

PUBLIC DISCLOSURE

August 13, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

BankFive
Certificate Number 23286

79 North Main Street
Fall River, Massachusetts 02722

Division of Banks
1000 Washington Street, 10th Floor
Boston, Massachusetts 02118

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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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Outstanding**. An institution in this group has an excellent record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Bank Five's (the Bank) Outstanding Community Reinvestment Act (CRA) performance under the Lending Test and Community Development Test supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the bank's Lending Test and Community Development Test performance.

The Lending Test is rated **Outstanding**

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of its home mortgage and small business loans in the assessment area.
- The geographic distribution of loans reflects excellent dispersion throughout the assessment area.
- The distribution of borrowers reflects excellent penetration of loans among individuals of different income levels and businesses of different sizes.
- The Bank's loans originations do not show an undue concentration or a systematic pattern of lending resulting in the loss of affordable housing.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

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

- The institution demonstrated excellent responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated May 11, 2015 to the current evaluation dated August 13, 2018. The Massachusetts Division of Banks (Division) conducted this evaluation concurrently with the Federal Reserve Bank of Boston using the Interagency Intermediate Small Institution Examination Procedures to evaluate Bank Five's CRA performance. These procedures include two tests: the Lending Test and the Community Development Test.

The Lending Test considered the institution's performance according to the following criteria.

- Loan-to-deposit ratio
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Response to CRA-related complaints
- Loss of Affordable Housing

The Community Development Test considered the following factors.

- Number and dollar amount of community development loans, qualified investments and community development services
- The responsiveness of such activities to the community development needs of the assessment area

Loan Products Reviewed

Examiners reviewed the lending activity and determined that the Bank's major product lines are home mortgage and small business loans. This conclusion considered the Bank's business strategy and the number and dollar volume of loans originated during the evaluation period.

The Bank's record of originating home mortgage loans contributed more weight to the overall conclusions due to the larger loan volume when compared to small business lending during the most recent calendar year. Also, no other loan types, such as small farm loans or consumer loans, represent a major product line. Therefore, they provided no material support for conclusions or ratings and are not presented.

This evaluation considered all home mortgage loans reported on the bank's 2016 and 2017 Application Registers (LARs). While two years of data is presented in the Lending Test, the Bank's primary focus is on 2016 lending data and comparison to the 2016 aggregate and assessment area demographics. Aggregate data includes the lending activity of all institutions subject to HMDA reporting within the Bank's assessment area. Throughout the lending test 2017 is analyzed as a trend in performance.

Small business loans were also reviewed for the same period. As an Intermediate Small Institution, the Bank has the option of collecting and reporting small business lending data. The Bank opted

to collect, but not report, the data. As the Bank is not required to report small business loan data, small business aggregate data was not used for formal comparison purposes. Instead, the Bank's performance was compared to applicable businesses demographic data.

For the Lending Test, examiners reviewed the number and dollar volume of home mortgage loans. While number and dollar volume of loans are presented, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of individuals and businesses served.

For the Community Development Test, bank management provided data on community development loans, qualified investments, and community development services since the prior CRA evaluation dated May 11, 2015.

DESCRIPTION OF INSTITUTION

Background

BankFive is a state-chartered bank headquartered at 79 North Main Street in Fall River, Massachusetts. The Bank operates in Bristol and Plymouth Counties in Massachusetts and extends into Bristol County in Rhode Island. At the last CRA evaluation conducted by the Division on May 11, 2015, the Bank received a Satisfactory rating on the Lending Test and an Outstanding on the Community Development Test for an overall rating of High Satisfactory, based on Interagency Intermediate Small Institution Examination Procedures.

Operations

In addition to the main office located in Fall River, the Bank has 12 full-service branches. Of these branches, five are located in Fall River, two branches are in New Bedford, a branch in Dartmouth, Fairhaven, Somerset, Swansea, and Bristol, RI. The Bank did not open or close any branches, and no merger or acquisition activities occurred since the previous evaluation.

