



PUBLIC DISCLOSURE

September 16, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Metropolitan Bank and Trust Company
Charter Number: 80066

10 E. 53rd Street
New York, NY 10022

Office of the Comptroller of the Currency
International Banking Supervision

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

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it 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 major factors that support this rating include:

- The branch demonstrates a high level of CD loans, CD services, and qualified investment activity.
- The branch demonstrates occasional use of innovative or complex CD loans.
- The branch exhibits excellent responsiveness to credit and CD needs in its assessment area.

Description of Institution

Metropolitan Bank and Trust Company (Metrobank NY or the branch) is federally licensed by the Office of the Comptroller of the Currency (OCC) and insured by the Federal Deposit Insurance Corporation (FDIC). Metrobank NY is a branch¹ of Metropolitan Bank and Trust Company (Metrobank or Head Office), a Filipino bank and primary subsidiary of Metrobank Group. Metrobank Group is the Philippines' second largest financial conglomerate, with total assets of ₱3.1 trillion (\$55.2 billion) and a diversified portfolio that includes investment banking, thrift banking, leasing and financing, bancassurance, and credit cards. Metrobank is the leading provider of trade finance in the Philippines. Metrobank NY was established in 1977 and became a fully insurance branch in 1984.

Metrobank NY offers traditional deposit products including checking, savings, and time deposit accounts. Credit products offered by the branch are primarily commercial loans, supporting trade financing and working capital needs for established Filipino/Asian corporations doing business in the United States (U.S.). Metrobank NY also offers remittance service for Filipino workers, foreign exchange services, and correspondent banking services, including United States dollar (USD) payment processing for its Head Office and affiliated branches.

Metrobank NY was established principally to provide financial services to the Filipino-Asian community. The branch was organized in response to the growing financial needs of the expanding Filipino population of the New York metropolitan area. The branch has limited lending authority without Head Office approval.

Metrobank NY's assets are primarily cash, cash-equivalents, and United States Treasuries, totaling \$32.1 million of the branch's \$40.8 million in total assets, as of December 31, 2023. Loans total only \$4.9 million. As a branch of a foreign banking institution, Metrobank NY does not report capital levels or income as part of its call report.²

1 - [Comptroller's Handbook: Federal Branches and Agencies Supervision | OCC](#)

2 - [FFIEC 002 Report Forms](#)

At the prior examination, dated August 31, 2020, the OCC evaluated the bank using Small Bank CRA performance criteria and assigned a rating of **Needs to Improve**.

Table 1: Financial Information (000s)

	Year-end 2023	Year-end 2022	Year-end 2021	Average for Evaluation Period
Total Assets	\$40,846	\$142,186	\$36,423	\$71,751
Deposits	\$8,704	\$11,543	\$10,445	\$10,496

Source: Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks and bank reported data.

Scope of the Examination

Evaluation Period/Products Evaluated

In evaluating the branch’s performance under the CRA, examiners utilized the performance criteria for Wholesale Banks and reviewed CD activities from January 1, 2021 through December 31, 2023. Examiners reviewed the level and responsiveness nature of qualified investments, CD lending, and CD services in aggregate.

The branch delineated a single assessment area (AA), which is comprised of the five constituent counties of the New York-Jersey City-White Plains–NY, NJ Metropolitan Division that make up New York City. These counties include Kings County (Brooklyn), Queens County, New York County (Manhattan), Bronx County, and Richmond County (Staten Island).

Because Metrobank NY does not report tier 1 capital or income, examiners compared the volume of CD Loans and qualified investments to average level of deposits during the evaluation period. Examiners chose to use deposits, rather than assets, as a bank’s primary requirement is to “demonstrate that their deposit facilities serve the convenience and needs of the communities in which they are chartered to do business³” under the CRA.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the 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 New York: **Outstanding**

The major factors that support this rating include:

- The institution demonstrates a high level of CD loans, CD services, and qualified investment activity in the state of New York.
- The institution demonstrates occasional use of innovative or complex CD loans in the state of New York.
- The institution exhibits excellent responsiveness to credit and CD needs in the state of New York.

