



**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:** *September 30, 2013*

**Institution:** Global Bank  
30 East Broadway  
New York, NY 10002-2192

**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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## TABLE OF CONTENTS

	Section
General Information .....	1
Overview of Institution's Performance .....	2
Performance Context.....	3
Institution's Profile	
Assessment Area	
Demographic & Economic Data	
Performance Standards and Assessment Factors .....	4
Loan-to-Deposit Analysis and Other	
Lending-Related Activities	
Assessment Area Concentration	
Distribution by Borrowers Characteristics	
Geographic Distribution of Loans	
Action Taken in Response to Written Complaints	
With Respect to CRA	
Additional Factors	
Glossary .....	5

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## **GENERAL INFORMATION**

This document is an evaluation of the Community Reinvestment Act (“CRA”) performance of Global Bank (“GB”) prepared by the New York State Department of Financial Services (“DFS” or the “Department”). This evaluation represents the Department’s current assessment and rating of the institution’s CRA performance based on an evaluation conducted as of September 30, 2013.

Section 28-b of the New York Banking Law, as amended, requires that when evaluating certain applications, the Superintendent 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 Superintendent 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 (“Evaluation”) be made available to the public. 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.

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## **OVERVIEW OF INSTITUTION'S PERFORMANCE**

GB is evaluated according to the small bank performance criteria pursuant to Part 76.12 of the General Regulations of the Superintendent. This assessment period included calendar year 2009, 2010, 2011, 2012 and 2013 (through Q3). GB is rated "1," indicating an "Outstanding" record of helping to meet community credit needs. This is the second examination conducted by the New York State Department of Financial Services.

The rating is based on the following factors:

- **Loan-to-Deposit (LTD) Ratio and Other Lending-Related Activities:** "Outstanding"

GB's average LTD ratio was reasonable considering its size, business strategy, financial condition, aggregate and peer group activity.

GB's average LTD ratio for the evaluation period was 74.8% compared to 78.8% for the peer group. GB's position ranged from significantly underperforming the peer group during the first 14 quarters of the evaluation period to significantly outperforming it during the final five quarters.

As a small bank institution, GB was not required to make community development loans or investments. GB did, however, make a community development loan in the amount of \$1.06 million to a nonprofit organization that provides affordable housing services to low- and moderate-income ("LMI") individuals in GB's assessment area.

- **Assessment Area Concentration:** "Outstanding"

During the evaluation period, GB originated 87.4% by number and 85.8% by dollar value of its loans, HMDA-reportable and small business, within the assessment area. This substantial majority of lending inside of its assessment area is an excellent record of lending within GB's assessment area.

- **Distribution by Borrowers Characteristics:** "Satisfactory"

The distribution of HMDA reportable loans based on borrower characteristics demonstrated a reasonable rate of lending to low- and moderate-income borrowers; while the penetration rate of lending to small businesses with revenue size of less than or equal to \$1 million demonstrated an excellent level of lending.

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- **Geographic Distribution of Loans:** “Outstanding”

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

- **Action Taken in Response to Written Complaints With Respect to CRA:**

Since the latest CRA evaluation as of December 31, 2008, neither GB nor the New York State Department of Financial Services has received any written complaints regarding GB's CRA performance.

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

## PERFORMANCE CONTEXT

### Institution Profile:

Chartered in 2007, Global Bank (“GB”) is a de novo privately owned commercial bank located at 30 East Broadway, New York, New York 10002. It is a one-branch bank with no subsidiaries or holding company. Products offered by GB include a complete range of commercial and consumer products created to primarily accommodate the banking needs of the Asian/Chinese Community and their businesses. The target market area is Manhattan’s Chinatown, Queens’ Flushing and Elmhurst areas, and Brooklyn’s Sunset Park.

