



**PUBLIC DISCLOSURE**

April 4, 2022

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

Esquire Bank, National Association  
Charter Number 25125

100 Jericho Quadrangle, Suite 100  
Jericho, NY 11753

Office of the Comptroller of the Currency

343 Thornall Street  
Suite 610  
Edison, NJ 08837

Note: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

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

**The lending test is rated: Satisfactory.**

**The community development test is rated: Outstanding.**

The major factors that support this rating include:

- The loan-to-deposit (LTD) ratio is reasonable considering Esquire Bank, National Association's (Esquire or the Bank's) performance context.
- All consumer and small business loans considered in this evaluation were originated or purchased within its assessment area (AA).
- The distribution of loans represents excellent distribution among borrowers of different income levels.
- The geographic distribution of loans reflects reasonable distribution of lending among census tracts of different income levels.
- The community development (CD) test rating is outstanding based on Esquire's responsiveness to community needs through qualified CD loans, investments, and services.

### Loan-to-Deposit Ratio

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

Esquire's quarterly average net LTD ratio throughout the 2019-2020 evaluation period (evaluation period) was 81.2 percent, ranging from a low of 77.9 percent to a high of 83.4 percent. Examiners compared Esquire's quarterly average net LTD ratio to six similarly situated banks. The quarterly average net LTD ratio for the six peer banks over the same period averaged 115.3 percent, ranging from a quarterly low of 88.7 percent to a quarterly high of 293.3 percent.

Esquire's quarterly average net LTD ratio ranks seventh out of the seven similarly situated banks but is reasonable relative to the Bank's performance context, which considers competition, available products, economic condition of the AA, and lending opportunities in low- and moderate income (LMI) geographies.

## Lending in Assessment Area

All of the Bank's loans are inside its assessment area (AA).

The Bank originated and purchased 100 percent of the small business and consumer loans inside the AA during the evaluation period. This analysis considers, if applicable, all of the AAs in aggregate. This percentage does not include extensions of credit by affiliates that may be considered, if applicable, under the other performance criteria.

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
<b>Small Business</b>	<b>94</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>94</b>	<b>21,499</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>21,499</b>
<b>Consumer</b>	<b>70</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>70</b>	<b>5,901</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>5,901</b>
<b>Total</b>	<b>164</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>164</b>	<b>27,400</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>27,400</b>

*Source: Bank Data  
Due to rounding, totals may not equal 100.0%*

## Description of Institution

Esquire is wholly owned by Esquire Financial Holdings, Inc., a one-bank holding company founded in 2006 and headquartered in Jericho, NY. Esquire is an independent, full-service national bank dedicated to serving the financial needs of the legal industry and small businesses nationwide, as well as commercial and retail customers in the New York metropolitan area. Esquire operates one full-service branch from its main office in Jericho, NY and is open Monday to Friday 8:30am -5:00pm. Additionally, the Bank operates an administrative office in Boca Raton, Florida.

Esquire offers tailored products to the legal community and their clients as well as merchant services to small business owners on a nationwide basis. The Bank also offers traditional banking products for businesses and consumers in its local market area. Esquire's loan portfolio totals \$660.5 million as of December 31, 2020 and includes commercial and industrial loans, commercial real estate, and post-settlement consumer loans. The multi-family portfolio includes loans that provide LMI borrowers with affordable housing. The post-settlement consumer loans benefit LMI borrowers who have limited income due to their injuries. This includes post-settlement loans related to the World Trade Center Victims Compensation Fund.

The Bank operates in one AA that includes all of Nassau and Suffolk Counties on Long Island and all of Kings, Queens, Bronx, and New York counties in New York City. The Bank did not make any changes to the AA during the evaluation period. There were no branch openings or closings nor were there any mergers or acquisitions during the evaluation period.

There are no legal, financial, or other factors impeding the Bank's ability to help meet the credit needs in its AA during the evaluation period. The Bank received an overall "Satisfactory" rating during its last Intermediate Small Bank CRA Evaluation dated January 22, 2019.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

The OCC performed a full-scope evaluation covering January 1, 2019 through December 31, 2020. We evaluated the Bank using Intermediate Small Bank evaluation procedures, which includes a Lending Test and Community Development Test. The Lending Test evaluates Esquire's record of meeting community credit needs in the AA through lending activity. The Community Development Test evaluates the Bank's responsiveness to community development needs in its AA through qualified CD lending, investments, donations, and services. We determined Esquire's primary lending products during the evaluation period are consumer and small business loans based upon the Bank's overall business strategy and the volume of consumer and small business loans purchased and originated during the evaluation period. We considered the economic, financial, and environmental factors that impact the Bank's CRA performance in our analysis.

