

PUBLIC DISCLOSURE

May 19, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Canton Co-operative Bank
Certificate Number: 26450**

671 Washington Street
Canton, MA 02021

Division of Banks
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Boston, Massachusetts 02110-2012

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 Division of Banks concerning the safety and soundness of this financial institution.

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This document is an evaluation of the CRA performance of **Canton Cooperative Bank (bank)** prepared by the Massachusetts Division of Banks (Division), the institution's supervisory agency as of **May 19, 2025**. The Division rates the CRA performance of an institution consistent with the provisions set forth in Massachusetts Regulation 209 CMR 46.00.

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory 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.

The following points summarize the bank's performance under Small Institution Standards.

- The loan-to-deposit ratio (LTD) is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of its home mortgage loans in the assessment area.
- The geographic distribution of loans reflects poor dispersion throughout the assessment area.
- The distribution of borrowers reflects good penetration of loans among individuals of different income levels.
- The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.
- The bank has a reasonable record relative to its fair lending policies and procedures.

SCOPE OF EVALUATION

General Information

The Community Reinvestment Act (CRA) requires the Division to use its authority when examining financial institutions subject to its supervision to assess the institution's record of meeting the needs of its entire assessment area, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institution. Upon the conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This evaluation covers the period from the previous evaluation dated February 8, 2021, to the current evaluation period of May 19, 2025. Small Institution CRA procedures were used for the evaluation. The following criteria were used in the evaluation: Loan-to-Deposit Ratio, Assessment

Area Concentration, Borrower Profile, Geographic Distribution, and Response to CRA-related complaints.

Activities Reviewed

Examiners determined that the bank's major product lines are home mortgage and commercial loans. This conclusion considered the bank's business strategy, and the number and dollar volume of loans originated during the evaluation period. Neither commercial loans, small farm loans, nor consumer loans represent a large portion of the bank's lending portfolio and, as such, they were not analyzed as part of this evaluation.

Examiners evaluated the bank's home mortgage lending performance from January 1, 2021, to December 31, 2024. Examiners analyzed all home mortgage loans reported on the bank's Home Mortgage Disclosure Act (HMDA) loan application registers (LARs) for 2021, 2022, 2023, and 2024 to evaluate the bank's performance. The bank reported 42 home mortgage loans totaling \$16.9 million in 2021, 24 home mortgage loans totaling \$10.2 million in 2022, 14 home mortgage loans totaling \$6.5 million in 2023, and 22 home mortgage loans totaling \$12.1 million in 2024. The bank's home mortgage lending was compared to the aggregate and demographic data for each year.

Demographic information referenced in this evaluation was obtained using the 2020 US Census data, D&B Moody's Analytics, and the US Bureau of Labor Statistics. Financial data is based on the March 31, 2025 Report of Income and Conditions (Call Report). Although the total dollar amount of loans is discussed, the evaluation focuses on the bank's lending performance by the number of loans originated during the review period.

DESCRIPTION OF INSTITUTION

Background

Canton Co-operative Bank is a mutual cooperative bank originally chartered by the Commonwealth of Massachusetts in 1891. The bank has one wholly-owned subsidiary, CCB Securities Corporation, whose purpose is to acquire, sell, and hold investment securities for preferential state tax treatment.

The bank received a Satisfactory rating from the Division during its prior evaluation dated February 8, 2021, using the FFIEC Small Institution Examination procedures.

Operations

The bank operates from its single location at 671 Washington Street in a middle-income census tract in Canton. The bank did not open or close any branches during the examination period.

The bank offers both personal and business accounts. The bank offers checking accounts, savings accounts, Money Markets, Certificates of Deposit, Individual Retirement Accounts, and personal credit cards. Available to business customers are checking accounts, savings accounts, payroll and

merchant services, and business credit cards. Other services include online and mobile banking with BillPay, Mobile Wallet, and Mobile Deposit. In addition to deposit accounts, bank customers can apply for various mortgage products to buy, refinance, improve, and build. Business lending includes commercial real estate loans and construction loans.

