



**NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES
FINANCIAL FRAUDS AND CONSUMER PROTECTION DIVISION**

One State Street
New York, NY 10004

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: December 31, 2010

Institution: Amalgamated Bank
275 Seventh Avenue
New York, NY 10001

Note: This evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Department of Financial Services concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (“CRA”) performance of Amalgamated Bank (“Amalgamated”) prepared by the New York State Banking Department (now the Department of Financial Services). The evaluation represents the Department’s current assessment and rating of the institution’s CRA performance based on an evaluation conducted as of December 31, 2010.

Section 28-b of the New York Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Banks shall assess a banking institution’s record of helping to meet the credit needs of its entire community, including low- and moderate-income (“LMI”) areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Banking Board implements Section 28-b and further requires that the Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate the performance. Section 76.5 further provides that the Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

1. Outstanding record of meeting community credit needs;
2. Satisfactory record of meeting community credit needs;
3. Needs to improve record of meeting community credit needs; and
4. Substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the written summary be made available to the public (“Evaluation”). Evaluations of banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 through 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York Banking Law.

For an explanation of technical terms used in this report, please consult the **GLOSSARY** at the back of this document.

OVERVIEW OF INSTITUTION'S PERFORMANCE

Amalgamated's performance was evaluated according to the large bank performance criteria pursuant to Part 76.12 of the General Regulations of the Banking Board. This assessment period included calendar years 2007, 2008, 2009, and 2010. Amalgamated is rated "2" indicating a "**Satisfactory**" record of helping to meet community credit needs.

This rating is based on the following factors:

Lending Test – "Low Satisfactory"

Amalgamated's lending activities were reasonable in light of size, business strategy and financial condition, as well as peer group activity, demographics, and its assessment area's credit needs. Amalgamated made a total of \$221.7 million of HMDA-reportable loans in its assessment area during the evaluation period. Its lending levels were reasonable, the assessment area concentration was excellent, the geographic distribution of loans demonstrated an excellent penetration among census tracts of varying income levels, the distribution of loans by borrower income demonstrated an adequate penetration rate of lending among individuals of different income levels, and community development lending was adequate. During this four year evaluation period, Amalgamated originated \$178.7 million in new community development loans, and had \$2 million outstanding from prior evaluation periods. Although the total amount of community development loans declined from the \$259.9 million recorded at the prior evaluation, Amalgamated originated \$178.7 million during this four year evaluation period compared with \$94.3 million during the prior two year evaluation period.

Investment Test: "Low Satisfactory"

Amalgamated's community development investments were reasonable in light of the assessment area's credit needs.

During the evaluation period, Amalgamated made \$5.8 million in new community development investments, and had \$3.7 million outstanding from prior evaluation periods. This was substantially lower than the prior evaluation period's investments of \$20.2 million. In addition, Amalgamated made \$828 thousand in community development grants. This demonstrated an adequate level of community development investments and grants over the course of the evaluation period.

Service Test: "High Satisfactory"

Amalgamated had and continues to have reasonable delivery systems, branch network, branch hours and services, and alternative delivery systems.

Amalgamated's branches continue to represent an adequate distribution of branches within its assessment area. Amalgamated opened ten branches since the prior evaluation, including four in Kings County, three in Queens County, two in Bronx County and one in New York County. Seven of these new branches are located in LMI census tracts. Amalgamated's delivery systems were and continue to be accessible to significant portions of the banks' assessment area, including LMI geographies and individuals. Amalgamated's services met and continue to meet the convenience and needs of its assessment area. Amalgamated was a leader in providing community development services.

This evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York Banking Law and Part 76 of the General Regulations of the Banking Board.

PERFORMANCE CONTEXT

Institution Profile:

Amalgamated Bank (“Amalgamated”), a state-chartered financial institution licensed in 1923, is a union-owned U.S. bank headquartered in New York City. As of December 31, 2010, Amalgamated operated seven branches in New York County (including the main office), and four branches each in Bronx, Brooklyn and Queens Counties. In addition, Amalgamated has four branches in Nevada, and one branch each in New Jersey, California, and Washington DC. Amalgamated provides a full range of banking services to its customers.

Per the Consolidated Report of Condition (“Call Report”) as of December 31, 2010, filed with the Federal Deposit Insurance Corporation (“FDIC”), Amalgamated reported total assets of \$4.6 billion, of which \$2.1 billion were net loans and lease finance receivables. It also reported total deposits of \$3.0 billion, resulting in a loan-to-deposit ratio of 71.8%. According to the latest available comparative deposit data as of June 30, 2010, Amalgamated obtained a market share of 0.36%, or \$2.5 billion in a market of \$693.1 billion inside its market, ranking it 27th among 142 deposit-taking institutions in the assessment area.