### **Selection of Areas for Full-Scope Review**

In each state where the Bank has an office, one or more AA within that state was selected for a full-scope review. For purposes of this evaluation, Bank-delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, Bank-delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to Appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### **Ratings**

The Bank's overall rating is based on the Bank's one AA, which is receiving a full-scope review.

Esquire's rating is based on performance within the state of New York, which includes the six counties of NY County, Kings County, Queens County, Bronx County, and Nassau and Suffolk Counties that constitute the Bank's AA.

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

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of

this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by, or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## **State Rating**

### **State of New York**

#### **CRA rating for the State of New York:**

**The Lending Test is rated: Satisfactory**

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

The major factors that support this rating include:

- The Bank's loan-to-deposit ratio (LTD) is reasonable considering the size of the institution, financial condition, assessment area, and credit needs.
- All consumer and small business loans considered in this evaluation were originated inside the AA.
- The overall distribution of loans across geographies of different income levels, including low- and moderate-income (LMI) census tracts, is reasonable.
- The overall distribution of loans by income level of the borrowers is excellent.
- The level of community development (CD) lending, investments, donations, and services reflects outstanding responsiveness to the community needs of the AA.

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

Esquire operates one full-service branch located in Jericho, New York. Esquire offers a standard selection of deposit and lending products to commercial and retail customers in the New York metropolitan area. Beyond lending and deposits, the Bank also offers a full range of services, such as wire transfers, automated clearing house (ACH) payments, bill pay, and merchant services. Account access alternatives include online banking and mobile banking and ATM access to more than 55,000 ATMs in the AllPoint Network.

Esquire's primary business focus is to provide deposit and lending services that meet the financial needs of the legal industry and small businesses nationwide. During the evaluation period, the Bank also participated in the Small Business Administration (SBA) Paycheck Protection Program (PPP) in response to the COVID-19 pandemic.

Esquire's AA consists of 2,664 contiguous geographies (census tracts) within the Bronx, Kings, New York, Queens, Nassau, and Suffolk Counties. Of the 2,664 census tracts, 298 are low-income tracts, 658 are moderate-income tracts, 964 are middle-income tracts, 671 are upper-income tracts, and 72 have not been assigned an income classification. The AA complies with the CRA guidelines and does not arbitrarily exclude LMI geographies.

<b>Table A – Demographic Information</b>						
<b>Assessment Area: CSA 35620- Esquire Bank</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	2,664	11.2	24.7	36.2	25.2	2.7
Population by Geography	10,810,247	13.6	27.0	34.7	24.4	0.3
Housing Units by Geography	4,281,539	12.4	25.0	33.1	29.2	0.2
Owner-Occupied Units by Geography	1,623,517	2.7	16.1	46.5	34.6	0.2
Occupied Rental Units by Geography	2,258,723	19.9	31.7	24.0	24.1	0.3
Vacant Units by Geography	399,299	8.8	23.9	30.7	36.3	0.3
Businesses by Geography	1,125,303	6.8	19.0	31.3	40.9	2.1
Farms by Geography	9,646	3.8	20.0	45.3	30.2	0.7
Family Distribution by Income Level	2,447,961	29.8	16.8	17.5	35.9	0.0
Household Distribution by Income Level	3,882,240	30.6	15.0	16.2	38.2	0.0
Median Family Income MSA – 35614 New York-Jersey City-White Plains, NY-NJ		\$67,560	Median Housing Value			\$523,390
Median Family Income MSA – 35004 Nassau County-Suffolk County, NY		\$108,193	Median Gross Rent			\$1,365
			Families Below Poverty Level			14.1%
<i>Source: 2015 ACS and 2020 D&amp;B Data            Due to rounding, totals may not equal 100.0%            (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Competition within the AA is strong. The AA is highly competitive for both loans and deposits and the market is dominated by large financial institutions. The top five lenders in Esquire’s market area, including JPMorgan Chase Bank, N.A., American Express National Bank, Citibank, N.A., Bank of America, N.A., and TD Bank N.A., hold approximately 80.3 of the total market share.