Ability and Capacity

As of March 31, 2025, the bank's assets totaled \$160.4 million and deposits totaled \$134.4 million. The loan portfolio consisted of \$98.8 million in total loans. During the evaluation period, total assets increased by 15.1 percent, and total loans increased by 22.7 percent.

The bank is primarily a residential mortgage lender by dollar volume. Loans secured by first liens and junior liens on 1-4 family residential properties account for 80.2 percent of total loans.

The following table illustrates the distribution of the bank's loan portfolio.

| Loan Portfolio Distribution as of March 31, 2025 | | |
|---|------------------|--------------|
| Loan Category | \$ (000s) | % |
| Construction, Land Development, and Other Land Loans | 1,874 | 1.9 |
| Secured by Farmland | 0 | 0.0 |
| Secured by 1-4 Family Residential Properties | 79,232 | 80.2 |
| Secured by Multifamily (5 or more) Residential Properties | 4,097 | 4.1 |
| Secured by Nonfarm Nonresidential Properties | 11,011 | 11.1 |
| Total Real Estate Loans | 96,214 | 97.4 |
| Commercial and Industrial Loans | 304 | 0.3 |
| Agricultural Production and Other Loans to Farmers | 0 | 0.0 |
| Consumer Loans | 2,238 | 2.4 |
| Obligations of State and Political Subdivisions in the U.S. | 0 | 0.0 |
| Other Loans | 0 | 0.0 |
| Lease Financing Receivable (net of unearned income) | 0 | 0.0 |
| Less: Unearned Income | 0 | 0.0 |
| Total Loans | 98,756 | 100.0 |
| <i>Source: Reports of Condition and Income</i> | | |

Examiners did not identify any financial, legal, or other impediments that 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. Canton Co-operative Bank has designated its assessment area to include all of Norfolk County, which is part of the Boston, MA MD. The following sections discuss demographic and economic information for the assessment area.

Economic and Demographic Data

While the bank's assessment area has not changed since the prior evaluation, the number and distribution of census tracts by income designation changed due to the availability of 2020 U.S. Census data. According to the 2015 ACS data used for the previous evaluation, the assessment area consisted of 130 census tracts with the following income designations:

- 1 low-income tract
- 12 moderate-income tracts
- 49 middle-income tracts
- 68 upper-income tracts

According to 2020 U.S. Census data, the assessment area consists of 154 census tracts with the following income designations:

- 2 low-income tracts
- 16 moderate-income tracts
- 62 middle-income tracts
- 71 upper-income tracts
- 3 tracts of unknown income designation

Both low-income tracts are located in Quincy. The moderate-income tracts are located in Quincy (7), Stoughton (3), Weymouth (3), Norwood (2), and Randolph (1). There are no underserved or distressed non-metropolitan middle-income geographies or designated disaster areas within the bank's assessment area. However, there are several Opportunity Zones. Opportunity Zones are areas of economic need designated by the state and approved by the U.S. Department of the Treasury. Within the bank's assessment area, there are five census tracts in designated Opportunity Zones located in Quincy (2), Randolph (2), and Weymouth (1).

The following table shows select demographic characteristics of the assessment area.