Per the Consolidated Report of Condition (the Call Report) as of September 30, 2013, filed with the Federal Deposit Insurance Corporation (“FDIC”), GB reported total assets of \$112.7 million, of which \$93.7 million were net loans and lease finance receivables. It also reported total deposits of \$97.8 million, resulting in a loan-to-deposit (“LTD”) ratio of 95.8%. According to the latest available comparative deposit data as of June 30, 2013, GB obtained a market share of 0.01%, or \$100.2 million in a market of \$829.2 billion inside its market, ranking it 85th among 108 deposit-taking institutions in New York County, Kings County and Queens County.

The following is a summary of GB’s loan portfolio, based on Schedule RC-C<sup>1</sup> of GB’s December 31, 2009, 2010, 2011, 2012 and September 30, 2013 Call Reports:

<b>TOTAL GROSS LOANS OUTSTANDING</b>										
Loan Type	2009		2010		2011		2012		*2013	
	\$000's	%	\$000's	%	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	56,121	72.4	44,235	55.5	36,013	49.1	30,605	34.9	24,577	25.9
Commercial Mortgage Loans	13,294	17.1	24,272	30.5	27,297	37.2	44,044	50.2	56,223	59.2
Commercial & Industrial Loans		0.0	1,614	2.0	735	1.0	792	0.9	1,284	1.4
Multifamily Mortgages	6,365	8.2	8,757	11.0	8,814	12.0	12,141	13.8	12,818	13.5
Construction - 1-4 family residential		0.0		0.0		0.0		0.0		0.0
Construction - non-residential	441	0.6	634	0.8	481	0.7		0.0		0.0
Consumer Loans	73	0.1	98	0.1	40	0.1	176	0.2	127	0.2
Other Loans	1,250	1.6	88	0.1	28	0.0		0.0		0.0
<b>Total Gross Loans</b>	<b>77,544</b>		<b>79,698</b>		<b>73,408</b>		<b>87,758</b>		<b>95,029</b>	

\*Quarter End Date September 30, 2013

As illustrated in the above chart, GB has become primarily a small business lender, with 59.2% of its loan portfolio in commercial mortgage loans as of September 30, 2013. GB’s secondary focus is residential mortgage lending, with 25.9% of its loan portfolio in 1-4 family residential mortgage loans as of September 30, 2013. GB was primarily a residential lender until 2011 when management changed its business strategy to focus on small business lending.

GB provides extended hours of services on Saturdays and Sundays from 10 AM to 3

<sup>1</sup> Total Gross Loans outstanding should be the amount as indicated on Lines 1 through 10.

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PM, in addition to the regular banking hours. Supplementing the banking office is a 24-hour, automated teller machine (ATM). GB does not have any offsite ATM's.

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

**Assessment Area:**

GB's assessment area ("AA") is comprised of Queens County, New York County and Kings County.

There are 1,718 census tracts in the area, of which 161 are low-income, 468 are moderate-income, 560 are middle-income, 478 are upper-income and 51 are tracts with no income indicated.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Queens	26	16	134	303	190	669	22.4
New York	12	37	65	23	151	288	35.4
Kings	13	108	269	234	137	761	49.5
Total	51	161	468	560	478	1,718	36.6

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

**Demographic & Economic Data**

The AA had a population of 6.3 million during the examination period. About 12.3% of the population were over the age of 65 and 18.1% were under the age of 16.

Of the 1.4 million families in the AA, 28.2% were low-income, 16.8% were moderate-income, 16.7% were middle-income and 38.3% were upper-income families. There were 2.4 million households in the AA, of which 16.7% had income below the poverty level and 3.5% were on public assistance.

The weighted average of the median family income within the AA was \$68,980. The U.S. Department of Housing and Urban Development ("HUD") estimated median family income for the area as \$68,300 in 2013. Of the three counties that comprise the GB's assessment area, New York County has the highest weighted average median family income of \$104,415.

