	84.1	293	15.9	1,838	919,399	89.5	107,962	10.5	1,027,360	
2020	854	89.4	101	10.6	955	407,894	93.1	30,129	6.9	438,023	
Subtotal	4,480	86.4	705	13.6	5,185	2,590,777	91.3	246,789	8.7	2,837,566	
Small Business											
2018	17	94.4	1	5.6	18	8,224	90.0	915	10.0	9,139	
2019	8	100.0	0	0.0	8	3,854	100.0	0	0.0	3,854	
Subtotal	25	96.2	1	3.8	26	12,078	93.0	915	7.0	12,993	
Total	4,505	86.5	706	5	5,211	2,602,855	91.3	247,704	8.7	2,850,559	

Inside/Outside

A majority of both the number and dollar amount of Sterling FSB's loans that were originated or purchased during the evaluation period were within the bank's AA. This is considered good, considering the markets the bank is operating in and its business strategy. These calculations were performed on a bank-wide basis. This level of lending within the bank's AAs was considered a positive factor when drawing conclusions relative to the bank's overall lending performance and geographic distribution of loans.

Description of Institution

Sterling Bank and Trust, FSB is a federally chartered savings and loan association. Sterling FSB's corporate headquarters is in Southfield, Michigan, which also includes a small branch to accommodate existing customers and employees. The bank's main retail presence is in California with the majority of branches located in Northern California, where it operates 20 branches, and Southern California, where an additional six branches are located. All six branches in Southern California are cashless branches but provide full service. The bank is a wholly owned subsidiary of Sterling Bancorp, Inc, which is also headquartered in Southfield, Michigan and it has one inactive subsidiary, Sterling Credit Corporation. As of December 31, 2020, the bank had approximately \$3.9 billion in total assets.

Since the last performance evaluation, Sterling FSB had expanded operations to Washington with one branch, New York with two branches and added two branches in Southern California as shown below. As of December 31, 2020, the bank had a total of 30 full-service branches and 17 automated teller machines (ATMs).

Sterling FSB offers residential and commercial loan products, as well as retail and business banking services. However, the bank's primary lending focus is home mortgage loans, and specifically home purchase and home refinance loans. As of December 31, 2021, total loans represented 72 percent of total assets. The loan portfolio consists of 83 percent closed end residential real estate, 5.4 percent multifamily residential properties, 5.36 percent residential and other construction, 5.33 percent commercial real estate, and less than one percent in open-end residential real estate and other loans. As of December 31, 2021, the bank reported total deposits of \$2.3 billion and tier 1 capital of \$383 million.

Banking hours reflect the needs of the communities served by Sterling FSB. While branch hours have been reduced in-light of the COVID-19 pandemic, customers have been able to access all lobby activities, including transactions, safe deposit boxes, and personal communications with bankers. As restrictions lifted, the bank has returned to standard banking hours, 9:00 a.m. to 5:00 p.m. and will stay open until 6:00 p.m. on Fridays. There are 18 branches in the footprint that are typically open on Saturdays from 10:00 a.m. until 2:00 p.m. Management staffs its branches and customer service support line with dedicated employees representing the diversity of the communities they serve; this includes multi-lingual associates.

Sterling FSB's full range of deposit products includes consumer and business checking, savings, money market, certificates of deposit, and retirement accounts at all branches. Along with business and consumer loan products, the bank supports automated clearing house (ACH) transactions, wire transfers, remote deposit capture services, merchant services, and safe deposit boxes. On-site ATMs are available at 17 branches – 16 in the San Francisco Bay Area and one at the Michigan branch – and the bank's ATM network is accessible to all portions of its AAs. The bank provides free ATM service in the U.S., as it reimburses customers for fees incurred at other banks. Sterling FSB complements its traditional retail service delivery methods with telephone banking, online banking, mobile banking, and online bill payment; all are available to consumer and business customers. Customers can pay bills, transfer funds, view copies of checks, and access loan and deposit account balances 24 hours per day. With telephone banking, customers have access to a 24-hour toll-free number to make account inquiries, transfer money, and access account activity information.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated Sterling FSB's CRA performance using the Large Bank CRA procedures. The Large Bank CRA procedures include a lending test, investment test, and service test. The evaluation period spanned from January 1, 2018, to December 31, 2020.

In evaluating the bank's lending performance, we reviewed home mortgage loans reported under the Home Mortgage Disclosure Act (HMDA) and small loans to businesses reported under the CRA. CD loans were also reviewed. The bank made a limited number of small business loans, which resulted in the level of loans not being sufficient to provide a meaningful analysis, with the exception of the Michigan AA. No affiliate activity was included in this analysis and consumer loans and farms loans were not reviewed.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AA(s) within that state was selected for a full-scope review. For purposes of this performance evaluation, bank delineated AAs 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 section 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

Sterling FSB's overall rating is a blend of the California, Michigan, New York, and Washington state ratings. However, in developing our overall conclusions and ratings, we placed most weight on the bank's performance in California because a significant majority of the bank's deposits, reported loans, and qualified investments are from California.

The MMSA 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 C.F.R. § 25.28(c), 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 assessment area 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 for the purposes of this evaluation. This institution recently consented to the OCC's assessment of a civil money penalty related to misconduct involving the Advantage Loan Program. However, given the specific circumstances of this matter, the violations of law and regulation identified in that consent order, including the violations of 12 C.F.R. Part 1026, are not considered illegal credit practices for the purposes of 12 C.F.R. § 25.28(c). The bank suspended the Advantage Loan Program effective December 9, 2019, and later terminated the program.

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 California

CRA rating for the State of California: Satisfactory

The Lending Test, as defined in 12 C.F.R. § 25.22, is rated: High Satisfactory

The Investment Test, as defined in 12 C.F.R. § 25.23, is rated: Low Satisfactory

The Service Test, as defined in 12 C.F.R. § 25.24, is rated: High Satisfactory

The major factors that support this rating include:

- The bank's overall lending activity, for the purposes of CRA and based on the data contained in the tables listed in this section, in the state of California is good, including excellent geographic distribution and adequate borrower income distribution of loans. The bank's CD lending also provided a positive impact on the lending test rating.
- The bank's performance under the Investment Test in California represents an adequate level of qualified CD investments and grants.
- The bank provides a relatively high level of CD services, which are responsive to community needs.

Description of Institution's Operations in State of California

California is Sterling FSB's most significant rating area. The bank offers a full range of products, including home mortgage, commercial, home equity, and home equity lines of credit. The bank offers more complex products such as Tenants in Common loans and Single-Room Occupancy projects. During the evaluation period, the bank participated in the Homeowners Assistance Fund to aid in COVID-19 assistance. Deposit products include consumer and business checking, savings, money market, certificates of deposit, and retirement accounts. The bank offers online and mobile banking, including online bill pay. As of December 31, 2020, the bank operated a branch network of 20 offices with 16 ATMs in Northern California, which includes one office in the Santa Clara AA. The bank operated six branches in Southern California with no ATMs, which includes the one branch in the San Bernardino AA.

Sterling has two AAs that received full-scope reviews. The first AA is within the San Francisco-Oakland-Hayward, CA MSA (San Francisco AA) and the second is in the Los Angeles-Long Beach-Anaheim, CA

MSA (Los Angeles AA). According to the Federal Deposit Insurance Corporation (FDIC) deposit market share report as of June 30, 2020, the bank’s offices in the San Francisco AA had \$1.03 billion in deposits, ranking them 22nd out of 77 financial institutions with a 0.28 percent market share. The Los Angeles AA offices held \$755 million in deposits, ranking 48th out of 119 institutions with a 0.11 percent market share.

As of June 30, 2020, in total, branches in the California full scope AAs total 90.48 percent of total bank deposits. Sterling FSB holds 64.82 percent of total bank deposits in the San Francisco AA and 25.66 percent of total bank deposits in the Los Angeles AA.