The Bank offers personal and business services and loans. Personal services include checking and savings accounts, CDs and IRAs, online banking, wire transfers, and safety deposit boxes. The Bank implemented Apple Pay in January 2016. Business services include business checking accounts, money market accounts, online banking, remote deposit capture, and credit card services. The Bank offers Personal loans, home mortgage loans include fixed-rate, adjustable-rate, construction, and home equity lines of credit, auto loans, boat loans, and energy loans. The Bank also offers a small dollar loan program for individuals who otherwise would utilize check cashers or payday lending. During the exam period, the Bank originated 8 of these loans. In addition, home mortgage specialty loan programs offered include first-time homebuyer loans, Mass Housing and Buy Cities Now. Since the last exam, the Bank added FHA, VA and USDA lending products to their available loan options in March 2017 and also the Mass Solar Loan Program in December 2015. Business loans include lines of credit, term loans, SBA loans, commercial real estate loans, and revolving construction lines of credit.

Ability and Capacity

Assets totaled approximately \$ 913 million as of the June 31, 2018, quarterly call report, including total loans of approximately \$694,530 and total deposits of approximately \$ 788,984. The loan portfolio is illustrated in the following table.

Loan Portfolio Distribution as of 6/31/2018		
Loan Category	\$(000s)	%
Construction and Land Development	28,444	5.34
Secured by Farmland	231	0.04
1-4 Family Residential	247,741	46.55
Multi-family (5 or more) Residential	46,453	8.73
Commercial Real Estate	182,306	34.25
Total Real Estate Loans	532,207	76.63
Commercial and Industrial	111,032	15.99
Agricultural	38,595	5.56
Consumer	12,684	1.83
Other	12	0.00
Less: Unearned Income	-	-
Total Loans	694,530	100.0
<i>Source: Reports of Income and Condition</i>		

Examiners did not identify any financial, legal, or other impediments that would affect the Bank's ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. The Bank’s assessment area contains 27 cities and towns. There are 4 towns located Plymouth County are included in the Boston–Cambridge–Newton, MA–NH Metropolitan Statistical Area and 23 towns throughout Bristol County, Massachusetts, Bristol and Newport County Rhode Island in the Providence Warwick, MSA.

In 2016 and 2017, a majority of the Bank’s activity was concentrated in the Providence-Warwick, MSA as 23 of the 27 cities/towns in the assessment area are within this MSA and all of the Banks branches are also in this MSA. A smaller portion of activity is within the 4 towns that are within Plymouth County in the Boston-Cambridge-Newton, MA MSA. For this evaluation the Bank’s performance is analyzed throughout the overall assessment area encompassing both the Boston MD and Providence Warwick MSA. A separate analysis was not conducted on each state and MSA level.

Economic and Demographic Data

According to the 2016 demographic data, the assessment area contains 136 census tracts. These tracts reflect the following income designations according to the 2010 U.S. Census: 22 low-income tracts, 30 moderate-income tracts, 51 middle-income tracts, and 33 upper-income tracts

The following table illustrates select demographic characteristics of the assessment area in 2016.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	136	16.2	22.8	33.1	27.9	0.0
Population by Geography	559,397	11.4	19.1	34.8	34.6	0.0
Housing Units by Geography	248,093	12.7	20.8	34.1	32.4	0.0
Owner-Occupied Units by Geography	135,613	3.7	13.3	40.5	42.5	0.0
Occupied Rental Units by Geography	86,278	25.7	33.1	25.4	15.8	0.0
Vacant Units by Geography	26,202	16.6	18.9	29.8	34.7	0.0
Businesses by Geography	34,117	12.0	13.8	35.4	38.8	0.0
Farms by Geography	1,151	5.2	8.5	31.8	54.5	0.0
Family Distribution by Income Level	141,375	23.8	17.5	19.1	39.6	0.0
Household Distribution by Income Level	221,891	27.2	15.0	16.1	41.7	0.0
Median Family Income MSA - 14454 Boston, MA MD		\$90,699	Median Housing Value			\$284,075
Median Family Income MSA - 39300 Providence-Warwick, RI-MA MSA		\$73,950	Median Gross Rent			\$856
			Families Below Poverty Level			9.9%

Source: 2010 U.S. Census & 2015 ACS Census and 2017 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.