The following is a summary of Amalgamated’s loan portfolio, based on Schedule RC-C of the bank’s December 31, 2007, December 31, 2008, December 31, 2009 and December 31, 2010 Call Reports:

TOTAL GROSS LOANS OUTSTANDING								
Loan Type	2007		2008		2009		2010	
	\$000's	%	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	1,188,559	55.7	1,074,509	47.0%	873,250	44.3	724,603	33.0
Commercial & Industrial Loans	352,991	16.6	446,432	19.5%	374,666	19.0	526,707	24.0
Commercial Mortgage Loans	449,795	21.1	576,413	25.2%	502,184	25.5	507,846	23.1
Multifamily Mortgages	99,830	4.7	118,734	5.2%	143,750	7.3	333,445	15.2
Consumer Loans	10,657	0.5	9,441	0.4%	4,406	0.2	4,316	0.2
Construction Loans	29,086	1.4	61,410	2.7%	74,002	3.8	99,084	4.5
Other Loans	1,495	0.1	959	0.0%	0	0.0	0	0.0
Total Gross Loans	2,132,413		2,287,898		1,972,258		2,196,001	

As illustrated in the above chart, Amalgamated is primarily a commercial lender, with 47.1% of its loan portfolio in commercial and industrial loans and commercial mortgages. Commercial and industrial loans were concentrated in the health care sector, and consisted of working lines of credit, bridge loans, term loans, and construction loans.

There are no known financial or legal impediments that adversely impacted Amalgamated’s ability to meet the credit needs of its community.

Assessment Area:

Amalgamated's assessment area is comprised of Bronx, Kings, Queens, New York, Nassau, Richmond, Rockland and Westchester counties in their entirety.

There are 2,773 census tracts in the area, of which 334 are low-income, 656 are moderate-income, 889 are middle-income, 824 are upper-income and 70 are tracts with no income indicated.

Assessment Area Census Tracts by Income Level								
County	N/A	Low	Mod	Middle	Upper	Total	LMI %	LMI & Dis-tressed %
Bronx	14	132	98	65	46	355	64.8	64.8%
Kings	15	119	297	235	117	783	53.1	53.1%
Nassau	8	2	20	178	69	277	7.9	7.9%
New York	9	60	59	24	144	296	40.2	40.2%
Queens	18	12	148	310	185	673	23.8	23.8%
Richmond	2	3	11	29	65	110	12.7	12.7%
Rockland	0	2	2	9	45	58	6.9	6.9%
Westchester	4	4	21	39	153	221	11.3	11.3%
Total	70	334	656	889	824	2,773	35.7	35.7%

The assessment area appears reasonable based upon the location of Amalgamated's offices and its lending patterns. There is no evidence that LMI areas have been arbitrarily excluded.

Demographic & Economic Data

The assessment area had a population of 10.6 million during the examination period. About 12.3% of the population was over the age of 65 and 21.8% was under the age of 16.

Of the 2,528,254 families in the assessment area, 26.6% were low-income, 16.0% were moderate-income, 17.5% were middle-income and 40.0% were upper-income families. There were 3,900,510 households in the assessment area, of which 16.8% had income below the poverty level and 6.3% were on public assistance.

The MSA median family income within the assessment area was \$52,134. The U.S. Department of Housing and Urban Development ("HUD") estimated median family income for the area was \$ 69,396 in 2010.

There were 41,103,481 housing units within the assessment area, of which 48.1% were one- to four-family units, and 51.7% were multifamily units. A majority (57.5%) of the area's housing units were renter occupied units, while 37.5% were owner-

occupied units. Of the 2,358,176 renter-occupied housing units, 50.0% were in low- and moderate-income census tracts and 50.0% were in middle- and upper-income census tracts. Of the 1,540,616 owner-occupied housing units, 13.8% were in low- and moderate-income census tracts while 86.2% were in middle- and upper-income census tracts. The median age of the housing stock was 59 years and the median home value in the assessment area was \$248,661.

There were 709,754 non-farm businesses in the assessment area. Of these, 76.4% were businesses with reported revenues of less than or equal to \$1 million, 5.2% reported revenues of more than \$1 million and 18.4% did not report their revenues. Of all the businesses in the assessment area, 85.2% were businesses with less than fifty employees while 92.7% operated from a single location. The largest industries in the area were services (47.6 %), followed by retail trade (15.9%) and finance, insurance and real estate (9.4%), while 7.7% of businesses in the assessment area were not classified.

The October 7, 2010 New York State Banking Department 90-Day Pre-Foreclosure Notice Report, which is representative of the time period for this exam, showed continuing foreclosure activity. Approximately 45.7% of the 134,000 90-day pre-foreclosure notices mailed to New York State borrowers between February 13 and August 31, 2010 were sent to borrowers in the eight counties that comprise Amalgamated's assessment area. The statewide average for such pre-foreclosure notices, as a percentage of the total 2.6 million state-wide mortgages on comparable properties, was 5.2%, while the average for Amalgamated's assessment area was 5.6%. Bronx County had the second highest percentage of all 62 New York State counties at 7.5%, while New York County was among the lowest at 2.8%¹.

According to the New York State Department of Labor, the state-wide average unemployment rate for New York increased from 4.6% in 2007 to 5.4% in 2008, 8.3% in 2009 and 8.6% in 2010. The same upward trend was present in the eight counties that comprise Amalgamated's assessment area. The average rates for Bronx and Kings Counties consistently exceeded the state-wide rates, while the unemployment rates in Rockland, Westchester, and Nassau Counties were lower than the state-wide rates. The New York, Queens, and Richmond County rates were generally comparable to the state-wide rates.