The AAs have a highly competitive banking environment, with a mix of banks, credit unions, and other finance companies serving the market. Based on the June 30, 2020, FDIC Deposit Market Share report, 77 insured financial institutions with 1,375 offices serve the San Francisco AA. Sterling FSB is ranked 22nd in terms of deposit market share. Bank of America, Wells Fargo Bank, and Silicon Valley Bank are the top three in deposit market share, with 59.96 percent of the AA’s deposits. 2019 peer mortgage HMDA data shows that 723 lenders originated or purchased 174,353 home mortgage loans within the AA. Sterling ranked 61st, with 0.29 percent of the market. 2020 peer mortgage data shows that 793 lenders originated or purchased 297,739 home mortgage loans within the AA. Sterling FSB ranked 110, with 0.13 percent of the market. The top ten mortgage lenders in the AA had a combined 45.86 percent market share in 2020.

Based on the June 30, 2020, FDIC Deposit Market Share report, 119 insured financial institutions with 2,551 offices serve the Los Angeles AA. The data indicates that Sterling FSB is ranked 48th in terms of deposit market share. Bank of America, Wells Fargo Bank, and JPMorgan Chase Bank are the top three in deposit market share, with 45.10 percent of the AA’s deposits. 2019 peer mortgage HMDA data shows that 897 lenders originated or purchased 386,779 home mortgage loans within the AA. Sterling FSB ranked 116th, with 0.14 percent of the market. 2020 peer mortgage data shows that 920 lenders originated or purchased 670,866 home mortgage loans within the AA. The bank ranked 242nd, with 0.04 percent of the market. The top ten mortgage lenders in the AA had a combined 39.75 percent market share in 2020.

During the evaluation period, the bank made 5,211 total loans. Approximately 3,859 or 74.1 percent of these loans by count were within the California AAs, and 80.7 percent by dollar volume. In addition, a limited scope review was completed of performance in the San Jose-Sunnyvale-Santa Clara, CA MSA (Santa Clara AA) and the Riverside-San Bernardino-Ontario, CA MSA (San Bernardino AA).

San Francisco AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: San Francisco AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	980	11.8	21.2	30.6	34.6	1.7
Population by Geography	4,528,894	11.2	21.6	33.1	33.6	0.5
Housing Units by Geography	1,763,363	11.1	20.8	32.5	35.1	0.6
Owner-Occupied Units by Geography	890,161	4.6	16.9	34.5	43.9	0.1
Occupied Rental Units by Geography	770,060	17.9	25.1	30.5	25.4	1.0
Vacant Units by Geography	103,142	16.1	21.5	30.1	31.2	1.2
Businesses by Geography	430,527	11.4	17.0	29.1	41.7	0.8

Farms by Geography	5,913	7.8	18.1	33.4	40.5	0.3
Family Distribution by Income Level	1,046,725	24.4	16.0	18.1	41.5	0.0
Household Distribution by Income Level	1,660,221	26.3	14.7	16.1	42.9	0.0
Median Family Income MSA - 36084 Oakland-Berkeley-Livermore, CA	\$93,822	Median Housing Value			\$648,815	
Median Family Income MSA - 41884 San Francisco-San Mateo-Redwood City, CA	\$103,742	Median Gross Rent			\$1,526	
Median Family Income MSA - 42034 San Rafael, CA	\$121,130	Families Below Poverty Level			7.4%	
<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>						

Los Angeles AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Los Angeles AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2,929	9.1	28.0	25.9	35.1	1.8
Population by Geography	13,154,457	8.6	28.9	26.9	35.0	0.6
Housing Units by Geography	4,541,360	7.5	25.8	26.2	40.1	0.4
Owner-Occupied Units by Geography	2,082,030	2.7	17.6	27.5	52.2	0.1
Occupied Rental Units by Geography	2,190,392	12.0	33.7	25.1	28.4	0.7
Vacant Units by Geography	268,938	8.0	24.6	24.4	42.2	0.8
Businesses by Geography	1,270,483	4.8	19.1	24.8	49.3	1.9
Farms by Geography	12,567	3.7	18.8	27.3	49.3	0.9
Family Distribution by Income Level	2,913,538	24.4	16.3	17.0	42.3	0.0
Household Distribution by Income Level	4,272,422	25.6	15.5	16.1	42.8	0.0
Median Family Income MSA - 11244 Anaheim-Santa Ana-Irvine, CA	\$86,003	Median Housing Value			\$515,607	
Median Family Income MSA - 31084 Los Angeles-Long Beach-Glendale, CA	\$62,703	Median Gross Rent			\$1,353	
		Families Below Poverty Level			13.0%	
<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 State of California

Based on the total number of reported loans, excluding CD loans, home mortgage loans represented 98 percent of Sterling FSB’s loan originations/purchases during the evaluation period.

For the lending test, we evaluated the bank’s performance, using the data contained in the tables listed in this section, based on home purchase and home refinance lending (i.e. home mortgage lending) and

community development lending. The home mortgage loans used in the lending test were reported by the bank under the HMDA. The evaluation period for the lending test is January 1, 2018, through December 31, 2020. We will also place more weight on the bank’s performance within the San Francisco AA, as this is where the bank has the largest presence as well as lending and deposit volume. The bank has also been primarily focused on the San Francisco AA for the entire evaluation period.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE STATE OF CALIFORNIA

LENDING TEST

Sterling FSB’s performance under the Lending Test, as defined in 12 C.F.R. § 25.22 and using the data contained in the tables listed in this section, in California is rated High Satisfactory.

Based on a full-scope review, the bank’s performance under the Lending Test in the Los Angeles and San Francisco AAs is good.

Lending Activity

Number of Loans*					
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total
Los Angeles AA	1,474	3	0	10	1,487
San Bernardino AA	595	0	0	0	595
San Francisco AA	1,561	18	0	22	1,601
Santa Clara AA	208	0	0	0	208
Total	3,838	21	0	31	3,890

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*					
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total
Los Angeles AA	\$970,467	\$1,622	0	\$16,976	\$988,885
San Bernardino	\$201,277	0	0	0	\$201,377
San Francisco AA	\$958,094	\$7,749	0	\$57,618	\$1,023,361
Santa Clara AA	\$159,970	0	0	0	\$159,970
Total	\$2,289,907	\$10,200	0	\$74,414	\$2,373,693

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Lending levels in the state of California AAs reflects adequate responsiveness to AA credit needs.

Los Angeles AA

During the evaluation period, Sterling FSB originated 1,474 home loans totaling approximately \$970.5 million and three small loans to businesses totaling \$1.6 million in the Los Angeles AA. From the June 30, 2020, FDIC Market Share report, the bank is ranked 49 out of 119 institutions in the AA with a deposit market share of 0.11 percent. Aggregate home mortgage data for 2020 indicates the bank's 0.04 percent market share ranked 242nd out of 920 lenders that reported home mortgage loans.

San Francisco AA

In the San Francisco AA Sterling originated 1,561 home mortgage loans totaling approximately \$958.0 million and 18 small loans to businesses during the evaluation period. From the June 30, 2020, FDIC Market Share report, the bank is ranked 22 out of 77 institutions in the AA with a deposit market share of 0.28 percent. Aggregate home mortgage data for 2020 indicates the bank's 0.13 percent market share ranked 110th out of 793 lenders that reported home mortgage loans.

Distribution of Loans by Income Level of the Geography

Sterling FSB exhibits an excellent geographic distribution of loans in its AA(s).

Home Mortgage Loans

Refer to Table O in the state of California 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.

Los Angeles AA

Sterling FSB's distribution of home mortgage loans among geographies of different income levels in the Los Angeles AA, during the evaluation period is excellent. The bank's percentage of home mortgage loans among geographies of low-income CTs in the AA was 3.2 percent. This is above the 2.7 percent of the AAs owner-occupied housing units in the low-income CTs and the 2.2 percent of aggregate bank lending. The bank's percentage of home mortgage loans among moderate-income CTs in the AA was 16.8 percent. This is near the 17.6 percent of the AAs owner-occupied housing units in moderate-income CTs and above the 14.5 percent of aggregate bank lending.