There were 2.7 million housing units within the AA, of which 39.2% were one- to four-family units, and 60.8% were multifamily units. A majority (60.8%) of the area's

housing units were rental occupied units, while 29.9% were owner occupied units. Of the 1.6 million renter-occupied units, 47.5% were in low- and moderate-income census tracts while 52.5% were in middle- and upper-income census tracts. The median age of the housing stock was 68 years and the median home value in the AA was \$571,093. Of the 793,344 owner occupied units only 21.1% were in low- and moderate-income census tracts, while 78.9% were in middle- and upper-income census tracts

There were 554,454 non-farm businesses in the AA. Of these, 71.5% were businesses with reported revenues of less than or equal to \$1 million, 5.7% reported revenues of more than \$1 million and 22.8% did not report their revenues. Of all the businesses in the AA, 78.1% were businesses with less than fifty employees while 93.6% operated from a single location. The largest industries in the area were Services (44.6%), followed by Retail Trade (14.7%) and Finance, Insurance & real Estate (9.2%). 14.5% of businesses in the AA were not classified.

According to the New York State Department of Labor, the average unemployment rate for New York State was 8.4% in 2009, 8.6% in 2010, 8.3% in 2011, 8.5% in 2012 and 7.9% for the first 8 months in 2013. Both Queens and New York counties had average unemployment rates lower than New York State's for the period from 2011 to August, 2013. Kings county on the other hand, had the highest unemployment among the three counties and higher than New York State's.

<b>Assessment Area Unemployment Rate</b>				
	NY State	Queens	New York	Kings
2009	8.4	8.3	8.4	9.8
2010	8.6	8.7	8.1	10.3
2011	8.3	8.1	7.5	9.8
2012	8.5	8.3	7.7	9.9
*2013	7.9	7.8	7.3	9.5

*\*January to August Average*

### **Community Information**

Examiners interviewed a nonprofit community organization during the examination. The not-for-profit organization was established to bring residents, business owners and community groups together to rebuild Chinatown following the devastating events on September 11, 2001. It strives to improve and provide opportunities to local businesses and others to invest in the neighborhood, and promote economic growth by getting involved in various local development projects.

The community contact cited the primary need of the community as the essential financial support to preserve the local businesses while making them more accessible to visitors to New York City, and more specifically to lower Manhattan. There is also an increasing need for affordable housing in this low-income



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neighborhood, as the constant increase in rentals negatively affecting the affordability for LMI individuals.

The executive director of the community organization has a positive relationship with GB. GB has provided donations to the organization and has been supportive of local small businesses in the area.

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## **PERFORMANCE STANDARDS AND ASSESSMENT FACTORS**

*GB was evaluated under the small banking institution's performance standards in accordance with Parts 76.7 and 76.12 of the General Regulations of the Superintendent. GB's performance was evaluated according to the small bank performance criteria, which consists of the lending test including (1) loan-to-deposit ratio and other lending-related activities; (2) assessment area concentration; (3) distribution by borrower characteristics; (4) geographic distribution of loans; and (5) action taken in response to written complaints regarding CRA. The following factors were also considered in assessing the bank's record of performance: the extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance; any practices intended to discourage credit applications, evidence of prohibited discriminatory or other illegal credit practices; record of opening and closing offices and providing services at offices; and 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 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 & 2010 U.S. Census ("Census") and the U.S. Department of Housing and Urban Development ("HUD"). Business demographic data used in this report is based on Dun & Bradstreet reports which are 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 2009, 2010, 2011, 2012 and the first three quarters in 2013.

Examiners considered GB's small business, and HMDA-reportable loans in evaluating factors (2), (3) and (4) of the lending test as noted above.

Small business loan aggregate data are shown for comparative purposes. GB is not required to report this data, and thus it is not included in the aggregate data.

Consumer loans constituted a very small percentage of GB's business and thus were not evaluated.

GB received a rating of “2”, reflecting a “Satisfactory” record of helping to meet community credit needs at its prior Performance Evaluation conducted by the former New York State Banking Department as of December 31, 2008.

**Current CRA Rating: “Outstanding”**

**Lending Test: “Outstanding”**

GB’s HMDA-reportable and small business lending activities are reasonable in light of aggregate and peer group activity and demographics.

**Loan-to-Deposit (“LTD”) Ratio and other Lending-Related Activities: “Outstanding”**

GB’s average LTD ratio was reasonable considering its size, business strategy, financial condition, aggregate and peer group activity.