The Federal Financial Institutions Examination Council (FFIEC) updated median family income level is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories are presented in the following table according to each metropolitan area. The Providence Warwick, MSA area has a lower median family income than the Boston MD. The lower median family-income level can create challenges for low-and moderate-income families to qualify for home financing. To meet the need of the assessment area, the Bank has available loan products to assist low and moderate-income borrowers in qualifying for home loans.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Boston, MA MD Median Family Income (14454)				
2016 (\$90,800)	<\$45,400	\$45,400 to <\$72,640	\$72,640 to <\$108,960	≥\$108,960
2017 (\$94,300)	<\$47,150	\$47,150 to <\$75,440	\$75,440 to <\$113,160	≥\$113,160
Providence-Warwick, RI-MA MSA Median Family Income (39300)				
2016 (\$73,100)	<\$36,550	\$36,550 to <\$58,480	\$58,480 to <\$87,720	≥\$87,720
2017 (\$74,500)	<\$37,250	\$37,250 to <\$59,600	\$59,600 to <\$89,400	≥\$89,400
<i>Source: FFIEC Due to rounding, totals may not equal 100.0</i>				

There are 248,093 housing units. Of these, 54.6 percent are owner-occupied, 34 percent are occupied rental units, and 6 percent are vacant. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units.

The majority of units in low-and moderate-income portions of the assessment area have a substantial amount of rental occupancy. This factor limits opportunities for owner-occupied home mortgage lending within the low and moderate-income census tracts. The Bank continues to provide outreach to these portions of the assessment area where the designated need may be different than homeownership such as basic banking and financial literacy needs.

According to 2017 D&B data, there are 34,117 businesses in the assessment area. Service industries represent the largest portion of business at 45.6 percent; followed by retail trade (15.3 percent); construction (9.6 percent), and finance, insurance, and real estate (8.0 percent). In addition, 72 percent of area businesses have four or fewer employees, and 89 percent operate from a single location.

The analysis of small business loans under the Borrower Profile criterion compares the bank’s lending to the distribution of businesses by gross annual revenue (GAR) level. The area businesses are distributed by GAR level as follows:

- 84 percent have \$1 million or less,
- 5.9 percent have more than \$1 million, and
- 10.1 percent have unknown revenues.

Data obtained from the U.S. Bureau of Labor and Statistics indicates that the 2017 year-end statewide unemployment rates were 3.7 percent and 5.3 percent for Massachusetts, and Rhode Island,

respectively. Additionally, the unemployment rates in the Counties of Bristol, Massachusetts, and Bristol, Rhode Island, were 4.7 percent and 4.6 percent as of year-end 2016. The unemployment rates in both states decreased over the evaluation period.

Competition

The assessment area is a competitive market for financial services. BankFive competes with large national banks, small community banks, non-depository mortgage lenders, and credit unions in its assessment area. According to 2016 aggregate HMDA data, BankFive ranked 14th among 384 reporting institutions in the assessment area. The institutions ranking ahead of BankFive were large national banks and credit unions, with two local institutions ranking ahead of the bank; BayCoast and Randolph Savings Bank. According to the 2017 aggregate, BankFive ranked 11th among 378 lender originating loans inside the assessment area.

Community Contact

As part of the evaluation process, examiners contact third parties who are active in community affairs to assist in assessing the credit and community development needs of the bank's assessment area. Information collected from contact with community organizations aids in determining how well local institutions respond to the needs of the community.

Examiners contacted a representative of a social services organization that services New Bedford and surrounding communities. The contact explained the needs of the community involved a response to the opioid epidemic, mental health and educational attainment. The contact noted the existence of assistance from financial institutions is in the form of volunteer work and financial contributions. The level of assistance is explained as being invaluable. Overall, the contact indicated that financial institutions have been responsive to area needs citing BankFive, BayCoast and Bristol County Savings Bank. The contact specifically cited BankFive as being a true supporter to the needs of the community for example, their involvement with hunger relief.

A second community contact was conducted with an economic development corporation that serves the assessment area's minority-owned and women-owned businesses and small businesses. The organization relies on a portfolio of lending products to assist businesses. The contact indicated the need for small dollar loans, lines of credit, and SBA micro loans to assist small businesses. Additionally, the contact noted a need for financial literacy for small businesses.