San Francisco AA

The bank's distribution of home mortgage loans among geographies of different income levels in the San Francisco AA, during the evaluation period is excellent. The bank's percentage of home mortgage loans among geographies of low-income CTs in the AA was 7.9 percent. This is above the 4.6 percent of the AAs owner-occupied housing units in the low-income CTs and the 3.9 percent of aggregate bank lending. The bank's percentage of home mortgage loans among moderate-income CTs in the AA was 23.2 percent. This is above the 16.9 percent of the AAs owner-occupied housing units in moderate-income CTs and the 15.6 percent of aggregate bank lending.

Lending Gap Analysis

We reviewed summary reports and maps and analyzed Sterling FSB's home mortgage lending in the San Francisco and Los Angeles AAs over the evaluation period to identify any gaps in the geographic distribution of loan activity. We did not identify any unexplained, conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

Sterling FSB exhibits an adequate distribution of loans among individuals of different income levels and business of different sizes.

Home Mortgage Loans

Refer to Table P in the state of California section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's home mortgage loan originations and purchases.

Los Angeles AA

Sterling FSB's distribution of home mortgage loans to borrowers of different income levels during the evaluation period in the Los Angeles AA is poor. The bank's percentage of home mortgage loans to low-income borrowers was 0.5 percent. This is significantly below the 24.4 percent of low-income families living in the AA but near the 2.4 percent aggregate bank lending. The bank's percentage of home mortgage loans to moderate-income borrowers of 3.3 percent was well below the 16.3 percent of moderate-income families living in the AA, and below the 7.2 aggregate bank lending.

San Francisco AA

The bank's distribution of home mortgage loans to borrowers of different income levels during the evaluation period in the San Francisco AA is adequate. The bank's percentage of home mortgage loans to low-income borrowers was 2.6 percent. This is significantly below the 24.4 percent of low-income families living in the AA but near to the 4.0 percent aggregate bank lending. The bank's percentage of home mortgage loans to moderate-income borrowers of 10.1 percent was below the 16.0 percent of moderate-income families living in the AA, and the 12.6 aggregate bank lending.

Community Development Lending

Sterling FSB has made a relatively high-level of CD loans which had a positive impact on its overall lending performance in the AA.

Los Angeles AA

The bank's CD lending performance in the Los Angeles AA had a positive impact. The bank originated ten qualifying CD loans within the AA during the evaluation period, totaling approximately \$21.9 million. The CD loans were made by the bank for multi-family rental units with rents affordable to low- and moderate-income individuals.

San Francisco AA

Sterling’s CD lending in the San Francisco AA had a positive impact. The bank originated 22 qualifying CD loans in the San Francisco AA totaling approximately \$60.6 million. The CD loans were made by the bank for multi-family rental units with rents affordable to low- and moderate-income individuals.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the bank’s level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Product Innovation and Flexibility

Sterling FSB makes little use of innovative and/or flexible lending practices in order to serve AA credit needs.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank’s performance under the Lending Test in the San Bernardino AA and Santa Clara AA is consistent with the bank’s overall performance under the Lending Test in the full-scope reviews.

INVESTMENT TEST

Sterling FSB’s performance under the Investment Test, as defined in 12 C.F.R. § 25.23 and using the data contained in the tables listed in this section, in California is rated Low Satisfactory.

Based on full-scope reviews, the bank’s performance under the Investment Test in the Los Angeles and San Francisco AAs is adequate. The bank has an adequate level of qualified CD investments and grants, particularly those that are not routinely provided by private investors, although rarely in a leadership position. The bank exhibits adequate responsiveness to credit and community economic development needs. The bank makes occasional use of innovative and/or complex investments to support CD initiatives.

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)
Full Scope										
San Francisco AA	0	0	65	7,696	65	54.17	7,696	55.53	0	0
Los Angeles AA	0	0	51	4,783	51	42.50	4,783	34.51	0	0
Limited Scope										
Santa Clara AA	0	0	3	1,210	3	2.50	1,210	8.73	0	0
San Bernardino AA	0	0	1	171	1	0.83	171	1.23	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.

Los Angeles AA

Sterling FSB's performance in the AA is poor, which is based on the level of investment made and responsiveness to the CD needs of the AA. During the evaluation period, the bank made qualifying CD investments in the Los Angeles AA totaling approximately \$4.8 million, which represents 1.26 percent of tier 1 capital. The investments focused on community services, revitalization/stabilization, and affordable housing. The investments included \$2.4 million in deposits at minority and women-owned institutions, and \$2.1 million in mortgage-backed securities which provided mortgage loans to low- and moderate-income families within the AA. In addition, the institution made 31 separate donations to 20 different organizations totaling \$131,760. The mortgage-backed securities investments demonstrated complexity in their ability to target specific low- and moderate-income housing projects in the AA.

San Francisco AA

Sterling FSB's CD investment performance in the San Francisco AA is adequate, based on the level of investments made and meeting the CD needs of the AA. During the evaluation period, the bank made approximately \$7.7 million in qualifying CD investments in the AA, which equated to 2.03 percent of the bank's allocated tier 1 capital. The investments primarily focused on community services, affordable housing, and economic development. The qualified investments included 48 separate donations totaling \$235,250 to organizations providing social services, economic development, and affordable housing within the AA, and 12 mortgage-backed securities totaling approximately \$7.4 million to help provide affordable housing. These investments demonstrated complexity in their ability to target specific low- and moderate-income housing projects in the AA.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Santa Clara AA and San Bernardino AA is weaker than the bank's overall performance under the Investment Test in the full-scope area(s). During the evaluation period, the bank made three qualified investments in the Santa Clara AA totaling approximately \$1.2 million, or 0.32 percent of tier 1 capital. The bank made one qualified investment in the San Bernardino AA totaling approximately \$171,100, or 0.05 percent of tier 1 capital.

SERVICE TEST

Sterling FSB's performance under the Service Test, as defined in 12 C.F.R. § 25.24 and using the data contained in the tables listed in this section, in the state of California is rated High Satisfactory.

Based on a full-scope review, the bank's performance under the Service Test in the Los Angeles and San Francisco AAs is good.

Retail Banking Services

Service delivery systems are accessible to geographies and individuals of different income levels in the bank's AAs.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
San Francisco AA	100	20	100	10.0	20.0	35.0	35.0	10.7	21.5	34.0	33.4
Los Angeles AA	100	6	100	0.0	17.0	50.0	33.0	6.9	28.0	29.0	0.5

Los Angeles AA

The bank’s distribution of branch offices in the Los Angeles AA is adequate. Branches are accessible to essentially all portions of the bank’s AAs. The bank operates six branches within the AA, with one opened during the evaluation period. While the bank does not have any offices located in low-income CTs, it has one branch in a moderate-income CT. Of the other five branch offices, two are located in a middle-income CT and three are located in upper-income CTs. Branch office hours and the level of service available do not vary in ways that inconvenience any portions of the bank’s AA, including low- and moderate-income CTs and individuals.

The bank’s opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate income CTs and/or individuals. There were two branch openings during the evaluation period, one in a middle-income CT and one in an upper-income CT. The bank did not close any branches in the bank’s AA.

San Francisco AA

Sterling FSB’s distribution of branch offices in the San Francisco AA is good. Branches are accessible to essentially all portions of the bank’s AAs. As of December 31, 2020, the bank operated 20 offices in the AA, including two in low-income CTs and four in moderate-income CTs. During the evaluation period, the bank did not open or close any branches in the AA. Branch office hours and the level of services available do not vary in ways that inconvenience any portions of the bank’s AA, including low- and moderate-income CTs and individuals.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
San Francisco AA	0	0	0	0	0	0
Los Angeles AA	1	0	0	0	1	0

San Francisco AA

The banks full range of deposit products includes consumer and business checking, savings, money market, certificates of deposit, and retirement accounts at all branches. Along with business and consumer loan products. Sterling supports ACH transactions, wire transfers, remote deposit capture services, merchant services, and safe deposit boxes. On-site ATMs are available at 16 branches in the San Francisco AA. Sterling FSB’s ATM network is accessible to all portions of its AAs. The bank provides free ATM services in the United States. The bank complements its traditional retail service delivery methods with telephone banking, online banking, mobile banking, and online bill payment, which are all available to consumer and business customers. With telephone banking, customers have access to a 24-hour toll-free number to make account inquiries, transfer money, and access account activity.