Assessment Area Unemployment Rate									
	Statewide	New York	Kings	Bronx	Queens	Richmond	Westchester	Rockland	Nassau
2007	4.6%	4.2%	5.3%	6.7%	4.4%	4.5%	3.8%	3.9%	3.7%
2008	5.4%	4.8%	5.9%	7.4%	4.9%	5.0%	4.8%	4.8%	4.7%
2009	8.3%	8.4%	9.8%	11.9%	8.3%	8.1%	7.2%	7.0%	7.0%
2010	8.6%	8.1%	10.3%	12.7%	8.7%	8.8%	7.3%	7.0%	7.1%

¹Based upon the 90-Day Pre-Foreclosure Notice Report issued by the New York State Banking Department (now New York State Department of Financial Services) on October 7, 2010.

Community Information

Two community contacts were interviewed regarding credit needs in Amalgamated's assessment area.

The Executive Director of a nonprofit organization, whose mission is to assist low-income and vulnerable consumers, in understanding and improving their ability to manage their financial affairs, was interviewed. Amalgamated participated in the organizations fund-raising activities and also supported the organization through grants. This contact also indicated that banks in general could better serve the community by making financial disclosures in plain, easy to understand English, and have more financial products available for small investors.

A second interview was conducted with the Development Director for a nonprofit organization that helps individuals and families in the Bronx to improve their economic and social well-being. The organization provides services to various age groups, from toddlers to seniors. The services provided range from education, employment services, shelter and emergency assistance as well as tenant assistance with evictions. The contact indicated that the South Bronx, in general, is under banked, with many residents lacking bank accounts, and that there is a need for affordable banking products and services. Small business micro-lending was identified as a credit need in the area, and that it remains a challenge for small business owners to access capital.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

Amalgamated was evaluated under the large bank's performance standards in accordance with Parts 76.8, 76.9 and 76.10 of the General Regulations of the Banking Board which consist of the lending, investment and service tests. The following factors were also considered in assessing the bank's record of performance:

- 1. The extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance;*
- 2. Any practices intended to discourage credit applications;*
- 3. Evidence of prohibited discriminatory or other illegal credit practices;*
- 4. Record of opening and closing offices and providing services at offices; and*
- 5. Process factors, such as activities to ascertain credit needs and the extent of marketing and special credit related programs.*

Finally, the evaluation considered other factors as delineated in Section 28-b of the Banking Law that reasonably bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.

Statistics employed in this evaluation were derived from various sources. Bank-specific information was submitted by the bank both as part of the examination process and on its Call Report submitted to the Federal Deposit Insurance Corporation ("FDIC"). Aggregate lending data was obtained from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data was obtained from the FDIC. Loan-to-deposit ratios were calculated from information shown in the bank's Uniform Bank Performance Report ("UBPR") as submitted to the FDIC.

The demographic data referred to in this report was derived from the 2000 U.S. Census and HUD. Business demographic data used in this report is based on Dun & Bradstreet reports and is updated annually. Unemployment data was obtained from the New York State Department of Labor. Some non-specific bank data is only available on a county-wide basis, and was used even where the institution's assessment area includes partial counties.

The assessment period included calendar years 2007, 2008, 2009 and 2010.

Examiners considered only Amalgamated's HMDA-reportable loans in evaluating factors (2), (3) and (4) of the lending test as noted below. However, Amalgamated did not collect borrower income for HMDA-reportable loans during 2007 and 2008, which were primarily purchased. As a result, only calendar years 2009 and 2010 were included in the analysis of the distribution of loans based on borrower characteristics.

Amalgamated did not make any small farm loans. The small business data provided to the examiners was minimal and so evaluating small business loans at this evaluation would not be meaningful. Consumer loans do not represent a substantial portion of Amalgamated's business and as such Amalgamated has chosen not to submit

consumer loans for consideration at this evaluation.

Amalgamated received a rating of “1”, reflecting an “Outstanding” record of helping to meet community credit needs at its **prior** Performance Evaluation conducted by the New York State Banking Department as of December 31, 2006.

Current CRA Rating: “Satisfactory”

LENDING TEST: “Low Satisfactory”

The bank’s lending performance was evaluated pursuant to the following criteria:

1. *Lending Activity;*
2. *Assessment Area Concentration;*
3. *Geographic Distribution of Loans;*
4. *Borrower Characteristics;*
5. *Community Development Lending; and*
6. *Flexible and/or Innovative Lending Practices.*

Amalgamated’s HMDA-reportable lending activities were reasonable in light of size, business strategy and financial condition, as well as peer group activity, demographics, and its assessment area’s credit needs.

Lending Activity: “Low Satisfactory”

Amalgamated’s lending levels reflected minimally adequate activity considering its size, business strategy and financial condition, as well as peer group activity and demographics.

Between 2007 and 2009 the number and dollar value of Amalgamated’s HMDA-reportable lending in its assessment area declined drastically. In 2007 and 2008 Amalgamated purchased the majority of its HMDA-reportable loans. In mid-2008, Amalgamated’s relationship with its mortgage loan originating company ceased, resulting in its loan volume decreasing substantially. In 2009, approximately one year later, Amalgamated established a relationship with a new firm, but lending was limited due to the poor economy and the mortgage crisis.