Credit and Community Development Needs and Opportunities

Examiners identified the primary credit needs of the assessment area based on demographic and economic information, discussions with management, and the conversation with the community contact. Although numerous health related needs are important, examiners determined the primary credit needs of the community include affordable housing, economic development and financial education.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Bank Five demonstrated an excellent performance under the Lending Test. Geographic Distribution and Borrower Profile performance support this conclusion.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from Call Report data, averaged 84.7 percent over the past 12 calendar quarters from September 30 2015, to June 30, 2018. The ratio ranged from a low of 80.7 percent as of September 30, 2015, to a high of 87.2 percent as of September 30, 2017. The ratio remained generally stable during the evaluation period. The Bank sells loans to secondary market investors and this lending activity is not captured in the total loan figure but demonstrates the Bank's continued efforts to meet the credit needs of the assessment area. The Bank has sold loans with servicing retained to FNMA for approximately 20 years and MPF for approximately 10 years. The Bank sells on a servicing release basis to Mass Housing, Franklin American, Texas Capital Bank, Crescent Mortgage and Platinum Home Mortgage. The Bank also brokers loans to RI Housing.

The bank maintained a ratio similar to those of comparable institutions, as shown in the following table. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus

Loan-to-Deposit Ratio Comparison		
Institution	Total Assets \$(000s)	Average LTD Ratio (%)
Mansfield Co-operative Bank	481,321	93.5
North Easton Savings Bank	534,413	72.1
BayCoast	485,394	91.2
BankFive	479,741	84.7
<i>Source: Call Report data</i>		

Assessment Area Concentration

The bank made a majority of home mortgage and small business loans, by number, within its assessment area. The average of the years under review is used to determine the percentage as shown below.

Since the last exam, the Bank introduced Mass Save Heat and Solar loan financing. A volume of lending opportunities resulted in a percentage of loans outside the assessment area. Additionally, The Bank purchases loans from Leader Bank, Bank of Canton, Salem Five, and the Washington Trust Company. This also impacts lending percentages outside the assessment area.

While the factors listed above may affect the assessment area concentration, the Bank has a strong market share presence in the assessment area. In 2016, the Bank was ranked 14th out of 384 institution originating and purchasing loans and in 2017, the Bank was ranked 11th out of 378 institutions.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2016	351	61.0	224	39.0	575	50,269	56.8	38,256	43.2	88,525
2017	315	55.2	256	44.8	571	42,418	57.0	31,989	42.9	74,407
Total	666	58.0	480	42.0	1,146	92,687	57.0	70,245	43.0	162,932
Small Business										
2016	89	69.2	38	30.8	127	12,930	54.7	10,728	45.3	23,658
2017	71	76.3	22	23.0	93	11,643	63.6	6,638	36.4	18,281
Total	170	74.0	60	26.0	230	24,573	58.5	17,366	41.5	41,939
Grand Total	826	60.5	540	39.0	1366	117,260	57.2	87,611	42.8	204,871

Source: 1/1/2016 – 12/31/2017 HMDA data and Bank Small Business Internal Data 2016-2017

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the assessment area. The bank's excellent performance of home mortgage and small business lending supports this conclusion. Examiners focused on the percentage by number of loans in low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the assessment area. Examiners focused on the comparison to aggregate data. Lending to low and moderate-income geographies exceeded the aggregate data and demographics. The Bank's originations in 2017 show an increase in volume to low and moderate-income geographies.

The Bank continues to make efforts throughout the assessment area's low and moderate-income areas. During the examination period, the Bank hired three mortgage loan originators. The originators have helped enhance the overall market coverage and expand customer base specifically in the New Bedford community. The Bank has two branches in New Bedford, one located in a low income area and the second location in a moderate-income area.

The Bank offers several community home loan products in participation with Mass Housing and are offered in Massachusetts and Rhode Island communities. Loan products are offered in connection with the Buy Cities Now Program in eligible communities of Attleboro, New Bedford, Fall River and Taunton. These communities have higher percentages of low and moderate-income areas. The program has low and no down payment options to applicants who qualify.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2016	5.3	4.9	24	6.8	2,920	5.8
2017		4.7	26	8.2	4,138	9.8
Moderate						
2016	13.3	12.2	52	14.8	7,140	14.2
2017		13.8	77	24.4	11,175	26.3
Middle						
2016	45.0	44.8	172	49.0	25,284	50.3
2017		40.5	131	41.6	16,793	39.6
Upper						
2016	36.4	38.1	103	29.3	14,925	29.7
2017		40.8	81	25.7	10,312	24.3
Not Available						
2016	0.0	0.0	0	0.0	0	0.0
2017	0.0	0.0	0	0.0	0	0.0
Totals						
2016	100.0	100.0	351	100.0	50,269	100.0
2017		100.0	315	100.0	42,418	100.0
<i>Source: 2010 U.S. Census; 1/1/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>						