Community Development Services

Sterling FSB provides a relatively high level of CD services within California.

San Francisco AA

San Francisco is the bank’s primary market and the bank’s CD services performance in the AA is good. During the evaluation period, the bank’s officers and staff participated in 189 qualifying events. The following are examples of the qualifying CD services provided:

- A bank officer serves on a foundation that supports low- and moderate-income individuals/families in homeownership and financial education.
- Several bank employees participated in multiple first time Chinese Homebuyer’s Fairs. Employees discussed how to save money and establish credit and down payment assistance to first time low- and moderate-income homebuyers.

- Several employees participated in the San Francisco Home Ownership Expo. They discussed and provided information on affordable housing options, first time homebuyer programs, down payment assistance, and Below Market Rate Home Ownership Program.
- Six employees volunteered to teach financial literacy to 20 students from an elementary school located in a low- and moderate-income community of San Francisco (basics of banking to investments).

Los Angeles AA

Sterling FSB's CD services performance in the Los Angeles AA is good. During the evaluation period, the bank's officers and staff participated in over 70 qualifying events. The following are examples of the qualifying CD services provided:

- A bank officer led a Tenant In Common (TIC) Conversion Workshop. He presented information on the TIC conversion and financing process as a practical option for first time homebuyers to purchase a home in the AA, a market with little affordable inventory for first time homebuyers.
- A bank officer presented five financial courses on budgeting, credit, investing, spending, and managing debt for low- and moderate-income students.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the service test in the Santa Clara and San Bernardino AAs is weaker than the bank's overall Satisfactory performance under the service test in California. The bank's branches are not located near low- or moderate-income CTs, and the bank had no qualifying CD activities in these AAs during the evaluation period.

State Rating

State of Michigan

CRA rating for the State of Michigan: Satisfactory

The Lending Test, as defined in 12 C.F.R. § 25.22, is rated: High Satisfactory

The Investment Test, as defined in 12 C.F.R. § 25.23, is rated: Needs to Improve

The Service Test, as defined in 12 C.F.R. § 25.24, is rated: Low Satisfactory

The major factors that support this rating include:

- The bank's overall lending activity, for the purposes of CRA and based on the data contained in the tables listed in this section, in the state of Michigan is good, including geographic distribution of home mortgage loans and distribution of home mortgage loans by income level of borrower.
- The bank made a poor level of qualified CD investments.
- The bank's level of CD services is adequate.

Description of Institution's Operations in Michigan

Sterling FSB offers a full range of products, including home mortgage, commercial, home equity, and home equity lines of credit. Deposit products include consumer and business checking, savings, money market, certificates of deposit, and retirement accounts. The bank offers online and mobile banking, including online bill pay. As of December 31, 2020, the bank operated one branch in Michigan with one ATM.

The bank has one AA that received a full-scope review. The AA is within the Detroit-Warren-Dearborn, MI MSA (Oakland County AA). According to the FDIC deposit market share report as of June 30, 2020, the bank's offices in the Oakland County AA had \$177 million in deposits, ranking them 18th out of 29 financial institutions with a 0.22 percent market share. As of June 30, 2020, in total, branches in the Michigan full scope AA total 6.02 percent of total bank deposits.

The AA has a moderately competitive banking environment serving the market. Based on the June 30, 2020, FDIC Deposit Market Share report, 29 insured financial institutions with 328 offices serve the Oakland County AA. Bank of America, Flagstar Bank, and JPMorgan Chase Bank are the top three in deposit market share, with 52.83 percent of the AA's deposits. 2019 aggregate mortgage HMDA data shows that 503 lenders originated or purchased 58,388 home mortgage loans within the AA. Sterling FSB ranked 145th, with 0.05 percent of the market. 2020 peer mortgage data shows that 559 lenders originated or purchased 92,558 home mortgage loans within the AA. The bank ranked 134th, with 0.06 percent of the market. The top ten mortgage lenders in the AA had a combined 48.58 percent market share in 2020.

During the evaluation period, the bank made 5,211 total loans. Approximately 120 or 2.3 percent of these loans by count were within the Michigan AA, and 0.8 percent by dollar volume.

Oakland County AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Michigan AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	338	6.8	16.3	33.4	43.2	0.3
Population by Geography	1,229,503	6.2	15.3	33.5	45.0	0.0
Housing Units by Geography	531,609	7.1	17.0	34.4	41.4	0.0
Owner-Occupied Units by Geography	347,701	3.1	12.2	34.7	50.0	0.0
Occupied Rental Units by Geography	145,788	14.8	27.2	34.2	23.9	0.0
Vacant Units by Geography	38,120	14.9	21.9	33.1	30.1	0.0
Businesses by Geography	129,793	5.1	16.7	27.6	50.6	0.0
Farms by Geography	2,495	4.7	14.8	38.2	42.3	0.0
Family Distribution by Income Level	322,233	18.5	15.1	18.8	47.5	0.0
Household Distribution by Income Level	493,489	21.7	15.0	17.1	46.2	0.0
Median Family Income MSA – 47664 Warren-Troy-Farmington Hills, MI		\$76,739	Median Housing Value			\$184,495
			Median Gross Rent			\$974
			Families Below Poverty Level			7.4%

Source: 2015 ACS Census and 2020 D&B data
 Due to rounding, totals may not equal 100.0%
 (*) The NA category consists of geographies that have not been assigned an income classification.

Scope of Evaluation in Michigan

Oakland County is Sterling FSB’s only AA in the state of Michigan and received a full-scope review. The bank’s presence in the state is very limited, with approximately four percent of the bank’s total deposits and less than one percent (by number) of its total home mortgage loans origination or purchased during the evaluation period.

Michigan’s ratings are based on conclusions, using the data contained in the tables listed in this section, reached for performance in the Oakland County AA. In drawing conclusions relative to the bank’s performance, we took into consideration the bank’s business plan, deposit profile, demographic data, and information obtained from one community contact. Based on the bank’s limited presence and operations in the state of Michigan, we placed limited weight on the bank’s performance in the state of Michigan in determining the overall CRA rating.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MICHIGAN

LENDING TEST

Sterling FSB’s performance under the Lending Test, as defined in 12 C.F.R. § 25.22 and using the data contained in the tables listed in this section, in Michigan is rated High Satisfactory

Conclusions for Michigan AA Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance under the Lending Test in the Michigan AA is good.

Based on a full scope review, the bank’s performance under the Lending Test in the Oakland County AA is good. The bank’s distribution of home mortgage loans among CTs of different income levels and distribution of home mortgage loans to borrowers of different income levels in the Michigan AA, during the evaluation period is excellent. The institution exhibits good responsiveness to credit and community economic development needs.

Lending Activity

Lending levels reflect adequate responsiveness to AA credit needs.

Table Z: Lending Activity							2018-2020	
Number of Loans *								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits

Michigan AA	116	4	0	--	--	120	100.0	
TOTAL	116	4	0	--	--	120	100.0	
Dollar Volume of Loans *								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits
Michigan AA	22,288	1,878	0	--	--	24,166	100.0	
TOTAL	22,288	1,878	0	--	--	24,166	100.0	
Source: Bank data; "--" data not available. Due to rounding, totals may not equal 100.0%								

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Lending levels in the Michigan AA reflects adequate responsiveness to the AA credit needs. During the evaluation period, Sterling FSB originated 116 home loans totaling \$22.3 million and four small business loans totaling \$1.9 million. From the June 30, 2020, FDIC Market Share report, the bank is ranked 18th out of 29 institutions in the AA with a deposit market share of 0.22 percent. Aggregate home mortgage data for 2020 indicates the bank's 0.06 percent market share ranked 134th out of 559 lenders that reported home mortgage loans.