The number of HMDA-reportable loans declined from 154 in 2007 to 49 in 2008 and 18 in 2009. The dollar value also declined from \$59 million in 2007 to \$13.8 million in 2008 and \$6.8 million in 2009. HMDA-reportable lending increased in 2010 to 60 loans with a dollar value of \$142.1 million.

During the prior two-year evaluation period Amalgamated originated or purchased 274 HMDA-reportable loans totaling \$101.9 million. During this four year evaluation period Amalgamated originated or purchased 281 HMDA-reportable loans totaling \$221.7 million, with 64.1% or \$142.1 million during 2010.

Amalgamated's average LTD ratio was low even considering its size, business strategy, financial condition, aggregate and peer group activity. During the evaluation period, Amalgamated's average ratio of 77.1% trailed its peer group average of 88.9%, fluctuating from a low of 62.7% in the fourth quarter of 2009 to a high of 89.5% in the second quarter of 2008.

The chart below shows Amalgamated's LTD ratios in comparison to its peer group's ratios for the 16 quarters since the prior evaluation.

Loan-to-Deposit Ratios																	
	2007 Q1	2007 Q2	2007 Q3	2007 Q4	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	Avg.
Bank	85.1	83.8	87.6	86.5	86.6	89.5	83.8	84.7	78.8	73.1	66.2	62.7	64.1	67.9	71.3	71.8	77.7
Peer	89.9	90.7	91.6	93.3	95.4	96.3	96.6	92.8	90.3	89.1	86.6	84.3	82.7	82.1	81.6	79.9	88.9

Assessment Area Concentration: "Outstanding"

During the evaluation period, Amalgamated originated or purchased 88.1% by number, and 89.6% by dollar value of its HMDA-reportable loans within the assessment area.

This percentage of lending inside Amalgamated's assessment area is considered to be an "excellent" record of lending.

The following table shows the percentage of Amalgamated's HMDA-reportable loans originated or purchased inside and outside the assessment area.

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HMDA-Reportable										
2007	154	89.0%	19	11.0%	173	59,053	91.6%	5,435	8.4%	64,488
2008	49	81.7%	11	18.3%	60	13,808	82.0%	3,028	18.0%	16,836
2009	18	100.0%	-	0.0%	18	6,796	100.0%	-	0.0%	6,796
2010	60	88.2%	8	11.8%	68	142,062	89.1%	17,393	10.9%	159,455
Subtotal	281	88.1%	38	11.9%	319	221,719	89.6%	25,856	10.4%	247,575
Grand Total	281	88.1%	38	11.9%	319	221,719	89.6%	25,856	10.4%	247,575

Geographic Distribution of Loans: "Outstanding"

The distribution of HMDA-reportable loans based on lending in census tracts of varying income levels demonstrated an excellent penetration rate of lending.

During the evaluation period, Amalgamated's overall penetration rate of lending in low and moderate income tracts of 29.9% by number and 60.7% by dollar value greatly

exceeded the aggregate data in the assessment area of 16.3% by number and 16.9% by dollar value. The LMI demographic was 13.8%.

The following chart provides a summary of Amalgamated's HMDA-reportable lending distribution based on the income level of the geography.

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2007									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	4	2.6%	1,279	2.2%	6,954	4.0%	3,569,905	5.2%	2.1%
Moderate	36	23.4%	12,633	21.4%	27,847	16.2%	11,019,163	16.2%	11.7%
LMI	40	26.0%	13,912	23.6%	34,801	20.3%	14,589,068	21.4%	13.8%
Middle	45	29.2%	14,077	23.8%	64,248	37.4%	19,954,769	29.3%	38.1%
Upper	69	44.8%	31,064	52.6%	72,669	42.3%	33,496,037	49.2%	48.1%
Unknown	0	0.0%	0	0.0%	96	0.1%	98,397	0.1%	0.0%
Total	154		59,053		171,814		68,138,271		
2008									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	2.0%	365	2.6%	3,629	3.7%	2,014,477	4.8%	2.1%
Moderate	4	8.2%	1,447	10.5%	14,287	14.4%	5,813,621	13.8%	11.7%
LMI	5	10.2%	1,812	13.1%	17,916	18.1%	7,828,098	18.6%	13.8%
Middle	15	30.6%	3,678	26.6%	35,132	35.4%	11,314,048	26.9%	38.1%
Upper	29	59.2%	8,318	60.2%	46,046	46.4%	22,727,476	54.1%	48.1%
Unknown	0	0.0%	0	0.0%	85	0.1%	117,007	0.3%	0.0%
Total	49		13,808		99,179		41,986,629		
2009									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	2,324	2.2%	1,016,279	2.5%	2.1%
Moderate	6	33.3%	2,747	40.4%	10,722	9.9%	4,035,231	10.1%	11.7%
LMI	6	33.3%	2,747	40.4%	13,046	12.1%	5,051,510	12.6%	13.8%
Middle	2	11.1%	713	10.5%	36,723	34.0%	10,927,693	27.3%	38.1%
Upper	10	55.6%	3,336	49.1%	58,086	53.8%	24,005,342	60.0%	48.1%
Unknown	0	0.0%	0	0.0%	103	0.1%	47,480	0.1%	0.0%
Total	18		6,796		107,958		40,032,025		
2010									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	13	21.7%	51,635	36.3%	2,412	2.4%	1,178,986	2.8%	2.1%
Moderate	20	33.3%	64,549	45.4%	10,091	10.0%	3,874,041	9.3%	11.7%
LMI	33	55.0%	116,184	81.8%	12,503	12.3%	5,053,027	12.1%	13.8%
Middle	13	21.7%	22,735	16.0%	33,616	33.2%	10,457,759	25.0%	38.1%
Upper	14	23.3%	3,143	2.2%	55,062	54.3%	26,175,676	62.6%	48.1%
Unknown	0	0.0%	0	0.0%	143	0.1%	128,030	0.3%	0.0%
Total	60		142,062		101,324		41,814,492		
GRAND TOTAL									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	18	6.4%	53,279	24.0%		3.2%		4.1%	
Moderate	66	23.5%	81,376	36.7%		13.1%		12.9%	
LMI	84	29.9%	134,655	60.7%		16.3%		16.9%	
Middle	75	26.7%	41,203	18.6%		35.3%		27.4%	
Upper	122	43.4%	45,861	20.7%		48.3%		55.4%	
Unknown	-	0.0%	-	0.0%		0.1%		0.2%	
Total	281		221,719						