GB’s average LTD ratio for the evaluation period was 74.8% compared to 78.8% for the peer group. GB’s position ranged from significantly underperforming the peer group during the first 14 quarters of the evaluation period to significantly outperforming it during the final five quarters. Thus, GB, as a de novo institution is considered reasonably positioned. The current upward trend of GB’s LTD in the final five quarters is attributable to management’s focus on commercial business lending while receiving decreased deposits.

The chart below shows GB’s LTD ratios in comparison with the peer group’s ratios for the 19 quarters since the prior evaluation.

Loan-to-Deposit Ratios																				
	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	Avg.
Bank	69.7	71.1	65.3	65.9	71.6	74.3	74.8	71.2	74.0	68.8	71.3	68.8	69.0	71.2	76.2	86.5	84.1	92.6	95.8	74.8
Peer	88.5	87.7	85.0	83.7	81.8	80.6	79.8	80.0	77.4	77.6	76.6	77.2	73.5	74.6	75.0	73.5	74.3	75.8	75.4	78.8

As a small bank institution, GB was not required to make community development loans or investments. GB did, however, make a community development loan in the amount of \$1.06 million to a nonprofit organization that provides affordable housing services to low- and moderate-income (“LMI”) individuals in GB’s assessment area. The funds were used to purchase a 20-unit affordable housing building located in a low-income census tract.

**Assessment Area Concentration: “Outstanding”**

During the evaluation period, GB originated 87.2% by number and 85.8% by dollar value of its loans (both HMDA-reportable and small business) within the assessment area. This substantial majority of lending inside of its assessment area is an excellent

record of lending within GB's assessment area.

HMDA-Reportable Loans:

During the evaluation period, for HMDA-reportable lending, GB originated 89.6% by number and 86.8% by dollar value of its loans within the assessment area. This substantial majority of lending inside of its assessment area is an excellent record of lending.

Small Business Loans:

During the evaluation period, for small business lending, GB originated 84.2% by number and 84.2% by dollar value of its loans within the assessment area. This majority of lending inside of its assessment area is an adequate record of lending.

The following table shows the percentages of GB's small business and HMDA-reportable loans originated inside and outside of 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
	#	%	#	%		\$	%	\$	%	
<b>HMDA-Reportable</b>										
2009	26	89.7%	3	10.3%	29	14,872	84.9%	2,640	15.1%	17,512
2010	12	100.0%	-	0.0%	12	5,400	100.0%	-	0.0%	5,400
2011	1	100.0%	-	0.0%	1	300	100.0%	-	0.0%	300
2012	1	50.0%	1	50.0%	2	1,064	78.0%	300	22.0%	1,364
*2013	3	75.0%	1	25.0%	4	1,130	67.9%	533	32.1%	1,663
Subtotal	43	89.6%	5	10.4%	48	22,766	86.8%	3,473	13.2%	26,239
<b>Small Business</b>										
2009	9	100.0%	-	0.0%	9	3,900	100.0%	-	0.0%	3,900
2010	7	87.5%	1	12.5%	8	1,723	81.9%	380	18.1%	2,103
2011	4	100.0%	-	0.0%	4	1,650	100.0%	-	31.5%	1,650
2012	8	88.9%	1	11.1%	9	3,734	87.8%	520	38.0%	4,254
*2013	4	50.0%	4	50.0%	8	2,400	59.8%	1,615	40.2%	4,015
Subtotal	32	84.2%	6	15.8%	38	13,407	84.2%	2,515	15.8%	15,922
Grand Total	75	87.2%	11	12.8%	86	36,173	85.8%	5,988	14.2%	42,161

\* Partial Year, from 01/01/13 to 09/30/13

Distribution by Borrower Characteristics: "Satisfactory"

The distribution of HMDA reportable loans based on borrower characteristics demonstrated a reasonable rate of lending to low- and moderate-income borrowers; while the penetration rate of lending to small businesses with revenue size of less than or equal to \$1 million demonstrated an excellent level of lending.