| Demographic Information of the Assessment Area | | | | | | |
|--|---------|---------------|----------------------|------------------|-----------------|---------------|
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 154 | 1.3 | 10.4 | 40.3 | 46.1 | 1.9 |
| Population by Geography | 725,981 | 0.9 | 10.6 | 40.3 | 47.4 | 0.9 |
| Housing Units by Geography | 280,180 | 0.9 | 12.1 | 41.8 | 44.4 | 0.8 |
| Owner-Occupied Units by Geography | 184,436 | 0.3 | 8.4 | 40.5 | 50.2 | 0.6 |
| Occupied Rental Units by Geography | 83,531 | 2.2 | 19.8 | 45.4 | 31.4 | 1.2 |
| Vacant Units by Geography | 12,213 | 1.4 | 14.4 | 36.8 | 46.4 | 0.9 |
| Businesses by Geography | 87,578 | 0.9 | 9.5 | 39.0 | 50.3 | 0.3 |
| Farms by Geography | 1,485 | 0.2 | 8.5 | 640.4 | 50.6 | 0.3 |
| Family Distribution by Income Level | 178,449 | 16.5 | 14.4 | 19.9 | 49.2 | 0.0 |
| Household Distribution by Income Level | 267,967 | 20.8 | 13.5 | 16.6 | 49.1 | 0.0 |
| Median Family Income MSA - 14454 Boston, MA | | \$112,607 | Median Housing Value | | | \$566,137 |
| Families Below Poverty Level | | 4.0% | Median Gross Rent | | | \$1,703 |
| Source: 2020 ACS, 2024 D&B Data, and FFIEC Estimated Median Family Income; (*) The NA category consists of geographies that have not been assigned an income classification. | | | | | | |

Since the previous examination, the assessment area has not changed but the population has increased by 38,260, representing a change of approximately 5.6 percent. The combined percentage of low- and moderate-income population by geography increased by 2.3 percent and now represents 11.5 percent of the population. The Median Family Income increased by \$21,908, while the number of Owner-Occupied Units increased by 5,944 units. The percentage of Families Below Poverty Level decreased from 4.3 percent to 4.0 percent.

The Federal Financial Institutions Examination Council (FFIEC) updated median family income level is used to analyze home mortgage loans under the Borrower Profile criteria. The low-, moderate-, middle- and upper-income categories are presented in the following table.

| Median Family Income Ranges | | | | |
|--|------------------------|------------------------------------|-----------------------------------|------------------------|
| Median Family Incomes | Low <50% | Moderate 50% to <80% | Middle 80% to <120% | Upper ≥120% |
| Boston, MA Median Family Income (14454) | | | | |
| 2023 (\$136,900) | <\$68,450 | \$68,450 to <\$109,520 | \$109,520 to <\$164,280 | ≥\$164,280 |
| 2024 (\$136,200) | <\$68,100 | \$68,100 to <\$108,960 | \$108,960 to <\$163,440 | ≥\$163,440 |
| Source: FFIEC | | | | |

Competition

The assessment area is in a competitive market for financial services. Among 60 institutions in the assessment area, Canton Co-operative Bank ranked 39th by total deposit amount, with 0.3 percent market share in 2023. In 2024, that ranking increased to 36th out of 60 and a 0.3 percent market share. In 2024, the top-ranking institutions were comprised of national, community, and regional banks that include Bank of America, N.A., Citizens Bank, N.A., Needham Bank, and Rockland Trust Company, representing 45.8 percent market share.

According to peer mortgage data, home mortgage loans are also very competitive in the assessment area. In 2023, 384 lenders originated or purchased 14,917 home mortgage loans. In 2024, 405 lenders originated or purchased 14,152 home mortgage loans. Top lenders in the area included Citizens Bank, NA, Guaranteed Rate, Inc., Leader Bank, NA, and Bank of America, N.A.

Community Contact(s)

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs within the assessment area. This information helps determine whether local financial institutions are responsive to these needs. It also shows available credit and community development opportunities.

Examiners contacted a municipal economic development department operating in Norfolk County, within the bank's assessment area. The department provides a range of services, programs, and technology that promote community and economic development and guide businesses, both start-up and existing, by providing resources and building partnerships and collaboration.

The contact stated that the cost of residential housing is becoming less affordable with first-time homebuyers more frequently being priced out of the market, with buyers looking for assistance programs. Also, for existing residents, remaining in homes is becoming more difficult, particularly for seniors. The contact indicated several areas where financial institutions could be more involved, such as volunteer and financial support of downtown revitalization efforts for blighted areas. Other examples include financial literacy education to small businesses covering topics such as artificial intelligence, fraud prevention, and website creation. Lastly, local institutions could be more involved in first-time homebuyer financing assistance as well as financial programs assisting existing homeowners to remain in their properties, especially seniors, and programs promoting the development of affordable housing units.