According to the June 30, 2020 Federal Deposit Insurance Corporation’s (FDIC) Deposit Market Share Report, Esquire ranked 54 out of 116 banks in deposit market share by dollar volume at 0.04 percent of the market or \$727.5 million. The deposits in the AA comprise 100 percent of the Bank’s total deposits. The top five financial institutions account for 70.7 percent of total deposit market share inside the AA or \$1.3 trillion in dollar volume. The top five institutions include JP Morgan Chase Bank, N.A., The Bank of New York Mellon, Goldman Sachs Bank USA, HSBC Bank USA, N.A., and Bank of America, N.A.



### *Employment and Economic Factors*

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the New York-Jersey City-White Plains NY-NJ MD (NY-NJ MD) was 9.6 percent as of December 31, 2020, an increase from 4.4 percent in January 2019. The Nassau and Suffolk Counties MD unemployment rate was 5.8 percent, an increase from 3.8 percent over the same period. Increasing unemployment rates resulted from the COVID-19 pandemic. The average unemployment rates have improved since reaching peaks of 16.7 and 15.8 percent between April and May 2020.

Moody's Analytics published information in November 2020 indicating the NY-NJ MD continues to be in economic recovery after the effects of the COVID-19 pandemic. Top industries in the area providing employment are the healthcare and banking industries. Notable employers include Montefiore Health System, Mount Sinai Health System, JP Morgan Chase & Co., Bank of America, and New York-Presbyterian Healthcare System.

The Nassau and Suffolk County NY MD also continues to be in economic recovery from the COVID-19 pandemic. Top industries in the area providing employment are the healthcare, medical devices, technology, and telecommunications industries. Notable employers include Northwell Health, Henry Schein Inc., Cablevision Systems Corp., CA Inc., and Pall Corp.

### *Community Contacts*

As part of the CRA evaluation, the OCC reviewed information from three community contacts within the Bank's AA to determine local economic conditions and community needs. The first community contact, located in Queens County, was a for-profit organization that focuses on rehabilitation of multifamily and distressed properties, occasionally collaborating with low-income housing tax credits (LIHTCs). The second community contact, located in Kings County, works to provide job readiness training for students. The third community contact, located in Nassau County, offers a variety of programs and resources to attract new businesses and economic opportunities for residents of Nassau and Suffolk Counties. These contacts indicated the primary community needs are affordable housing, home improvement, small business financial support, sustainable employment, and improving LMI access to banking services.

### **Scope of Evaluation in New York**

The full-scope review of Esquire's AA consisted of the entirety of Queens, Kings, New York, Bronx, Nassau, and Suffolk counties with consumer and small business loans being the primary focus of our review. The OCC considered the Bank's performance context while performing our analysis. Examiners placed equal weight on the Bank's performance in its AA for each year of the evaluation to reach our conclusion.

## **Conclusions in Respect to Performance Tests in New York**

### **Lending Test**

The Bank's performance under the Lending Test in the state of New York is Satisfactory.

### **Conclusions for New York Receiving a Full-Scope Review**

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

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

The Bank exhibits reasonable geographic distribution of loans in the state.

#### ***Small Business Loans***

Refer to Table Q in Appendix D for the facts and data used to evaluate the geographic distribution of the Bank's originations and purchases of small business loans.

The distribution of the small business loans in LMI geographies is reasonable. The percentage of small business loans originated in low-income geographies was below the percentage of businesses in low-income geographies and below the aggregate distribution of loans in low-income geographies. The percentage of small business loans originated in moderate-income geographies was below the percentage of businesses in moderate-income geographies and below the aggregate distribution of loans in moderate-income geographies.

#### ***Consumer Loans***

Refer to Table U in Appendix D for the facts and data used to evaluate the geographic distribution of the Bank's consumer loan originations and purchases.

The distribution of consumer loans in LMI geographies is reasonable. The percentage of consumer loans to low-income borrowers exceeded the percentage of households in low-income geographies. The percentage of loans to moderate-income borrowers was below the percentage of households in moderate-income geographies.