Description of Assessment Area

Metrobank NY delineated a single AA in the state of New York. This AA is comprised of the five counties that constitute New York City. The following table provides a summary of the demographics, including housing, business, and economic information for the New York AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: New York AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2,327	12.2	24.5	31.2	25.6	6.4
Population by Geography	8,804,190	15.5	27.1	29.2	26.9	1.3
Housing Units by Geography	3,519,595	14.5	24.4	27.7	32.1	1.3
Owner-Occupied Units by Geography	1,048,262	3.6	17.1	36.4	42.2	0.7
Occupied Rental Units by Geography	2,143,429	20.7	28.7	24.0	25.1	1.5
Vacant Units by Geography	327,904	8.8	20.1	23.7	45.9	1.5
Businesses by Geography	1,421,214	9.8	20.3	23.5	41.6	4.8
Farms by Geography	5,788	6.7	16.3	24.2	48.6	4.1
Family Distribution by Income Level	1,902,630	29.8	16.0	16.2	38.0	0.0
Household Distribution by Income Level	3,191,691	31.1	14.1	14.7	40.1	0.0
Median Family Income MD- 35614 New York-Jersey City-White Plains, NY-NJ		\$85,483	Median Housing Value			\$676,656
			Median Gross Rent			\$1,590
			Families Below Poverty Level			14.0%

Source: 2020 U.S. Census and 2023 D&B Data
 Due to rounding, totals may not equal 100.0%
 (*) The NA category consists of geographies that have not been assigned an income classification.

According to the June 30, 2023, FDIC Summary of Deposits report, the branch's deposits of \$9.6 million resulted in a market share of less than 0.1 percent, ranking 102nd out of 108 banks in terms of deposits in the AA. The New York banking market is highly competitive, and the deposit market is dominated by large multinational institutions. Major competitors include, but are not limited to, JPMorgan Chase Bank, Goldman Sachs Bank, Bank of America, The Bank of New York Mellon, Morgan Stanley, and Citibank.

Economic Profile

According to data from Moody's Analytics, the New York area's strengths include being the financial capital of the world; high per capita income and limited exposure to manufacturing; and strong international immigration. The area's weaknesses include high costs, including taxes, housing, office rents and energy; rapidly aging infrastructure; and troubled fiscal health made worse by population losses. Increased workplace flexibility that has continued since the pandemic has meant less demand for office space. This impacts commercial property values and drives significant reduction in weekday retail traffic. Demand for affordable housing is growing. Major employment industries in the area include education and healthcare services; professional and business services; government; and financial activities. Major employers in the area include Montefiore Health System; Mount Sinai Health System; JP Morgan Chase & Co., Bank of America, New York Presbyterian Healthcare; and NYU Langone Medical Center.

According to the Bureau of Labor Statistics, as of December 2023 the not seasonally adjusted unemployment rate for the area was 4.6 percent compared to 4.4 percent for the state of New York and 4.5 percent for the state of New Jersey.

Community Contacts

Examiners reviewed eleven community contacts completed during the examination period with organizations located throughout the area. The organizations contacted focus on areas such as affordable housing, small business and economic development, and community and social services. Contacts noted the need for affordable housing for both rental housing and homeownership. Many households are either housing insecure or housing stressed, where the cost of their housing is high compared to their income. Access to affordable housing has also been impacted by Air BNB and investor purchases taking many rental units off the market. Lack of affordable inventory, coupled with high taxes and utility costs are keeping low- and moderate-income families as well as many lower-middle-income families from purchasing homes. It is also preventing older residents from downsizing to smaller residences. In addition, high student loan debt is an impediment to homeownership. Contacts noted that many lower-middle-class households are struggling to meet day to day living expenses and are living paycheck to paycheck. Despite the difficulties they endure, these households make too much money to qualify for state and federal subsidy programs. Contacts also noted the need for greater support for small businesses, particularly smaller minority-owned businesses. Many small businesses suffered during the pandemic and in many cases CARES Act funding was either insufficient or did not reach those businesses that needed funding the most. Contacts noted that financial institutions need to strengthen their relationships with the minority community to ensure that needs are being met. Credit and community development needs identified include:

- Technical assistance and financial education for small businesses
- Affordable rental and homeownership opportunities

- Affordable loans for first time homebuyers
- More efficient and less cumbersome grant making process from financial institutions
- Funding to help improve existing housing stock
- Support for funding for renewable energy

The area is served by numerous non-profit organizations, community-based organizations, Community Development Financial Institutions (CDFIs), economic development organizations, and community development organizations that provide opportunities to help meet community needs.