Small Business Loans

The geographic distribution of small business loans reflects excellent dispersion. Examiners emphasized comparison to the demographics. The Bank’s small business lending in 2016 is above the percentage of businesses in the assessment area. There is decrease in overall small business loan volume in 2017 and low and moderate-income geographies show a smaller percentage of loans. The Bank attributes the change in volume due to the competition in the assessment area. The following table shows the Bank’s performance.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2016	12.0	26	32.9	5,224	40.4
2017	--	14	19.7	2,252	19.3
Moderate					
2016	13.8	13	15.9	1,720	13.3
2017	--	9	12.6	1,094	9.3
Middle					
2016	35.4	30	37.5	3,110	24.1
2017	--	34	47.8	5,997	51.5
Upper					
2016	38.8	20	13.6	2,876	22.2
2017	--	14	19.7	2,300	19.9
Totals					
2016	100.0	89	100.0	12,930	100.0
2017	--	71	100.0	11,643	100.0
<i>Source: 2016 D&B Data; 2016-2017 Bank Small Business Internal Data; "--" data not available</i>					

Borrower Profile

The distribution of borrowers reflects excellent distribution among individuals of different income levels and businesses of different sizes in the assessment area. The Bank's excellent performance of home mortgage and small business lending supports this conclusion. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers. This criteria also focused on the percentage by number of small business loans to businesses with GARs of \$1 million or less.

Home Mortgage Loans

Table I – Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2016	23.5	3.9	18	5.1	1,030	2.0
2017		3.7	24	7.6	1,542	3.6
Moderate						
2016	16.7	15.2	63	17.9	5,578	11.1
2017		16.3	69	21.9	6,567	15.5
Middle						
2016	20.7	23.3	105	29.9	12,232	24.3
2017		24.7	74	23.5	9,465	22.3
Upper						
2016	39.0	41.7	139	39.6	25,581	50.9
2017		40.0	117	37.1	18,344	43.2
Not Available						
2016	0.0	16.0	26	7.4	5,848	11.6
2017		15.1	31	9.3	6,500	15.3
Totals						
2016	100.0	100.0	351	100.0	50,269	100.0
2017	100.0	100.0	315	100.00	42,418	100.0
<i>Source: 2010 U.S. Census; 1/1/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>						

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is excellent. Examiners focused on the comparison to aggregate data.

The bank's home mortgage lending to low- and moderate- income borrowers in 2016 was above the aggregate performance for lending to low and moderate-income borrowers. The trend in 2017 shows an increase in performance. This level of lending is excellent considering the median

housing price is high and makes home-ownership difficult for low- and moderate-income borrowers to qualify for a mortgage.

Since the last examination, the Bank introduced FHA, VA, and USDA loan products with the intent of broadening opportunities for homeownership for low and moderate-income borrowers. These additional lending opportunities are reflected in the Bank's strong market share performance to low and moderate income borrowers. In 2016 and 2017, the Bank was ranked 6th in market share performance to low-income borrowers and 10th in market share to moderate-income borrowers.

Although not reported under home mortgage originations, the Bank offers a small dollar loan program and is categorized as a personal loan. The Loan amounts are up to \$1,000 (upon qualification) and have no origination fees, no prepayment penalties and have low fixed interest rates at 5.00% APR and Terms up to 36 months. This loan product benefits low and moderate-income borrowers.

Small Business Loans

The distribution of small business loans reflects excellent penetration of loans to businesses with GARs of \$1 million or less. The following table shows in 2016, 60 percent of the small business loans were originated to businesses with GARs of \$1 million or less. In 2017, lending figures show a decrease in loans to this revenue group at 49.2 percent and is mainly due to the competitive commercial lending market. The percentages compare favorably to the percent of businesses in this revenue category.