Distribution by Borrower Characteristics: “Low Satisfactory”

The distribution of HMDA-reportable loans based on borrower characteristics demonstrated an adequate penetration rate of lending among individuals of different income levels.

During 2009 and 2010, no loans were made to low-income borrowers. However, the aggregate’s penetration rate of lending to low-income borrowers was also limited, with an average rate during this period of 1.8% by number of loans and 0.8% by dollar value.

The overall penetration rate of lending to low and moderate income borrowers, during this two year period, of 17.5% by number of loans and 12.7% by dollar value compared favorably to aggregate data in the assessment area of 11.1% by number of loans and 5.8% by dollar value.

The following chart provides a summary of the HMDA-reportable lending distribution based on household income.

Distribution of HMDA-Reportable Lending by Borrower Income									
2009									
Borrower Income	Bank				Aggregate				Fam.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	1,975	1.9%	377,800	1.0%	26.6%
Moderate	1	9.1%	213	10.9%	10,130	9.5%	1,992,378	5.3%	16.0%
LMI	1	9.1%	213	10.9%	12,105	11.4%	2,370,178	6.4%	42.5%
Middle	6	54.5%	801	41.2%	22,999	21.6%	5,850,275	15.7%	17.5%
Upper	4	36.4%	932	47.9%	65,392	61.5%	26,941,956	72.2%	40.0%
Unknown	0	0.0%	0	0.0%	5,807	5.5%	2,133,800	5.7%	
Total	11		1,946		106,303		37,296,209		
2010									
Borrower Income	Bank				Aggregate				Fam.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	1,703	1.7%	257,191	0.7%	26.6%
Moderate	6	20.7%	904	13.2%	9,069	9.1%	1,711,345	4.5%	16.0%
LMI	6	20.7%	904	13.2%	10,772	10.8%	1,968,536	5.2%	42.5%
Middle	5	17.2%	955	14.0%	20,521	20.6%	5,102,809	13.5%	17.5%
Upper	18	62.1%	4,969	72.8%	65,538	65.7%	29,286,947	77.5%	40.0%
Unknown	0	0.0%	0	0.0%	2,927	2.9%	1,440,503	3.8%	
Total	29		6,828		99,758		37,798,795		
GRAND TOTAL									
Borrower Income	Bank				Aggregate				Fam.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%		1.8%		0.8%	
Moderate	7	17.5%	1,117	12.7%		9.3%		4.9%	
LMI	7	17.5%	1,117	12.7%	22,877	11.1%	4,338,715	5.8%	
Middle	11	27.5%	1,756	20.0%		21.1%		14.6%	
Upper	22	55.0%	5,901	67.3%		63.5%		74.9%	
Unknown	-	0.0%	-	0.0%		4.2%		4.8%	
Total	40		8,774						

Community Development Lending: "High Satisfactory"

During the evaluation period, Amalgamated originated \$178.7 million in new community development loans, and had \$2 million outstanding from prior evaluation periods. This demonstrated an adequate level of community development lending over the course of the evaluation period.

The amount of qualified community development loans decreased when compared to the total qualified amount of \$259.9 million in community development loans from the prior evaluation. While the annualized level of community development lending fell, at this evaluation Amalgamated originated \$178.7 million in new loans compared with only \$94.3 million at the prior examination. Furthermore, Amalgamated originated \$66.2

million in community development loans for economic development, while at the prior evaluation there were none in this category, thus displaying an effort to address all aspects of community development.

Community Development Loans				
Purpose	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Loans	\$000	# of Loans	\$000
Affordable Housing	21	63,195	1	1,000
Economic Development	6	66,180		
Community Services	12	49,330	2	1,000
Other (Please Specify)				
Total	39	178,705	3	2,000

Below are highlights of Amalgamated's community development lending.

In 2009, Amalgamated extended a \$15 million revolving line of credit for working capital purposes to a foundation whose mission is to support organizations that assist low-income people and communities to create wealth and take control of their lives.