HMDA-Reportable Loans:

GB's HMDA-reportable lending demonstrated an adequate penetration rate of lending among individuals of different income levels.

During 2009 and 2010, GB originated a total of 32 1- to 4-family residential mortgage loans, but it did not make any 1-4 family residential mortgage loans in 2011 and 2012 and only has made two such loans in 2013. This reflects management's decision to concentrate on small business, rather than residential mortgage lending beginning in 2011. As a result, the analysis excludes data for 2011, 2012 and 2013 for this component of the lending-test.

During 2009 and 2010, GB originated 3.1% by number and 1.2% by dollar value of its 1-4 family HMDA loans to low-income borrowers, which outperformed the aggregate level of 1.4% and 0.7%, respectively. GB extended 6.3% by number and 3.4% by dollar value of its 1-4 family HMDA loans to the combined low-income and moderate-income borrowers, which underperformed the aggregate level of 8.2% by number and 3.6%, respectively.

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

Distribution of 1-4 Family Loans by Borrower Income									
2009									
Borrower Income	Bank				Aggregate				Fam.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	744	1.4%	174,899	0.9%	29.5%
Moderate	1	5.0%	360	3.2%	3,635	6.9%	642,377	3.2%	16.7%
LMI	1	5.0%	360	3.2%	4,379	8.3%	817,276	4.1%	46.2%
Middle	0	0.0%	0	0.0%	10,040	19.1%	2,478,826	12.3%	17.1%
Upper	18	90.0%	10,494	94.4%	35,666	67.8%	15,748,910	78.2%	36.7%
Unknown	1	5.0%	263	2.4%	2,537	4.8%	1,086,904	5.4%	
<b>Total</b>	<b>20</b>		<b>11,117</b>		<b>52,622</b>		<b>20,131,916</b>		
2010									
Borrower Income	Bank				Aggregate				Fam.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	8.3%	200	3.7%	661	1.3%	110,621	0.5%	29.5%
Moderate	0	0.0%	0	0.0%	3,321	6.7%	563,982	2.7%	16.7%
LMI	1	8.3%	200	3.7%	3,982	8.1%	674,603	3.2%	46.2%
Middle	1	8.3%	430	8.0%	8,937	18.1%	2,163,666	10.3%	17.1%
Upper	4	33.3%	2,365	43.8%	34,853	70.6%	17,281,142	82.1%	36.7%
Unknown	6	50.0%	2,405	44.5%	1,572	3.2%	929,391	4.4%	
<b>Total</b>	<b>12</b>		<b>5,400</b>		<b>49,344</b>		<b>21,048,802</b>		
GRAND TOTAL									
Borrower Income	Bank				Aggregate				Fam.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	3.1%	200	1.2%		1.4%		0.7%	
Moderate	1	3.1%	360	2.2%		6.8%		2.9%	
LMI	2	6.3%	560	3.4%		8.2%		3.6%	
Middle	1	3.1%	430	2.6%		18.6%		11.3%	
Upper	22	68.8%	12,859	77.9%		69.2%		80.2%	
Unknown	7	21.9%	2,668	16.2%		4.0%		4.9%	
<b>Total</b>	<b>32</b>		<b>16,517</b>						

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*Small Business Loans:*

The distribution of small business loans based on the revenue size of the business demonstrated an excellent penetration rate of lending particularly to businesses with revenues of less than or equal to \$1 million.

Almost all of the loans made during the evaluation period were made to small businesses with gross annual revenue of less than or equal to \$1 million; which reflects GB's commitment to support local small businesses in its assessment area.