The Bank offers U.S. Small Business Administration loans which have a variety of options for businesses that may not meet traditional lending requirements. Additionally, the SBA loans provide growing small businesses with long-term financing to acquire, construct, or expand their business location or purchase machinery and equipment. In addition, the Bank offers a Business Express loan to meet the needs in the assessment area for smaller loans to businesses with loan amounts up to \$100,000. These loans consist of business lines of credit for working capital, loans to purchase equipment for businesses, and a commercial loan for purchase and renovation of a business.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2016	84.0	53	60.0	6,086	
2017	-	35	49.2	4,843	41.6
>1,000,000					
2016	5.9	35	39.9	6,783	
2017	-	34	47.9	6,664	57.2
Revenue Not Reported					
	10.1	1	0.1	61	
	-	2	2.8	136	1.2
Totals					
2016	100.0	89	100.0	12,930	100.0
2017	-	71	100.0	11,643	100.0
<i>Source: 2016 D&B Data; 2016-2017 Bank Small Business Internal Data; "--" data not available</i>					

Response to CRA- related Complaints

The Bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

Fair Lending Policies and Procedures

Please note any comments regarding the institution’s fair lending policies and procedures in narrative form (Regulatory Bulletin 1.3-106).

BankFive continues to make efforts in reaching all demographics throughout the assessment area. During the exam period, the Bank made a strategic objective to better serve the community. The Bank increased their product offerings and hired a mortgage loan originator who is multilingual in Portuguese, Spanish, English and Creole. The originator services two branches in New Bedford with a diverse population.

During the exam review period the Bank designated a Market Area that includes all of Bristol County, 4 towns in Plymouth County and all of Rhode Island. The market area is determined based on where applications are received, where BankFive is marketing, and branch & office locations. This implementation of a designated market area has helped enhance marketing to all populations including those with higher minority areas.

Bank Five uses traditional and digital medias for marketing. The Bank has Portuguese print, radio and TV ads, as well as some Spanish flyers. Additionally, The Bank shows it commitment to homeownership in the market area by hosting and participating in first time homebuyer seminars.

Overall, considering the demographic composition of the assessment area, comparisons to aggregate data, and the Bank's outreach efforts, the bank's minority application flow is adequate

Minority Application Flow

Examiners reviewed the bank's HMDA LARs for 2016 and 2017 to determine if the application flow from different minority groups within the assessment area was reflective of the demographics.

According to the 2016 demographic data, the bank's assessment area has a population of 559,397 individuals of which 13.7 percent are minorities. The assessment area's minority population consists of 0.2 percent American Indian, 1.3 percent Asian/Pacific Islander, 2.7 percent Black/African American, 5.9 percent Hispanic, and 3.6 percent other race.

In 2016, the bank received 522 HMDA reportable loan applications within its assessment area. Of these applications, 19 or 3.6 percent were received from racial minority applicants and 1.9 percent from applicant of Hispanic origin. BankFive is slightly below the aggregate in 2016 to both racial and ethnic groups and had a similar performance in 2017.

In review of application outcome, of the 19 applications received from racial minority applicants at the Bank, 9 or 47.0 percent resulted in origination. Of the 10 applications received from Hispanic applicants, 6 or 60.0 percent resulted in originations. The 2016 aggregate received 1,288 applications and originated 749 or 58.2 percent of applications from racial minorities. The aggregate received 873 applications from Hispanic applicants and 505 or 57.8 were originated.

The number and percentage of the bank's 2016 residential loan application was compared to the percentages of the 2016 aggregate application rate. The comparison of this data assists in deriving reasonable expectations for the rate of applications the bank received from minority residential loan applicants. Data for 2017 is analyzed for a trend. Refer to the following table for information on the bank's minority application flow as well as a comparison to aggregate lending data.

MINORITY APPLICATION FLOW						
RACE	Bank 2016		2016 Aggregate Data	Bank 2017		2017 Aggregate Data
	#	%	%	#	%	%
American Indian/ Alaska Native	1	0.1	0.2	0	0.0	0.2
Asian	4	0.8	0.8	6	1.2	1.0
Black/ African American	10	1.9	2.5	5	1.0	3.0
Hawaiian/Pacific Islander	0	0.0	0.1	0	0.0	0.1
2 or more Minority	0	0.0	0.0	1	0.2	0.1
Joint Race (White/Minority)	4	0.8	1.0	4	1.0	1.1
Total Minority	19	3.6	4.6	16	3.4	5.5
White	454	87.0	77.0	396	84.7	73.7
Race Not Available	49	9.4	18.4	55	11.9	20.8
Total	522	100.0	100.0	467	100.0	100.0
ETHNICITY						
Hispanic or Latino	8	1.5	2.5	7	1.4	2.8
Not Hispanic or Latino	461	88.3	78.9	401	85.9	75.7
Joint (Hisp/Lat /Not Hisp/Lat)	2	0.4	0.8	2	0.4	0.8
Ethnicity Not Available	51	9.8	17.8	57	12.3	20.7
Total	522	100.0	100.0	467	100.0	100.0

Loss of Affordable Housing

The review concentrated on the suitability and sustainability of mortgage loans originated by BankFive by taking into account delinquency and default rates of the Bank and those of the overall marketplace. Information provided by the Bank was reviewed, as were statistics available on delinquency and default rates for mortgage loans. Additionally, other available sources, including public records of foreclosure filings and individual meeting minutes, were examined.