Distribution of Loans by Income Level of the Geography

Sterling FSB exhibits an excellent geographic distribution of loans in its AA.

Home Mortgage Loans

Refer to Table O in the state of Michigan 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.

In determining our ratings, we weighed demographic factors of the AA that could affect the bank's ability to lend. These factors include the bank's lending activity, competition from larger institutions, the number of low- and moderate-income CTs, branch presence, area demographics, and the location of the majority of owner-occupied housing. We also considered the bank's rank in market share with low- and moderate-income CTs.

Home Mortgage Loans

Sterling FSB's distribution of home mortgage loans among geographies of different income levels in the Michigan AA, during evaluation period is excellent. The bank's percentage of home mortgage loans among low-income CTs in the AA was 3.4 percent. This is above both the 3.1 percent of the AAs owner-occupied housing units in the low-income CTs and 1.1 percent aggregate bank lending. The bank's percentage of home mortgage loans among moderate-income CTs in the AA was 36.2 percent. This is significantly above the 12.2 percent of the AAs owner-occupied housing units in moderate-income CTs and significantly above the 9.6 percent aggregate bank lending.

Small Loans to Businesses

Refer to Table Q in the state of Michigan 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.

The bank's distribution of small loans to businesses among CTs of different income levels in the Michigan AA during the evaluation period is good. The bank's percentage of small loans to businesses among low-income CTs was 25.0 percent. This is significantly above both the 5.1 percent of businesses in the low-income CTs and 5.2 percent aggregate bank lending. The bank; however, did not make any loans in moderate-income CTs.

Distribution of Loans by Income Level of the Borrower

Sterling FSB exhibits an excellent distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

In evaluating the borrower distribution of home mortgage loans, we considered the level of competition and its effect on limiting Sterling's ability to lend to borrowers of different incomes, as well as the economic conditions in the AA. We also considered the percentage of families that live below the poverty level, and barriers this creates for these families to qualify for home mortgage financing.

Home Mortgage Loans

Refer to Table P in the state of Michigan 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.

The bank's distribution of home mortgage loans to borrowers of different income levels during the evaluation period in the Michigan AA is excellent. The bank's percentage of home mortgage loans to low-income borrowers was 28.4 percent. This is significantly above the 18.5 percent of low-income families living in the AA and the 6.0 percent aggregate bank lending. The bank's percentage of home mortgage loans to moderate-income borrowers is also excellent with 40.5 percent. It is significantly above the 15.1 percent of moderate-income families living in the AA, and the 16.1 percent aggregate bank lending.

Small Loans to Businesses

Refer to Table R in the state of Michigan 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.

Sterling FSB's distribution of small loans to businesses of different sizes in the Michigan AA during the evaluation period is good. The bank's percentage of small loans to businesses with revenues less than \$1 million was 75.0 percent. This is below the 86.4 percent of businesses with revenues less than \$1 million in the AA, but significantly higher than the 40.3 percent of aggregate bank lending.

Lending Gap Analysis

We reviewed summary reports and maps and analyzed Sterling FSB's home mortgage lending over the evaluation period to identify any gaps in the geographic distribution of loan activity. We did not identify any unexplained, conspicuous gaps.

Community Development Lending

During the evaluation period, Sterling FSB made a low level of CD loans which had a neutral impact on its overall lending performance in the AA. The bank originated one qualifying CD loan totaling \$1.2 million. The loan was for an organization to rehabilitate small business office space and help revitalization of an area in a low- and moderate-income CT.

Product Innovation and Flexibility

Sterling FSB makes little use of innovative and/or flexible lending practices in order to serve AA credit needs.

INVESTMENT TEST

Sterling FSB’s performance under the Investment Test, as defined in 12 C.F.R. § 25.23 and using the data contained in the tables listed in this section, in Michigan is rated Needs to Improve.

Conclusions for Michigan AA Receiving a Full-Scope Review

Based on a full scope review the bank’s performance under the Investment Test in the Oakland County AA is poor. The bank has a poor level of qualified CD investments and grants, particularly those that are not routinely provided by private investors.

The bank exhibits poor responsiveness to credit and community economic development needs. The institution makes rare use of innovative or complex 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)
Full Scope										
Oakland County AA	0	0	13	885	13	100.0	885	100.0	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.

Sterling FSB’s responsiveness to the AA’s CD needs was poor given the bank’s limited presence within the AA. During the evaluation period, the bank made qualifying CD investments in the Oakland County AA totaling \$885,494, which represented 0.23 percent of the bank’s tier 1 capital as of December 31, 2020. Investments were focused largely on affordable housing. The investments included \$853,544 in mortgage-backed securities, which provided mortgage loans to low- and moderate-income borrowers. In addition, the bank made nine separate donations to five different organizations totaling \$31,950. Donations were focused on community services and affordable housing. Donations increased during the 2020 onset of the COVID-19 pandemic proportionally to the bank’s increase in capital. None of the investments demonstrated innovation or complexity.

SERVICE TEST

Sterling FSB’s performance under the Service Test, as defined in 12 C.F.R. § 25.24 and using the data contained in the tables listed in this section, in Michigan is rated Low Satisfactory.

Conclusions for Michigan AA Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance under the Service Test in the Michigan AA is adequate.

Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the bank’s AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Oakland County AA	100	1	100	0	1	0	0	6.2	15.3	33.5	45.0

The bank operates one branch which is located in a moderate-income CT and has a deposit taking ATM onsite. The bank did not open or close any branches with the AA during the evaluation period. The branch is located in a multi-tenant office building which features ample free parking. However, the location experiences limited public traffic. The branch offers full services at this location. Branch office hours and the level of services do not vary in ways that would unduly inconvenience any portions of the bank’s AA, including low- and moderate-income CTs or individuals.

The bank offers alternative delivery systems including online and mobile banking platforms. The bank’s free mobile banking and online banking services offer features including online bill pay, remote deposit, funds transfer, and electronic statements. These delivery systems did not impact our conclusions regarding the accessibility of the bank’s delivery systems, as information was not available to determine the impact on serving the low- and moderate-income segments of the community.

Distribution of Branch Openings/Closings						
Assessment Area	Branch Openings/Closings					
	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Oakland County AA	0	0	0	0	0	0

Community Development Services

Sterling FSB provides an adequate level of CD services.

Given the bank's limited presence in, and focus on, the Oakland County AA, the bank provides an adequate level of CD services to the AA. Bank personnel provide financial and technical expertise to organizations involved in affordable housing and financial literacy. During the evaluation period, the bank's officers and staff participated in 43 qualifying events. The following are examples of these services:

- Senior Managers served on the planning committee for the 2020 Annual Show Me the Money Day (SMTMD). The committee worked to plan a financial education workshop for low- and moderate-income youths and senior residents of Pontiac. SMTMD is a free event featuring free and low-cost financial products, community resources, financial workshops, and fun. Community Economic Development Association of Michigan (CEDAM) members host events annually across Michigan from January to June to kick off tax season and promote opportunities to increase income, save, and build assets.
- Employee represents the bank as a member of an organization to plan and discuss opportunities to provide financial education and other assistance to low- and moderate-income individuals and CTs.
- Employees participate in Junior Achievement at schools where a majority of students are low- and moderate-income, allowing Junior Achievement to help teach elementary and middle-school aged children financial literacy and personal financial responsibility.

State Rating

State of New York

CRA rating for the State of New York: Satisfactory

The Lending Test, as defined in 12 C.F.R. § 25.22, is rated: Low Satisfactory

The Investment Test, as defined in 12 C.F.R. § 25.23, is rated: Needs to Improve

The Service Test, as defined in 12 C.F.R. § 25.24, is rated: Low Satisfactory

The major factors that support this rating include:

- The bank's overall lending activity, for the purposes of CRA and based on the data contained in the tables listed in this section, in the state of New York is adequate, including geographic distribution of home mortgage loans.
- The bank made a poor level of qualified CD investments.
- The bank provides an adequate level of CD services.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW YORK

LENDING TEST

Sterling FSB's performance under the Lending Test, as defined in 12 C.F.R. § 25.22 and using the data contained in the tables listed in this section, in New York is rated Low Satisfactory.