The following chart provides a summary of GB's small business lending distribution based on revenue size during the evaluation period:

Distribution of Small Business Lending by Revenue Size of Business									
2009									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	7	77.8%	3,000	76.9%	20,754	16.0%	762,887	22.7%	74.1%
Rev. > \$1MM	2	22.2%	900	23.1%					6.0%
Rev. Unknown	-	0.0%	0	0.0%					20.0%
<b>Total</b>	<b>9</b>		<b>3,900</b>		<b>129,524</b>		<b>3,358,240</b>		
2010									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	7	100.0%	1,723	100.0%	19,524	16.5%	667,352	21.2%	74.3%
Rev. > \$1MM	-	0.0%	0	0.0%					5.5%
Rev. Unknown	-	0.0%	0	0.0%					20.1%
<b>Total</b>	<b>7</b>		<b>1,723</b>		<b>117,986</b>		<b>3,153,682</b>		
2011									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	4	100.0%	1,650	100.0%	50,984	33.3%	1,056,056	26.7%	64.6%
Rev. > \$1MM	-	0.0%	0	0.0%					3.9%
Rev. Unknown	-	0.0%	0	0.0%					31.5%
<b>Total</b>	<b>4</b>		<b>1,650</b>		<b>152,940</b>		<b>3,955,144</b>		
2012									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	8	100.0%	3,734	100.0%	62,842	39.4%	1,311,680	30.2%	70.3%
Rev. > \$1MM	-	0.0%	0	0.0%					5.3%
Rev. Unknown	-	0.0%	0	0.0%					24.4%
<b>Total</b>	<b>8</b>		<b>3,734</b>		<b>159,319</b>		<b>4,342,038</b>		
*2013									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	4	100.0%	2,400	100.0%	Data Not Available				71.5%
Rev. > \$1MM	-	0.0%	0	0.0%					5.7%
Rev. Unknown	-	0.0%	0	0.0%					22.8%
<b>Total</b>	<b>4</b>		<b>2,400</b>						
GRAND TOTAL									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	30	93.8%	12,507	93.3%		38.5%		36.3%	
Rev. > \$1MM	2	6.3%	900	6.7%					
Rev. Unknown	-	0.0%	-	0.0%					
<b>Total</b>	<b>32</b>		<b>13,407</b>						

### Geographic Distribution of Loans: "Outstanding"

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

HMDA-Reportable Loans:

The distribution of HMDA-reportable loans based on the income level of the geography demonstrated an excellent penetration rate of lending.

The majority of GB's HMDA-reportable loans were made in 2009 and 2010. Only five multifamily loans were made in the last three years of the evaluation period when GB narrowed its business focus to primarily small business lending. The five loans made (1 in a low-income tract, 2 in a moderate-income tract and 2 in an upper-income tract) during the last three years of the evaluation period were therefore not evaluated for this component.

For 2009 and 2010, the average lending rates to LMI census tracts were 34.2% by number and 35.5% by dollar value, respectively. These ratios were much better than the peer aggregate levels of 18.4% and 17.2%, respectively.

The following chart provides a summary of GB'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									
2009									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	4	15.4%	2,944	19.8%	1,659	3.1%	738,938	3.3%	2.5%
Moderate	4	15.4%	1,952	13.1%	8,055	14.9%	3,284,822	14.7%	18.5%
LMI	8	30.8%	4,896	32.9%	9,714	18.0%	4,023,760	18.0%	21.0%
Middle	6	23.1%	2,312	15.5%	15,855	29.4%	5,013,260	22.5%	36.3%
Upper	12	46.2%	7,664	51.5%	28,279	52.4%	13,223,200	59.3%	42.7%
Unknown	0	0.0%	0	0.0%	96	0.2%	44,536	0.2%	0.0%
<b>Total</b>	<b>26</b>		<b>14,872</b>		<b>53,944</b>		<b>22,304,756</b>		
2010									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	8.3%	750	13.9%	1,747	3.5%	878,932	3.6%	2.5%
Moderate	4	33.3%	1,550	28.7%	7,788	15.4%	3,161,015	12.9%	18.5%
LMI	5	41.7%	2,300	42.6%	9,535	18.8%	4,039,947	16.5%	21.0%
Middle	5	41.7%	1,631	30.2%	14,757	29.2%	5,140,496	21.0%	36.3%
Upper	2	16.7%	1,469	27.2%	26,185	51.7%	15,183,788	62.0%	42.7%
Unknown	0	0.0%	0	0.0%	136	0.3%	122,968	0.5%	0.0%
<b>Total</b>	<b>12</b>		<b>5,400</b>		<b>50,613</b>		<b>24,487,199</b>		
GRAND TOTAL									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	5	13.2%	3,694	18.2%		3.3%		3.5%	
Moderate	8	21.1%	3,502	17.3%		15.2%		13.8%	
LMI	13	34.2%	7,196	35.5%		18.4%		17.2%	
Middle	11	28.9%	3,943	19.5%		29.3%		21.7%	
Upper	14	36.8%	9,133	45.1%		52.1%		60.7%	
Unknown	-	0.0%	-	0.0%		0.2%		0.4%	
<b>Total</b>	<b>38</b>		<b>20,272</b>						