A review of information and documentation, from both internal and external sources as partially described above, did not reveal lending practices or products that showed an undue concentration of a systematic pattern of lending, including a pattern of early payment defaults resulting in the loss of affordable housing units. Furthermore, delinquency rates were found to be consistent with industry averages.

COMMUNITY DEVELOPMENT TEST

The Community Development Test evaluates the Bank’s responsiveness to the community development needs of its assessment area through the provision of community development loans, qualified investments, and community development services as appropriate, considering the institution’s capacity and the need and availability of such opportunities for community development in the institution’s assessment area(s). The Bank’s community development performance demonstrates an excellent responsiveness to the community development needs of its assessment area.

Community Development Loans

The bank originated 34 community development loans totaling \$6.9 million. At the previous evaluation period, the Bank originated 27 community development loans totaling \$8.6 million. The Community Development loans benefited affordable housing and economic development. Both these categories were determined to be a primary need in the assessment area.

Qualified Investments

The Bank provided assistance to community development efforts in the assessment area through qualified investments and charitable donations to area groups and organizations. The Bank has demonstrated an excellent level of responsiveness to needs within the assessment area.

During the examination period, the Bank made approximately \$31.8 million in qualified investments consisting of prior period investments totaling \$15.5 million, new period equity investments totaling \$15.6 million and qualified charitable donations totaling \$641,000. This is an increase in overall investments from the previous evaluation totaling \$17.4 million.

Qualified Investments												
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	1	3,316	19	12,224	0	0	0	0	20	15,540
2015	0	0	0	0	1	2,153	0	0	0	0	1	2,153
2016	0	0	0	0	3	6,199	0	0	0	0	3	6,199
2017	0	0	1	1,780	3	3,771	0	0	0	0	4	5,551
2018	0	0	0	0	3	1,732	0	0	0	0	3	1,732
Subtotal	0	0	2	5,096	29	26,079	0	0	0	0	31	31,175
Qualified Grants & Donations	25	100	117	504	6	12	1	25	0	0	149	641
Total	25	100	119	5,600	35	26,091	1	25	0	0	180	31,816

Source: Bank Records

The following are examples of new period investments made by the Bank.

In 2017, the Bank purchased a MassDevelopment Bond in participation with another financial institution. The full value of the bond totaled \$3.5 million and Bank Five's portion was \$1.8 million. The bond proceeds were used to purchase a property in Fall River. The property will occupy a tuition-free, public charter school that provides students with the academic and character skills necessary for success in college, career, and life. The school's philosophy is that every student can learn, grow, prosper, and have a positive impact within their families and communities. The Bank's investment benefits a community development service to low and moderate-income individuals.

The Bank has retained previously made investments and new investments in the Small Business Administration fund. These investments help fund the SBA CDC 504 program and benefit an economic development purpose to the assessment area. Prior period investments totaled \$10.6 million and new period investments totaled \$3.3 million.

The Bank has both prior investments and new investments with the Small Business Investment Company. The SBIC Program is one of many financial assistance programs available through the U.S. Small Business Administration. The structure of the program is unique in that SBICs are privately owned and managed investment funds, licensed and regulated by SBA, that use their own capital plus funds borrowed with an SBA guarantee to make equity and debt investments in qualifying small businesses. The U.S. Small Business Administration does not invest directly into small business through the SBIC Program, but provides funding to qualified investment management firms with expertise in certain sectors or industries. The Bank's investment benefits the assessment area and promotes an economic development purpose. Prior period investments in this fund totaled \$1.6 million and new investments totaled \$10.5 million.

The following are examples of organizations that have received qualified contributions from the Bank.

Steppingstone Incorporated – Steppingstone Incorporated is a multi-service nonprofit organization that focuses on behavioral health and homeless services. The organization strengthens the quality of life among individuals and families or the community through comprehensive client-center programs and services that enhance well-being and promote independence. The bank's contribution allowed Steppingstone Incorporated to provide a safe shelter and daily nutritional meals to 20 homeless persons in the City of Fall River daily.