Conclusions for New York Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance under the Lending Test in the AA is adequate.

Based on a full scope review, the bank's performance under the Lending Test in the New York AA is adequate. The bank's distribution of home mortgage loans among CTs of different income levels in the New York AA, during the evaluation period is excellent. The bank's distribution of home mortgage loans to borrowers of different income levels during evaluation period in the New York AA is adequate. The bank's qualified CD loan performance has a neutral impact in the AA. The bank exhibits adequate responsiveness to credit and community economic development needs.

Lending Activity

Lending levels reflect adequate responsiveness to AA credit needs.

Table Z: Lending Activity							2018-2020	
Number of Loans *								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits
New York AA	462	0	0	--	--	462	100.0	
TOTAL	462	0	0	--	--	462	100.0	
Dollar Volume of Loans *								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits
New York AA	249,125	0	0	--	--	249,125	100.0	
TOTAL	249,125	0	0	--	--	249,125	100.0	

Source: Bank Data; "--" data not available.
Due to rounding, totals may not equal 100.0%

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Lending levels in the New York AA reflects adequate responsiveness to AA credit needs. During the evaluation period, Sterling FSB originated 462 home loans totaling \$249.1 million. Aggregate home mortgage data for 2020 indicates the bank's 0.02 percent market share ranked 191st out of 396 lenders that reported home mortgage loans. According to the June 30, 2020, FDIC deposit market share report, Sterling FSB ranked 61st of 71 depository institutions in the New York AA, with a market share of 0.02 percent.

Distribution of Loans by Income Level of the Geography

Sterling FSB exhibits an excellent geographic distribution of loans in the AA.

Home Mortgage Loans

Refer to Table O 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.

In determining our ratings, we weighed demographic factors of the AA that could affect the bank's ability to lend. These factors include the bank's lending activity, competition from larger institutions, the number of low- and moderate-income CTs, branch presence, area demographics, and the location of the majority of owner-occupied housing. We also considered the bank's rank in market share within low- and moderate-income CTs.

Home Mortgage Loans

The bank's distribution of home mortgage loans among CTs of different income levels in the New York AA, during the evaluation period is excellent. The bank's percentage of home mortgage loans among low-income CTs in the AA was 7.8 percent. This is significantly above both the 2.3 percent of the AAs owner-occupied housing units in the low-income CTs and the 2.8 percent aggregate bank lending. The bank's percentage of home mortgage loans among moderate-income CTs in the AA was 20.8 percent. This is above the 15.6 percent of the AAs owner-occupied housing units in moderate-income CTs and the 14.0 percent of aggregate bank lending.

Lending Gap Analysis

We reviewed summary reports and maps and analyzed Sterling FSB's home mortgage lending over the evaluation period to identify any gaps in the geographic distribution of loan activity. We did not identify any unexplained, conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

Sterling FSB exhibits an adequate distribution of loans among individuals of different income levels given the product lines offered by the institution.

In evaluating the borrower distribution of home mortgage loans, we considered the level of competition and its effect on limiting Sterling's ability to lend to borrowers of different incomes, as well as the economic conditions in the AA. We also considered the percentage of families that live below the poverty level, and barriers this creates for these families to qualify for home mortgage financing.

Home Mortgage Loans

Refer to Table P 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.

The bank's distribution of home mortgage loans to borrowers of different income levels during the evaluation period in the New York AA is poor. The bank's percentage of home mortgage loans to low-income borrowers was 0.2 percent. This is significantly below the 28.6 percent of low-income families living in the AA and lower than the 2.1 percent aggregate bank lending. The bank's percentage of home mortgage loans to moderate-income borrowers of 6.3 percent was lower than the 17.1 percent of moderate-income families living in the AA, and near the 10.7 percent aggregate bank lending.

Community Development Lending

During the evaluation period, Sterling FSB made a low level of CD loans which had a neutral impact on its overall lending performance within the New York AA. The bank originated four CD loans totaling approximately \$12.9 million. The loans were for organizations providing affordable housing to low- and moderate-income individuals.

Product Innovation and Flexibility

Sterling FSB makes little use of innovative and/or flexible lending practices in order to serve AA credit needs.

INVESTMENT TEST

Sterling FSB’s performance under the Investment Test, as defined in 12 C.F.R. § 25.23 and using the data contained in the tables listed in this section, in the New York AA is rated Needs to Improve.

Conclusions for Area Receiving a Full-Scope Review

Based on a full scope review the bank’s performance under the Investment Test in the New York AA is poor. During the evaluation period, the bank made qualifying CD investments in the New York AA totaling \$1.9 million, which represented 0.49 percent of the bank’s tier 1 capital as of December 31, 2020. Investments were focused largely on affordable housing and revitalization. The investments included \$1.6 million in mortgage-backed securities, which provided mortgage loans to low- and moderate-income borrowers, and \$240,000 in deposits with minority or women-owned institutions. In addition, the bank and foundation made eight separate donations to seven different organizations totaling \$40,750. Donations were focused on economic development and community services. Donations increased during the 2020 onset of the pandemic proportionally to the bank’s increase in capital. The mortgage-backed securities investments demonstrated complexity in their ability to target specific low- and moderate-income housing projects in the AA.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000’s)	#	\$(000’s)	#	% of Total #	\$(000’s)	% of Total \$	#	\$(000’s)
Full Scope										
New York AA	0	0	15	1,890	15	100.0	1,890	100.0	0	0

SERVICE TEST

Sterling FSB’s performance under the Service Test, as defined in 12 C.F.R. § 25.24 and using the data contained in the tables listed in this section, in the New York AA is rated Low Satisfactory.

Conclusions for New York AA Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance under the Service Test in the New York AA is adequate.

Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the bank’s AA.

Sterling FSB’s distribution of branch offices in the New York AA is adequate. Branches are reasonably accessible to geographies and individuals of different income levels in its AA. The bank operates two branches within the AA. The bank relocated the Queen’s branch (closed) to Flushing on September 20, 2018, and opened the Brooklyn branch on April 2, 2018. One branch is in a low-income CT and one branch is in a moderate-income CT. Branch office hours and the level of service available do not vary in ways that inconvenience any portions of the bank’s AA, including low- and moderate-income CTs and individuals.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
New York AA	100	2	100	50	50	0	0	8.7	28.6	40.5	22.0

Sterling FSB offers alternative delivery systems including online and mobile banking platforms. The bank’s free mobile banking and online banking services offer features including online bill pay, remote deposit, funds transfer, and electronic statements. These delivery systems did not impact our conclusions regarding the accessibility of the bank’s delivery systems, as information was not available to determine the impact on serving the low- and moderate-income segments of the community.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
			New York AA	2	1	1

The bank’s opening and closing of branches has generally not adversely affected accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.

Community Development Services

Sterling FSB provides an adequate level of CD services.

The bank provides an adequate level of CD services to the AA. Bank personnel provide financial and technical expertise to organizations involved in affordable housing and financial literacy. During the evaluation period, bank employees participated in 25 qualifying events. The following are examples of these services:

- Bank employee serves on the finance committee of an agency. The majority of the service population are Medicaid (serves individuals below the poverty line) public assistance recipients along with significant long-term health frailties.
- Bank employee provides financial expertise and professional skills to promote economic self-sufficiency and career advancement. This organization supports the Asian immigrant population.

State Rating

State of Washington

CRA rating for the State of Washington: Satisfactory

The Lending Test, as defined in 12 C.F.R. § 25.22, is rated: High Satisfactory

The Investment Test, as defined in 12 C.F.R. § 25.23, is rated: Needs to Improve

The Service Test, as defined in 12 C.F.R. § 25.24, is rated: Low Satisfactory

The major factors that support this rating include:

- The bank's overall lending activity, for the purposes of CRA and based on the data contained in the tables listed in this section, in the state of Washington is good, including good overall geographic distribution of home mortgage loans, and distribution of home mortgage loans by income level of borrowers.
- The bank made a poor level of qualified CD investments.
- The bank provides an adequate level of CD services.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WASHINGTON

LENDING TEST

Sterling FSB's performance under the Lending Test, as defined in 12 C.F.R. § 25.22 and using the data contained in the tables listed in this section, in Washington is rated High Satisfactory.