#### ***Lending Gap Analysis***

We did not find any unexplained or conspicuous gaps in the Bank's lending.

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

The Bank exhibits excellent distribution of loans to individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the Bank.

### ***Small Loans to Businesses***

Refer to Table R in the state of New York section of Appendix D for the facts and data used to evaluate the borrower distribution of the Bank's originations and purchases of small business loans.

Esquire originated most of their loans under the SBA PPP; therefore, sufficient data was unavailable to perform a meaningful analysis of distribution of small business loans by gross annual revenue. SBA PPP loans were available to qualifying small businesses during the COVID-19 pandemic to cover the cost of payroll, interest on mortgages, rent, and utilities.

### ***Consumer Loans***

Refer to Table V in the state of New York section of Appendix D for the facts and data used to evaluate the borrower distribution of the Bank's consumer loan originations and purchases.

The distribution of consumer loans to LMI borrowers is excellent. All of Esquire's consumer loans during the evaluation period were to LMI borrowers. The proportion of consumer loans was significantly above the proportion of low-income borrowers in the Bank's AA. The proportion of consumer loans was above the proportion of moderate-income borrowers in the Bank's AA.

### **Responses to Complaints**

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

## **Community Development Test**

The Bank's performance under the Community Development Test in the state of New York is Outstanding.

Based on a full-scope review, the Bank exhibits excellent responsiveness to community development needs in the CSA through community development loans, qualified investments, and community development services, as appropriate, considering the Bank's capacity and the need and availability of such opportunities for community development in the Bank's AA.

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

Refer to the Community Development Loan table below for the facts and data used to evaluate the Bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
New York-Jersey City-White Plains and Nassau-Suffolk CSA	17	100%	\$38,359	100%
Outside AA	0	0%	\$0	0%
<b>TOTAL</b>	<b>17</b>	<b>100%</b>	<b>\$38,359</b>	<b>100%</b>

Esquire's CD lending performance represents excellent responsiveness to community needs. The Bank originated 17 qualified CD loans totaling \$38.4 million or 34.9 percent of tier 1 capital. CD loans responded to affordable housing needs in the Bank's AA. CD lending activity positively impacted the overall CD rating due to the outstanding level of CD lending and responsiveness to community needs with a focus on affordable housing. Some examples of fully qualified CD loans are as follows:

- Esquire originated a \$6.2 million loan for a six-story apartment building located in a moderate-income census tract in Manhattan. This building provides 64 affordable units for LMI families.
- Esquire originated an \$11.2 million loan for two apartment buildings located in LMI census tracts in the Bronx. These two buildings provide 62 affordable units for LMI families.
- Esquire originated a \$3.5 million loan for a five-story apartment building located in a moderate-income census tract in the Bronx. This building provides 32 affordable units for LMI families.

**Number and Amount of Qualified Investments**

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
New York- Jersey City- White Plains and Nassau- Suffolk CSA	5	7,730	3	5,874	8	100	13,604	100	0	0

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

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

The Qualified Investment Table, shown above, sets forth the information and data used to evaluate the Bank’s level of qualified CD investments. This table includes all CD investments, including prior period investments that remain outstanding as of the examination date.

Esquire’s CD investment performance represents excellent responsiveness to community needs. Esquire’s qualified CD investments totaled \$13.6 million or 12.4 percent of tier 1 capital. Qualified investments include mortgage-backed securities with underlying loans for properties in LMI census tracts within the Bank’s AA. The Bank also provided 22 grants totaling \$345,000 during the review period. These grants supported affordable housing, community services, and economic development in the Bank’s AA.

The highlights of the Bank’s CD investments are as follows:

- A \$3.2 million investment in a mortgage-backed security to provide affordable housing within the AA. The entire investment is secured by properties within LMI census tracts
- A \$1.5 million investment in a mortgage-backed security to provide affordable housing within the AA. The entire investment is secured by properties within LMI census tracts.
- A \$50,000 grant to support a senior crime stopper program for LMI senior citizens residing in Kings and Nassau Counties.
- A \$68,000 grant to a food bank in the AA in response to the needs of the community during the COVID-19 pandemic.