Conclusions About Performance

Summary

Overall, the branch’s CRA performance is Outstanding.

The branch made an excellent level of CD loans and qualified investments in relation to its capacity and opportunities. The branch demonstrated excellent responsiveness to credit and CD needs within the New York MD, especially when considering needs for affordable housing.

- The branch demonstrated excellent levels of CD lending and qualified investment activities. CD lending during the evaluation period totaled \$1.8 million while qualified investments totaled \$260,000.
- The branch demonstrated occasional use of innovative or complex loans to finance the construction of affordable housing, an identified need within the New York AA.
- The branch demonstrated excellent responsiveness to credit and CD needs, with the majority of CD loan dollars supporting affordable housing and the remainder supporting economic development.

Qualified Investments

The branch made one qualified investment totaling \$250,000. This was a certificate of deposit at a minority-owned financial institution. Additionally, the branch made \$10,000 in donations to five local organizations that support low- and moderate-income individuals and households.

Table 3b: Qualified Investment Activity

	Benefits AA
Current Period Investments	\$250,000
Current Period Grants	\$10,000
Prior-Period Investments that Remain Outstanding	\$0
Total Qualified Investments	\$260,000
Unfunded Commitments*	\$0

* “Unfunded Commitments” means legally binding investment commitments that are tracked and recorded by the bank’s financial reporting system.

Table 4b: Qualified Investment Percentages

	Benefits AA (%)
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Total Investments/Average Deposits	2.5
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CD Lending

The branch originated three community development loans that benefited its AA. These include two CD loans, totaling \$1.3 million that supported the construction of affordable housing, and one CD loan, totaling \$500,000 that supported economic development.

Table 5b: CD Lending

	Benefits AA (%)
Total CD Lending	\$1,821,182
Total CD Lending/Average Deposits	17.4

CD Services

The branch's CD services are primarily related to low-cost remittance services to the Philippines but also include financial literacy education and responsive deposit products.

Table 6b: CD Service Activities

CD Service	Quantified Benefit to AA
Metrobank NY provides low-cost international remittance services to customers and non-customers, including many low- and moderate-income individuals.	13,512 transactions totaling \$25 million
Metrobank NY provides low-cost direct-deposit service to thousands of Filipino-Americans who retire in the Philippines, including social security benefits.	150,927 transactions totaling \$170 million
The branch offers a low-cost consumer checking account with no monthly fees and no minimum deposit to open for customers based in the branch's assessment area. The branch also waives monthly maintenance fees of existing checking accounts held by individual customers residing in the assessment area.	
Metrobank NY partnered with the Chinese American Planning Council to provide internships for low- and moderate-income high school students.	Two Interns
The branch supported two financial literacy events to provide education about a local housing authority's homeownership programs and other financial topics.	Three hours

Appendix A: Summary of State Ratings

RATINGS: Metropolitan Bank and Trust Company	
Overall Bank:	Overall Bank Rating
Metropolitan Bank and Trust Company	Outstanding
State Name	State Rating
New York	Outstanding

Appendix B: Definitions and Common Abbreviations

The following terms and abbreviations may be 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 assessment area.

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

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

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

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

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

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

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

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

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

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

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

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

Low-Income (Low): An individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the 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 (MD): 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.

Prior Period Investment: Qualified investments made in a previous evaluation period that are outstanding as of the examination date. A bank receives consideration for the book value of the investment outstanding at the end of the evaluation period.

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

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.

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

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