Conclusions for Washington Receiving a Full-Scope Review

The bank's performance under the Lending Test, as defined in 12 C.F.R. § 25.22 and using the data contained in the tables listed in this section, for Washington AA is rated High Satisfactory.

Based on a full scope review, the bank’s performance under the Lending Test in the Washington AA is good. The bank’s distribution of home mortgage loans among geographies of different income levels and distribution of home mortgage loans to borrowers of different income levels in the Washington AA, during the evaluation period is good. There were no CD loans in the AA.

Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Table Z: Lending Activity							2018-2020	
Number of Loans *								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits
Washington AA	64	0	0	--	--	64	100.0	
TOTAL	64	0	0	--	--	64	100.0	
Dollar Volume of Loans *								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits
Washington AA	29,457	0	0	--	--	29,457	100.0	
TOTAL	29,457	0	0	--	--	29,457	100.0	

*Source: Bank data; "--" data not available.
Due to rounding, totals may not equal 100.0%*

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Lending levels in the Washington AA reflects good responsiveness to the AA credit needs based on Sterling FSB’s overall lending volume in the AA. During the evaluation period, the bank originated 64 home loans totaling \$29.5 million. From the June 30, 2020, FDIC Market Share report, the bank is ranked 35th out of 44 institutions in the AA with a deposit market share of 0.05 percent. Aggregate home mortgage data for 2020 indicates the bank’s 0.02 percent market share ranked 249th out of 659 lenders that reported home mortgage loans.

Distribution of Loans by Income Level of the Geography

Sterling FSB exhibits an excellent geographic distribution of loans in its AA(s).

Home Mortgage Loans

Refer to Table O in the state of Washington 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.

In determining our ratings, we weighed demographic factors of the AA that could affect Sterling FSB's ability to lend. These factors include the bank's lending activity, competition from larger institutions, the number of low- and moderate-income CTs, branch presence, area demographics, and the location of the majority of owner-occupied housing. We also considered the bank's rank in market share within low- and moderate-income CTs.

Home Mortgage Loans

The bank's distribution of home mortgage loans among geographies of different income levels in the Washington AA, during the evaluation period is excellent. The bank's percentage of home mortgage loans among geographies of low-income CTs in the AA was 6.3 percent. This is above both the 2.7 percent of the AAs owner-occupied housing units in the low-income CTs geographies and 2.1 percent of aggregate bank lending. The bank's percentage of home mortgage loans among geographies of moderate-income CTs in the AA was 35.9 percent. This is significantly above both the 15.2 percent of the AAs owner-occupied housing units in moderate-income geographies and the 14.1 percent of aggregate bank lending.

Lending Gap Analysis

We reviewed summary reports and maps and analyzed Sterling FSB's home mortgage lending over the evaluation period to identify any gaps in the geographic distribution of loan activity. We did not identify any unexplained, conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

Sterling FSB exhibits an excellent distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the bank.

In evaluating the borrower distribution of home mortgage loans, we considered the level of competition and its effect on limiting the bank's ability to lend to borrowers of different incomes, as well as the economic conditions in the AA. We also considered the percentage of families that live below the poverty level, and barriers this creates for these families to qualify for home mortgage financing.

Home Mortgage Loans

Refer to Table P in the state of Washington 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.

The bank's distribution of home mortgage loans to borrowers of different income levels during the evaluation period in the Washington AA is excellent. The bank's percentage of home mortgage loans to low-income borrowers was 3.1 percent. This is significantly below the 21.0 percent of low-income families living in the AA and near the 4.0 percent aggregate bank lending. The bank's percentage of home mortgage loans to moderate-income borrowers is 32.8 percent. It is significantly above the 16.4 percent of moderate-income families living in the AA, and the 13.7 percent aggregate bank lending.

Community Development Lending

During the evaluation period, Sterling FSB did not make any CD loans in the Washington AA.

Product Innovation and Flexibility

Sterling FSB makes little use of innovative and/or flexible lending practices in order to serve AA credit needs.

INVESTMENT TEST

Sterling FSB’s performance under the Investment Test, as defined in 12 C.F.R. § 25.23 and using the data contained in the tables listed in this section, in the State of Washington is rated Needs to Improve.

Washington AA

The bank made a poor level of qualified CD investments. During the evaluation period, the bank made qualifying CD investments in the Washington AA totaling \$1.9 million, which represented 0.48 percent of the bank’s tier 1 capital as of December 31, 2020. Investments were focused largely on affordable housing. The investments included \$1.8 million in mortgage-backed securities, which provided mortgage loans to low- and moderate-income borrowers. In addition, the bank and foundation made nine separate donations to seven different organizations totaling \$56,000. Donations were focused on community services. Donations increased during the 2020 onset of the pandemic proportionally to the bank’s increase in capital. The mortgage-backed securities investments demonstrated complexity in their ability to target specific low- and moderate-income housing projects in the AA.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000’s)	#	\$(000’s)	#	% of Total #	\$(000’s)	% of Total \$	#	\$(000’s)
Full Scope:										
Washington AA	0	0	14	1,878	14	100.0	1,878	100.0	0	0

SERVICE TEST

Sterling FSB’s performance under the Service Test, as defined in 12 C.F.R. § 25.24 and using the data contained in the tables listed in this section, in the Washington AA is rated Low Satisfactory.

Conclusions for Washington AA Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance under the Service Test in the Washington AA is adequate.

Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the bank’s AA.

Distribution of Branch Delivery System	
--	--

Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Washington AA	100	1	100	0.0	0.0	100	0.0	5.03	20.10	38.8	35.4

Sterling FSB’s distribution of branch offices in the Washington AA is poor. The bank has a limited presence in the AA with only one branch located in a middle-income CT. The branch delivery systems are accessible to the low- and moderate-income CTs in the AA. Branch office hours and the level of service available do not vary in ways that inconvenience any portions of the bank’s AA, including low- and moderate-income CTs and individuals.

The bank offers alternative delivery systems including online and mobile banking platforms. The bank’s free mobile banking and online banking services offer features including online bill pay, remote deposit, funds transfer, and electronic statements.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Washington AA	1	0	0	0	1	0

The bank opened one branch and did not close any branches in the Washington AA during the evaluation period.

Community Development Services

Sterling FSB provides a poor level of CD services.

The bank provides a poor level of CD services to the AA. Bank personnel provide financial and technical expertise to organizations involved in affordable housing and financial literacy. During the evaluation period, bank employees participated in five qualifying events. The following is an example of the service:

- Bank employee conducted a two-hour webinar on FDIC’s Money Smart for Older Adults on Financial Exploitation. The activity promotes awareness among the community and caregivers on financial fraud and crimes targeting seniors.

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 MSAs and non-MSAs 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:	01/01/2018 to 12/31/2020	
Bank Products Reviewed:	Home mortgage and small business loans. Community development loans, qualified investments and community development services.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
MSA(s)		
San Francisco-Oakland-Hayward MSA	Full scope	Oakland-Hayward-Berkeley San Francisco-Redwood City-South San Francisco San Rafael
Los Angeles-Long Beach-Anaheim	Full scope	Los Angeles-Long Beach-Glendale Anaheim-Santa Ana-Irvine
Detroit-Warren-Dearborn	Full scope	Oakland County
New York-Newark-Jersey City, NY-NJ-PA	Full scope	Nassau County-Suffolk County New York-Jersey City-White Plains
Seattle-Tacoma-Bellevue	Full scope	King Country
State of California		
San Jose-Sunnyvale-Santa Clara	Limited-Scope	
Riverside-San Bernardino-Ontario	Limited-Scope	

Appendix B: Summary of MMSA and State Ratings

RATINGS Sterling Bank, FSB				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Sterling Bank, FSB	Satisfactory	Satisfactory	Satisfactory	Satisfactory
MMSA or State:				
California	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
Michigan	High Satisfactory	Needs to Improve	Low Satisfactory	Satisfactory
New York	Low Satisfactory	Needs to Improve	Low Satisfactory	Satisfactory
Washington	High Satisfactory	Needs to Improve	Low Satisfactory	Satisfactory

(*) The Lending Test is weighted more heavily than the Investment and Service Tests 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 §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

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.