In 2009, Amalgamated took a \$5 million participation in a \$300 million revolving credit to a community development organization, for a new lending program to make the multi-family housing apartment buildings more energy efficient. The non-profit community development organization makes construction and permanent loans to create, rehabilitate and preserve affordable housing in LMI neighborhoods.

In 2009, a \$2.8 million loan was made to a non-profit for the construction of a 16-unit low-income condominium development in the Bedford-Stuyvesant section of Brooklyn. The non-profit focuses on providing affordable housing to low-income families in the five boroughs of New York City.

Flexible and/or Innovative Lending Practices:

Amalgamated has used innovative and/or flexible lending practices to serve the credit needs of its assessment area. Examples of such practices are provided below.

Mutual Housing Association Inc. of New York (MHANY) Mortgage Program

In the fourth quarter of 2010, during a period when underwriting standards had been tightened, especially for LMI families, and funds for these homebuyers were generally scarce or unavailable, Amalgamated, together with the Mutual Housing Association, Inc. of New York ("MHANY") and New York Communities for Change launched the MHANY Mortgage Program. This program was designed to assist working class families who were first-time homebuyers. Amalgamated, working with MHANY, provided more

flexible home financing options for homebuyers who participated in the MHANY program.

Housing Loan Program

Amalgamated's Housing Loan Program targets government-supervised multi-family housing companies, which provide homes to LMI families. This program is also available to housing developments that are not under direct government supervision. Amalgamated provides favorable-rate financing and does not charge application fees, origination fees, points, or prepayment penalties.

INVESTMENT TEST: "Low Satisfactory"

Amalgamated's investment performance is evaluated pursuant to the following criteria:

- 1. Dollar amount of qualified investments;*
- 2. Innovativeness or complexity of qualified investments; and*
- 3. Responsiveness of qualified investments to credit and community development needs.*

Amalgamated's community development investments were reasonable in light of the assessment area's credit needs.

Amount of Community Development Investments:

During the evaluation period, Amalgamated made \$5.8 million in new community development investments, and had \$3.7 million outstanding from prior evaluation periods. In addition, Amalgamated made \$828 thousand in community development grants. This demonstrated an adequate level of community development investments and grants over the course of the evaluation period.

Investments at this evaluation of \$9.5 million were down substantially from the prior evaluation's \$20.2 million. Grants at \$828 thousand were also lower down from the \$1.2 million at the prior evaluation. The economic downturn affected Amalgamated's level of investing.

Community Development Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Inv.	\$000	# of Inv.	\$000
CD Investments				
Affordable Housing	3	\$ 1,484	2	\$3,696
Economic Development				
Community Services	6	\$ 4,352		
Other (Please Specify)				
Total	9	\$ 5,836	2	\$3,696
CD Grants	# of Grants	\$000	Not Applicable	
Affordable Housing	3	\$ 2		
Economic Development	8	\$ 13		
Community Services	41	\$ 803		
Neighborhood Revitalization	2			
Education	1	\$ 10		
Total	55	\$ 828		

Below, are some of the qualified investments and grants that Amalgamated made during the evaluation period.

Amalgamated purchased \$1.5 million in Collateral Trust Notes, of which \$965,052 were in the New York assessment area. These Collateral Trust Notes were issued by a private, not-for Profit Corporation, sponsored by more than 70 financial institutions, that helps developers finance and build affordable multi-family housing. The organization's mission is to stabilize, strengthen and sustain low and mixed income communities.

Amalgamated made a \$1.0 million investment, of which \$650,000 applied to its New York assessment area, in an organization that helps and supports community development credit unions. These credit unions specialize in serving low- and moderate- income individuals and communities.

Amalgamated made grants totaling \$442,500 during the evaluation period to a non-profit community revitalization organization to support the organization's financial literacy community service programs. The mission of this organization is to revitalize underserved neighborhoods by creating and preserving affordable housing, and providing opportunities for homeownership education, financial assistance and community leadership.

Amalgamated made grants totaling \$24,500 to a non-profit organization, whose mission is to provide residents of public housing neighborhoods in Western Queens with the tools and resources needed to achieve economic mobility and self sufficiency. The purpose of the grants was to support community service initiatives.

Innovativeness of Community Development Investments:

Amalgamated's investments are not considered particularly innovative or complex.

Responsiveness of Community Development Investments to Credit and Community Development Needs:

Amalgamated's community development investments exhibited adequate responsiveness to credit and community development needs.

SERVICE TEST: "High Satisfactory"

Amalgamated's retail service performance is evaluated pursuant to the following criteria:

- 1. Current distribution of the banking institution's branches;*
- 2. Record of opening and closing branches;*
- 3. Availability and effectiveness of alternative systems for delivering retail services;*
and
- 4. Range of services provided.*

Amalgamated's community development service performance is evaluated pursuant to the following criteria:

- 1. Extent to which the banking institution provides community development services;*
and
- 2. Innovativeness and responsiveness of community development services.*

Retail Banking Services: "Satisfactory"

Amalgamated had and continues to have reasonable delivery systems, branch network, branch hours and services, and alternative delivery systems.