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

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

Esquire's CD service performance represents excellent responsiveness to community needs. During the evaluation period, Esquire employees, officers, and board members dedicated 2,251 hours to six qualified organizations operating in its AA. During the evaluation period, CD services focused on financial literacy training to middle and high school students in LMI school districts. Senior management also provided services to organizations that support affordable housing initiatives and other community needs. The following are examples of the CD services provided by the Bank:

- A Bank employee serves on the loan review committee for a Community Development Financial Institution (CDFI) that focuses on providing financing to minority and low-income small businesses.
- A Bank employee is a founding member and serves as a board member for an organization that provides mentoring, financial management, and career opportunities in the financial services industry to low-income students who are also recipients of scholarship funds.
- A Bank employee serves as Treasurer and an Advisory Board member for an organization that helps LMI individuals find services such as food pantries and soup kitchens.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed:</b>	<b>01/01/2019 – 12/31/2020</b>	
<b>Bank Products Reviewed:</b>	<b>Consumer Loans and Small Business Loans</b>	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None	Not Applicable	
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>CSA(s)</b>		
<b>New York-Newark, NY-NJ-CT-PA and Nassau-Suffolk</b>	<b>Full-Scope</b>	<i>Bronx, Kings, Queens, New York, Nassau, and Suffolk Counties</i>

## Appendix B: Summary of MMSA and State Ratings

<b>RATINGS (Esquire Bank N.A.)</b>			
<b>Overall Bank:</b>	<b>Lending Test Rating</b>	<b>CD Test Rating</b>	<b>Overall Bank/State/Multistate Rating</b>
<b>Esquire Bank</b>	<b>Satisfactory</b>	<b>Outstanding</b>	<b>Outstanding</b>
<b>State:</b>			
<b>New York</b>	<b>Satisfactory</b>	<b>Outstanding</b>	<b>Outstanding</b>



## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

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

**Full-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income Individual:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

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

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

**Rating Area:** A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because accurate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank’s assessment area.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2019-20**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Esquire Bank	94	21,499	100.0	396,795	6.8	1.1	6.6	19.0	13.8	18.2	31.3	23.4	31.8	40.9	59.6	41.3	2.1	2.1	2.0
<b>Total</b>	<b>94</b>	<b>21,499</b>	<b>100.0</b>	<b>396,795</b>	<b>6.8</b>	<b>1.1</b>	<b>6.6</b>	<b>19.0</b>	<b>13.8</b>	<b>18.2</b>	<b>31.3</b>	<b>23.4</b>	<b>31.8</b>	<b>40.9</b>	<b>59.6</b>	<b>41.3</b>	<b>2.1</b>	<b>2.1</b>	<b>2.0</b>

Source: 2020 D&B Data; 01/01/2019 - 12/31/2020 Bank Data; 2020 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues** **2019-20**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Esquire Bank	94	21,499	100.0	396,795	90.7	--	34.2	4.4	--	4.9	--
<b>Total</b>	<b>94</b>	<b>21,499</b>	<b>100.0</b>	<b>396,795</b>	<b>90.7</b>	<b>--</b>	<b>34.2</b>	<b>4.4</b>	<b>--</b>	<b>4.9</b>	<b>--</b>

Source: 2020 D&B Data; 01/01/2019 - 12/31/2020 Bank Data; 2020 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography** **2019-20**

Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Esquire Bank	70	\$5,901	100.0	12.7	14.3	25.1	20.0	33.4	45.7	28.5	20.0	0.2	--

Source: 2015 ACS Census; 01/01/2019 - 12/31/2020 Bank Data.  
 Due to rounding, totals may not equal 100.0%

**Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** **2019-20**

Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Esquire Bank	70	5,901	100.0	30.6	84.3	15.0	15.7	16.2	--	38.2	--	0.0	--
<b>Total</b>	<b>70</b>	<b>5,901</b>	<b>100.0</b>	<b>30.6</b>	<b>84.3</b>	<b>15.0</b>	<b>15.7</b>	<b>16.2</b>	<b>--</b>	<b>38.2</b>	<b>--</b>	<b>0.0</b>	<b>--</b>

Source: 2015 ACS Census; 01/01/2019 - 12/31/2020 Bank Data.  
 Due to rounding, totals may not equal 100.0%