MMSA (state): 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.

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 loans are treated the same 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 P. 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/assessment area. 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 R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-,

and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues -** Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm 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 in 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 MMSA/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
Los Angeles AA	1,474	970,467	38.4	684,627	2.7	3.2	2.2	17.6	16.8	14.5	27.5	18.9	26.4	52.2	52.9	54.5	0.1	8.2	2.4
San Bernardino AA	595	201,377	15.5	129,606	3.0	2.5	2.4	22.2	16.0	17.7	38.8	20.3	37.2	35.9	61.2	42.6	0.2	0.0	0.1
San Francisco AA	1,561	958,094	40.7	297,740	4.6	7.9	3.9	16.9	23.2	15.6	34.5	38.1	35.1	43.9	30.6	45.1	0.1	0.3	0.2
Santa Clara AA	208	159,970	5.4	115,329	4.4	6.7	4.1	15.5	24.5	15.8	36.7	33.2	40.3	43.5	35.6	39.8	0.0	0.0	0.0
Total	3,838	2,289,907	100.0	1,227,302	3.3	5.2	2.8	17.7	19.7	15.2	31.2	27.7	31.0	47.7	44.2	49.6	0.1	3.3	1.4

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 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	
Michigan AA	116	22,288	100.0	92,559	3.1	3.4	1.1	12.2	36.2	9.6	34.7	23.3	32.5	50.0	37.1	56.8	0.0	0.0	0.0	
Total	116	22,288	100.0	92,559	3.1	3.4	1.1	12.2	36.2	9.6	34.7	23.3	32.5	50.0	37.1	56.8	0.0	0.0	0.0	

*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 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	
New York AA	462	249,125	100.0	110,720	2.3	7.8	2.8	15.6	20.8	14.0	48.7	42.4	49.1	33.3	29.0	34.1	0.1	0.0	0.1	
Total	462	249,125	100.0	110,720	2.3	7.8	2.8	15.6	20.8	14.0	48.7	42.4	49.1	33.3	29.0	34.1	0.1	0.0	0.1	

*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 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
Washington AA	64	29,457	100.0	168,377	2.7	6.3	2.1	15.2	35.9	14.1	40.4	29.7	41.3	41.7	28.1	42.6	0.0	0.0	0.0
Total	64	29,457	100.0	168,377	2.7	6.3	2.1	15.2	35.9	14.1	40.4	29.7	41.3	41.7	28.1	42.6	0.0	0.0	0.0

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 P - Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2018-20**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Los Angeles AA	1,474	970,467	38.4	684,627	24.4	0.5	2.4	16.3	3.3	7.2	17.0	9.5	17.4	42.3	85.7	57.8	0.0	1.0	15.2
San Bernardino AA	595	201,377	15.5	129,606	24.8	1.3	3.0	16.8	9.1	10.8	19.1	10.9	20.2	39.3	78.5	43.2	0.0	0.2	22.7
San Francisco AA	1,561	958,094	40.7	297,740	24.4	2.6	4.0	16.0	10.1	12.6	18.1	25.4	21.1	41.5	61.2	52.4	0.0	0.6	9.9
Santa Clara AA	208	159,970	5.4	115,329	23.8	0.5	3.8	15.5	8.7	11.3	18.5	23.1	22.7	42.2	67.8	54.3	0.0	0.0	8.0

Total	3,838	2,289,907	100.0	1,227,302	24.4	1.5	3.0	16.2	7.3	9.3	17.6	16.9	19.1	41.9	73.7	54.6	0.0	0.7	14.0
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Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2018-20

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Michigan AA	116	22,288	100.0	92,559	18.5	28.4	6.0	15.1	40.5	16.1	18.8	14.7	23.8	47.5	12.9	42.9	0.0	3.4	11.2
Total	116	22,288	100.0	92,559	18.5	28.4	6.0	15.1	40.5	16.1	18.8	14.7	23.8	47.5	12.9	42.9	0.0	3.4	11.2

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 P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2018-20

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate

New York AA	462	249,125	100.0	110,720	28.6	0.2	2.1	17.1	6.3	10.7	18.2	23.8	22.2	36.2	68.2	49.8	0.0	1.5	15.2
Total	462	249,125	100.0	110,720	28.6	0.2	2.1	17.1	6.3	10.7	18.2	23.8	22.2	36.2	68.2	49.8	0.0	1.5	15.2

*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 P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2018-20
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Washington AA	64	29,457	100.0	168,377	21.0	3.1	4.0	16.4	32.8	13.7	19.5	21.9	21.9	43.1	40.6	51.9	0.0	1.6	8.5
Total	64	29,457	100.0	168,377	21.0	3.1	4.0	16.4	32.8	13.7	19.5	21.9	21.9	43.1	40.6	51.9	0.0	1.6	8.5

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
Los Angeles AA	3	1,622	14.3	525,023	4.8	33.3	5.2	19.1	33.3	19.4	24.8	33.3	25.2	49.3	0.0	48.6	1.9	0.0	1.7
San Bernardino AA	0	0	0.0	51,320	6.0	0.0	5.1	27.9	0.0	27.2	34.3	0.0	33.7	31.6	0.0	33.8	0.2	0.0	0.2
San Francisco AA	18	7,749	85.7	168,129	11.4	0.0	10.7	17.0	16.7	17.3	29.1	0.0	30.4	41.7	83.3	40.9	0.8	0.0	0.6
Santa Clara AA	0	0	0.0	60,254	5.6	0.0	7.1	18.5	0.0	20.2	35.7	0.0	36.7	40.1	0.0	36.0	0.1	0.0	0.0

Total	21	10,200	100.0	804,726	6.4	4.8	6.5	19.1	19.0	19.5	27.3	4.8	27.7	45.8	71.4	45.1	1.4	0.0	1.2
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Source: 2020 D&B data; 01/01/2018 - 12/31/2020 bank data; 2020 CRA 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
Michigan AA	4	1,717	100.0	41,846	5.1	25.0	5.2	16.7	0.0	17.3	27.6	25.0	25.9	50.6	50.0	51.6	0.0	0.0	0.0
Total	4	1,717	100.0	41,846	5.1	25.0	5.2	16.7	0.0	17.3	27.6	25.0	25.9	50.6	50.0	51.6	0.0	0.0	0.0

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

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues 2018-20

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Los Angeles AA	3	2,451	14.3	525,023	89.3	33.3	41.7	4.6	66.7	6.1	0.0
San Bernardino AA	--	--	--	51,320	86.7	--	38.7	4.5	--	8.8	--
San Francisco AA	18	7,749	85.7	168,129	87.5	61.1	42.8	5.0	38.9	7.5	0.0
Santa Clara AA	--	--	--	60,254	87.8	--	44.3	5.0	--	7.2	--
Total	21	10,200	100.0	804,726	88.6	57.1	41.9	4.7	42.9	6.7	0.0

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

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2018-20	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Michigan AA	4	1,878	100.0	41,846	86.4	75.0	40.3	6.1	25.0	7.5	0.0	
Total	4	1,878	100.0	41,846	86.4	75.0	40.3	6.1	25.0	7.5	0.0	

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

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Washington AA	0	0	0.0	175	3.7	0.0	2.3	14.8	0.0	5.1	40.8	0.0	53.1	40.6	0.0	39.4
Total	0	0	0.0	175	3.7	0.0	2.3	14.8	0.0	5.1	40.8	0.0	53.1	40.6	0.0	39.4

Source: 2018 D&B data; 01/01/2018 - 12/31/2018 bank data; 2018 CRA aggregate data, "--" data not available.
Due to rounding, totals may not equal 100.0%