Current distribution of the banking institutions branches:

Amalgamated's branches represented and continues to represent an adequate distribution of branches within its assessment area. Amalgamated operated 19 full service banking offices located in Bronx, Kings, New York and Queens Counties, with eight located in LMI tracts. During the prior evaluation period only one of the bank's branches was in an LMI tract. Amalgamated has thirty-nine ATMs in its branches (two in each, except for the Fulton Street branch in Brooklyn, which has three) plus two off-site ATMs, with one in White Plains and one in Manhattan.

Of Amalgamated's nineteen branches, five are Business Development District ("BDD") branches. The BDD program is designed to encourage banks to open branches in areas that have little or no banking services to encourage the under-banked or unbanked in the area to avail themselves of banking services and to promote economic development in the area.

Distribution of Branches within the Assessment Area								
County	N/A #	Low #	Moderate #	Middle #	Upper #	Total #	LMI %	LMI and Distressed or Underserved
Bronx		1	1	2		4	50%	50%
Kings			3	1		4	75%	75%
New York			1		6	7	14%	14%
Queens		1	1	2		4	50%	50%
Richmond								
Westchester								
Nassau								
Rockland								
Total	-	2	6	5	6	19	42%	42%

Record of opening and closing branches:

Amalgamated's record of opening and closing branches has improved the accessibility of its delivery systems, particularly to LMI geographies and or LMI individuals.

Amalgamated opened ten branches since the prior evaluation, including four in Kings County; three in Queens County; two in Bronx County, and one in New York County. Of these ten new branches, two are located in low-income census tracts; five are located in moderate-income census tracts; two are in middle-income census tracts, and one is in an upper-income census tract. Amalgamated did not close any branches during the evaluation period.

Availability and effectiveness of alternative systems for delivering retail services:

Amalgamated's delivery systems were and continue to be accessible to significant portions of its assessment area, including LMI geographies and individuals. Amalgamated offers several alternative banking services, such as, online banking, with bill payment options; bank by telephone with automated services available 24 hours per day and seven days per week; bank-by-mail; direct deposit; and, three different cash cards that allow customers access to their money via ATMs and retail locations.

Range of services provided:

Amalgamated's services met and continue to meet the convenience and needs of its assessment area, particularly LMI geographies and individuals. All of its branches in its New York assessment area are full service branches, and offer an assortment of products and services such as wire transfers, travelers checks, certificates of deposits, student savings accounts, and an alternative Basic Banking type Account. In addition, eight of the branches offer safe deposit services, five allow NYCHA (New York City Housing Authority) rent payment, and all offices offer investment services, and on-site, deposit taking 24-hour ATMs. All of its branches offer extended hours at least one day

per week. In addition, all branches have Saturday banking hours except for the Wall Street branch, which has no weekend hours and the Midwood Brooklyn branch, which has Sunday hours instead.

Amalgamated is a member of the Allpoint Network; giving its customers access to more than 18,000 ATMs in New York City and more than 35,000 ATMs throughout the United States. With direct deposit of their paychecks, Amalgamated's customers can access their money without charge at any of the Allpoint Network supported ATMs.

Community Development Services: "Outstanding"

Amalgamated is a leader in providing community development services.

Below are highlights of Amalgamated's community development services.

Working with local community organizations in New York City, Amalgamated started the Credit Assistance Program that helps consumers rebuild their credit history and manage money and credit wisely.

Amalgamated provided assistance to first-time homebuyers by sponsoring classes that review the entire home-buying process, as well as offering one-on-one counseling sessions to homebuyers through its partnership with the New York Mortgage Coalition and Neighborhood Housing Services of New York City.

Amalgamated offered free financial literacy workshops called MoneySense. These workshops provided coaching on how to manage household spending, saving and credit use. Amalgamated offered between two to four MoneySense sessions each month. The workshops provide participants with the knowledge and tools needed to help establish and maintain good credit profiles and gain access to affordable credit. These sessions are delivered through partnerships with community-based organizations that encourage residents to attend these classes at their local Amalgamated branch. These workshops are conducted by various Amalgamated staff.

The CRA officer serves on the Board of a non-profit organization that provides financial education to LMI individuals as well as conducting train-the-trainer classes for social services organizations working with LMI populations. In addition, the CRA officer conducts financial education seminars.

As of 2010, the CRA officer served as a Board member, Treasurer and Finance Committee Chair of a non-profit organization that revitalizes underserved neighborhoods by creating and preserving affordable housing and providing opportunities for homeownership education, financial assistance and community leadership.

In 2010, the CRA officer served as a Board member of a non-profit entity that helps maintain and revitalize the Bedford Stuyvesant community. The CRA officer is a member of the finance committee.

A Senior Vice President was a Board member of a non-profit organization that promotes economic development in the Bronx.

A Senior Vice President was a Board member of a non-profit partnership of financial institutions and community housing agencies whose objective is to assist LMI families living in New York, Long Island and Westchester to achieve responsible home ownership.

Additional Factors

The following factors were also considered in assessing Amalgamated's record of performance.

The extent of participation by the banking institution's board of directors or board of trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act

The Community Development Division is responsible for developing and managing Amalgamated's CRA program. The CRA & Fair Lending Committee meets quarterly to discuss CRA issues and strategies. The CRA officer is invited monthly to a board level compliance committee meeting to discuss CRA matters. Issues, if any, are rectified and dealt with as they occur.