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*Small Business Loans:*

The distribution of small business loans based on the income level of the geography of the business demonstrated an excellent penetration rate of lending.

GB's small business loans made to low- and moderate-income census tracts represented 65.6% by number and 59.1% by dollar amount, which significantly outperformed the peer group of 23.9% and 21.6%, respectively.

The following chart provides a summary of GB's small business lending distribution based on the income level of the geography.

Distribution of Small Business Lending by Geographic Income of the Census Tract									
2009									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Low	2	22.2%	550	14.1%	7,231	5.6%	158,136	4.7%	6.8%
Moderate	5	55.6%	1,850	47.4%	24,185	18.7%	603,353	18.0%	21.5%
LMI	7	77.8%	2,400	61.5%	31,416	24.3%	761,489	22.7%	28.4%
Middle	0	0.0%	0	0.0%	28,962	22.4%	691,496	20.6%	22.2%
Upper	2	22.2%	1,500	38.5%	67,589	52.2%	1,834,234	54.6%	48.1%
Unknown		0.0%		0.0%	1,557	1.2%	71,021	2.1%	1.4%
<b>Total</b>	<b>9</b>		<b>3,900</b>		<b>129,524</b>		<b>3,358,240</b>		
2010									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Low	0	0.0%	0	0.0%	5,856	5.0%	153,963	4.9%	6.7%
Moderate	4	57.1%	1,323	76.8%	20,658	17.5%	508,554	16.1%	21.3%
LMI	4	57.1%	1,323	76.8%	26,514	22.5%	662,517	21.0%	28.0%
Middle	0	0.0%	0	0.0%	25,696	21.8%	647,557	20.5%	22.3%
Upper	3	42.9%	400	23.2%	64,067	54.3%	1,755,407	55.7%	48.4%
Unknown		0.0%		0.0%	1,709	1.4%	88,201	2.8%	1.4%
<b>Total</b>	<b>7</b>		<b>1,723</b>		<b>117,986</b>		<b>3,153,682</b>		
2011									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Low	2	50.0%	350	21.2%	8,645	5.7%	179,971	4.6%	6.8%
Moderate	1	25.0%	1,000	60.6%	29,191	19.1%	663,010	16.8%	22.4%
LMI	3	75.0%	1,350	81.8%	37,836	24.7%	842,981	21.3%	29.2%
Middle	1	25.0%	300	18.2%	35,092	22.9%	824,933	20.9%	23.5%
Upper	0	0.0%	0	0.0%	77,965	51.0%	2,199,964	55.6%	45.9%
Unknown		0.0%		0.0%	2,047	1.3%	87,266	2.2%	1.5%
<b>Total</b>	<b>4</b>		<b>1,650</b>		<b>152,940</b>		<b>3,955,144</b>		
2012									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Low	1	12.5%	499	13.4%	10,387	6.5%	255,156	5.9%	6.9%
Moderate	4	50.0%	1,845	49.4%	27,409	17.2%	680,528	15.7%	20.2%
LMI	5	62.5%	2,344	62.8%	37,796	23.7%	935,684	21.5%	27.1%
Middle	2	25.0%	690	18.5%	35,852	22.5%	960,977	22.1%	23.2%
Upper	0	0.0%	0	0.0%	79,244	49.7%	2,169,908	50.0%	46.0%
Unknown	1	12.5%	700	18.7%	6,427	4.0%	275,469	6.3%	3.7%
<b>Total</b>	<b>8</b>		<b>3,734</b>		<b>159,319</b>		<b>4,342,038</b>		
*2013									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Low	0	0.0%	0	0.0%					6.9%
Moderate	2	50.0%	500	20.8%					20.0%
LMI	2	50.0%	500	20.8%					26.9%
Middle	1	25.0%	900	37.5%					22.7%
Upper	1	25.0%	1,000	41.7%					46.6%
Unknown	0	0.0%	0	0.0%					3.8%
<b>Total</b>	<b>4</b>		<b>2,400</b>						
GRAND TOTAL									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Low	5	15.6%	1,399	10.4%		5.7%		5.0%	
Moderate	16	50.0%	6,518	48.6%		18.1%		16.6%	
LMI	21	65.6%	7,917	59.1%		23.9%		21.6%	
Middle	4	12.5%	1,890	14.1%		22.4%		21.1%	
Upper	6	18.8%	2,900	21.6%		51.6%		53.7%	
Unknown	1	3.1%	700	5.2%		2.1%		3.5%	
<b>Total</b>	<b>32</b>		<b>13,407</b>						