Citizens for Citizens, Inc. – Citizens for Citizens, Inc. is a Massachusetts community Action Agency that assists over 42,000 households a year in Fall River and Taunton. The organization provides short and long term services that empower low income individuals and families with the tools necessary to overcome the burdens of poverty and financial crisis while creating and maintaining self-sufficiency.

Coastline Elderly Services, Inc. – Coastline Elderly Services, Inc. provides programs, services, information and resources to older adults and individuals with disabilities to help them remain at

home and independent. The bank's contribution to this organization allowed for the purchase of a new vehicle for the "Meals on Wheels" program.

United Way of Greater New Bedford (UWGNB) – The UWGNB serves the residents throughout the South Coast. The UWGNB manages and provides services through programs like Family Resource Center, Safe and Successful Youth Initiative, Youth Venture, and Hunger Commission. The UWGNB's Community Impact Grants are how local dollars are invested into the community to address targeted issues in the impact areas of health, education and financial stability. The grants go to high performing nonprofit organizations that provide high quality programs and services.

Pro-Home, Inc. – Pro-Home, Inc. advocates and promotes the production and protection of affordable housing in Southeast Massachusetts. Pro-home, Inc. is organized exclusively for educational and charitable purposes. The Bank's contribution assists the organization with providing a wide range of educational services including housing counseling, first time homebuyer counseling, tenant/landlord, and foreclosure counseling.

Community Development Services

A community development service is a service that has community development as its primary purpose and is generally related to the provision of financial services or technical services or assistance. Officers and employees of the Bank are involved in local community development and non-profit organizations in various capacities. Bank personnel provided these organizations with financial and management expertise while serving as directors, officers, loan committee members and volunteers.

During the evaluation period, Bank employees provided 163 instances of financial expertise or technical assistance to 12 different community development-related organizations. Below are examples of the Bank's community development services and employee involvement.

Veterans Transition House – A member of Senior Management participates on the Board of Directors of the Veterans Transition House. This organization provides homeless and at-risk veterans and their families shelter and services in the South Coast area of Massachusetts. Veterans Transition House's goal is the rehabilitation, self-sufficiency and reintegration of each veteran into the community. It's the organizations belief that veterans they serve seek a hand up, not a hand-out.

Fall River/New Bedford Housing Partnership - A member of Senior Management participates on the Board of Directors of the Fall River/New Bedford Housing partnership. This organization is comprised of local stakeholders including lenders, city and state representatives and social service agencies. The partnership offers programs and educational services for first time home buyers and existing homeowners with safe and affordable mortgage options. Programs include first time home buyer programs, down payment and closing cost assistance, and home owner and rental rehabilitation programs.

Atlantis Charter School – A member of Senior Management participates on the Board of Directors for the Atlantis Charter School. The mission of the Atlantis Charter School is to provide an education second to none, yielding academic excellence and life-long learning skills. Atlantis Charter School is an independent public school that provides an educational choice to the families of Greater Fall River by offering students a solid academic foundation on which to build a successful future.

Community Development RE-CREATION – A member of Senior Management participates on the Board of Directors for the Greater Fall River RE-CREATION. This non-profit recreation and prevention based organization is the leading provider of community events and services to people of all walks of life. The organization strives to provide diverse programs and unique opportunities to their community's residents, focusing on socioeconomically disadvantaged children.

Southeastern Economic Development Corporation (SEED) – As a regional economic development corporation, SEED focuses on job creation by financing all types of small businesses in Massachusetts and Rhode Island. SEED makes an average of 120 loans and provides technical assistance to over 1,500 existing and prospective entrepreneurs annually. A Member of Senior Management participated on the board of directors from 2015-2017.

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms;
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or
- (5) Enable or facilitate projects or activities that address needs regarding foreclosed or abandoned residential properties in designated target areas.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI

facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;

- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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. Other family 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).

Family Income: Includes the income of all members of a family that are age 15 and older.

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, 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 do 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; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

Home Mortgage Loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancing of home improvement and home purchase loans.

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.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: 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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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 metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities 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.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area: All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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

Rated Area: A rated area is a state or multistate metropolitan 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 multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures

are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agencies, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.