Discrimination and other illegal practices

- *Any practices intended to discourage applications for types of credit set forth in the banking institution's CRA Public File.*

DFS noted no practices that were intended to discourage applications for the types of credit offered by the institution.

- *Evidence of prohibited discriminatory or other illegal credit practices.*

DFS noted no evidence of prohibited discriminatory or other illegal practices.

Process Factors

- *Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the*

banking institution.

As noted earlier, Amalgamated officers are involved with many community organizations, thus enabling the Amalgamated to ascertain the credit needs of the community, as well as being in a position to offer these organizations their technical expertise.

- The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution

Amalgamated participates in local community events, provides information materials at its branches, and conducts financial seminars which are promoted in community newspapers as well as by the organizations that partner with Amalgamated.

Since 2006, Amalgamated has entered many underserved markets by opening Banking Development District ("BDD") branches. To build awareness of the BDD branches, Amalgamated conducted extensive advertising and promotional campaigns to support the opening of each BDD branch location, and invited residents to open new accounts. Local branch managers developed relationships with local community organizations and together presented programs such as financial literacy workshops, at which Amalgamated's banking services were explained. Direct mail programs were also conducted to make neighborhood residents aware of the banking services available to them through Amalgamated.

Other factors that in the judgment of the Superintendent and Banking Board bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community

Amalgamated offers several accounts/programs that are geared to the unbanked and LMI individuals. Among those are:

- The Second Chance Account, which is aimed at the unbanked and is a Basic Banking type of account.
- The Tween Green Student Savings Account, which is a student savings account for elementary, junior high and high school students available through the School Banking Program. There is no monthly fee; unlimited in person deposits and withdrawals; no fees for excess transactions; \$1 minimum to open the account; and, interest is compounded and credited quarterly.
- Beginning in 2007, Amalgamated was one of the first banks to engage in anti-poverty pilot initiatives with New York City. Amalgamated offered branch space

for meetings, staff for volunteerism, and special products. The first component of the program is “family rewards”. Families, in areas correlated with poverty, receive cash incentives through direct deposit for successfully meeting targeted activities: education, health, and workforce and job training. Amalgamated is currently partnered with the New York City Department of Consumer Affairs Office of Financial Empowerment to offer this program. Individuals in the programs are required to have an account in order to participate. Amalgamated and a few other select banks open accounts for individuals who do not have them.

Since the latest CRA evaluation as of December 31, 2006 neither Amalgamated nor the New York State Department of Financial Services has received any written complaints regarding Amalgamated’s CRA performance.

GLOSSARY

Aggregate Penetration Rate

The number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Community Development

The term “community development” is defined to mean:

1. Affordable housing (including multifamily housing) for low- or moderate-income (“LMI”) individuals;
2. Community services targeted to LMI individuals;
3. Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the United States Small Business Administration (“SBA”) Development Company or Small Business Investment Company programs, or have gross annual incomes of \$1 million or less;
4. Activities that revitalize or stabilize LMI geographies; and
5. Activities that seek to prevent defaults and/or foreclosures in loans included in (1) and (4) above.

A “community development loan” is defined as a loan that has as its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving low or moderate income (“LMI”) persons;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;
- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

A “qualified investment” is defined as a lawful investment, deposit, membership share or grant that has as its *primary purpose* community development. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;
- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women’s centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

A “community development service” is defined as a service that has as its *primary purpose* community development, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM “Training Machines” available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
 - ❖ Serving on a loan review committee;
 - ❖ Developing loan application and underwriting standards;
 - ❖ Developing loan processing systems;

- ❖ Developing secondary market vehicles or programs;
- ❖ Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;
- ❖ Furnishing financial services training for staff and management;
- ❖ Contributing accounting/bookkeeping services; and
- ❖ Assisting in fund raising, including soliciting or arranging investments.

Home Mortgage Disclosure Act (“HMDA”)

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Income Level

The income level of the person, family or household is based on the income of person, family or household. A geography’s income is categorized by median family income for the geography. In both cases, the income is compared to the MSA or statewide nonmetropolitan median income.

Income level of individual or geography	% of the area median income
Low-income	Less than 50
Moderate-income	At least 50 and less than 80
Middle-income	At least 80 and less than 120
Upper-income	120 or more

Loans to Small Businesses

Small business loans to businesses with gross annual revenues (“GAR”) of \$1 million or less (“< = \$ 1MM”).

Low or Moderate Income (“LMI”) Geographies

Those census tracts or block numbering areas (“BNAs”), where according to the 2000 US Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a Metropolitan Statistical Area (“MSA”) or Primary Metropolitan Statistical Area (“PMSA”), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of BNAs and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

LMI Borrowers

Borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In the case where the residential property is located in a MSA or PMSA, this would

relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the U.S. Department of Housing and Urban Development (“HUD”).

LMI Individuals/Persons

Individuals or persons whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by HUD.

LMI Penetration Rate

A number that depicts the percentage of a bank’s total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, an LMI penetration rate of 20% would indicate that the bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers.

Small Business Loans

Loans to businesses with original amounts of \leq \$1MM.