Action Taken In Response to Written Complaints With Respect to CRA:

Since the latest CRA evaluation as of December 31, 2008, neither GB nor the New York State Department of Financial Services ("DFS") has received any written complaints

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regarding GB's CRA performance.

### **Additional Factors**

#### **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**

GB's board of directors is proactive in the management of the business and affairs of the bank and therefore sees direct and first-hand information of the community's credit and banking needs. GB's board of directors approves the CRA statement annually and revises it as needed.

#### **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.

#### **Record of opening and closing offices and providing services at offices**

Since GB opened for business it maintains one branch within a low income census tract.

### **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.

GB ascertains the credit needs of its assessment area through its sponsorship and participation in event of groups and individuals in the surrounding Chinese communities. GB maintains ongoing contact with business and service leaders in the communities it serves.

- 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

GB advertises in the free local papers and attends local Chinese functions and community support based organizations' events. In addition to the Manhattan

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community, GB sponsors and attends other groups in the surrounding Chinese communities in Brooklyn and Queens.

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

None

## 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

“Community development”:

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 business 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 (3) above.

### Community Development Loan

A loan that has 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.

## **Community Development Service**

Service that has community development as its *primary purpose*, 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.

## **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 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 for borrowers is based on household or family income. 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.

<b>Income level of individual or geography</b>	<b>% of the area median income</b>
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 of \$1 million or less.

## **Low or Moderate Income ("LMI") Geographies**

Those census tracts or block numbering areas where, according to the 2000 U.S. 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 cases 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 represents 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.

### **Low-Income Housing Tax Credit (LIHTC)**

A dollar for dollar tax credit for affordable housing, created under the Tax Reform Act of 1986, that provides incentives to invest in projects for the utilization of private equity in the development of affordable housing aimed at low income Americans. It is also more commonly called Section 42 credits in reference to the applicable section of the IRC. The tax credits are more attractive than tax deductions as they provide a dollar for dollar reduction in a taxpayer's federal income tax. It is more commonly attractive to corporations since the passive loss rules and similar tax changes greatly reduced the value of tax credits and deductions to individual taxpayers.

### **New Markets Tax Credit (NMTC)**

The New Markets Tax Credits (NMTC) Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits individual and corporate taxpayers to receive a credit against federal income taxes for making qualified equity investments in Community Development Entities (CDEs). The credit provided to the investor totals 39% of the cost of the investment and is claimed over a 7-year period. CDEs must use substantially all of the taxpayer's investments to make qualified investments in low-income communities. The Fund is administered by the US Treasury Department's Community Development Financial Institutions Fund (CDFI).

### **Qualified Investment**

A lawful investment, deposit, membership share or grant that has community development as its *primary purpose*. 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.