Credit Needs

Considering information from the community contact, the bank, and regional economic data, the primary credit needs are first-time home buyer programs and home improvement financing options. The primary community development need in the assessment area is affordable housing, followed by financial education for low- and moderate-income individuals.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Canton Co-operative Bank's overall Lending Test performance is rated Satisfactory. The sections below discuss the bank's performance under each criterion.

Loan-to-Deposit Ratio

The average net loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from the Quarterly Call Report data, averaged 66.4 percent over the past seventeen calendar quarters from March 31, 2021, to March 31, 2025. The ratio ranged from a low of 54.5 percent on March 31, 2022, to a high of 73.5 on March 31, 2025. The bank's average LTD ratio was compared to that of similarly situated institutions based on asset size, geographic location, lending focus, and branching structure.

| Loan-to-Deposit Ratio Comparison | | |
|--|----------------------------|--------------------------|
| Institution | Total Assets \$ (000's) | Average LTD Ratio (%) |
| Stoughton Co-operative Bank | 124,943 | 86.8 |
| Canton Co-operative Bank | 153,783 | 66.4 |
| Wrentham Co-operative Bank | 161,254 | 64.4 |
| Charles River Bank | 314,426 | 71.5 |
| <i>Source: Reports of Income and Condition 3/31/2021 through 3/31/2025</i> | | |

Assessment Area Concentration

The bank made a majority of home mortgage loans by number within its assessment area. Please see the following table for more detail.

| Lending Inside and Outside of the Assessment Area | | | | | | | | | | |
|---|-----------------|------|---------|------|----------------|-------------------------------|------|---------|------|--------|
| Loan Category | Number of Loans | | | | Total # | Dollar Amount of Loans (000s) | | | | Total |
| | Inside | | Outside | | | Inside | | Outside | | |
| | # | % | # | % | | \$ | % | \$ | % | |
| Home Mortgage | | | | | | | | | | |
| 2021 | 30 | 71.4 | 12 | 28.6 | 42 | 10,132 | 60.0 | 6,760 | 40.0 | 16,891 |
| 2022 | 13 | 54.2 | 11 | 45.8 | 24 | 5,471 | 53.5 | 4,747 | 46.5 | 10,218 |
| 2023 | 6 | 42.9 | 8 | 57.1 | 14 | 2,651 | 41.1 | 3,800 | 58.9 | 6,451 |
| 2024 | 9 | 40.9 | 13 | 59.1 | 22 | 3,132 | 25.8 | 9,003 | 74.2 | 12,135 |
| Total | 58 | 56.9 | 44 | 43.1 | 102 | 21,386 | 46.8 | 24,309 | 53.2 | 45,695 |
| Source: Bank Data | | | | | | | | | | |
| Due to rounding, totals may not equal 100.0 | | | | | | | | | | |

Geographic Distribution

The geographic distribution of home mortgage loans reflects poor dispersion throughout the assessment area. The bank made no loans within low- or moderate-income census tracts in 2023 or 2024. The majority of the bank's low- (2) and moderate- (14) income tracts are not conveniently located near the bank's single Canton branch.

Market data indicates that there is significant competition for loans in the assessment area. Market share data for 2024 shows that the top six lenders captured 36.9 percent of the market to the low- and moderate-income census tracts and were primarily large national and regional banks and mortgage companies. The following table shows the geographic distribution of home mortgage loans.

| Geographic Distribution of Home Mortgage Loans | | | | | | |
|---|--|-------------------------------------|----------|--------------|-----------------|--------------|
| Tract Income Level | % of Owner-Occupied Housing Units | Aggregate Performance % of # | # | % | \$(000s) | % |
| Low | | | | | | |
| 2023 | 0.3 | 0.3 | 0 | 0.0 | 0 | 0.0 |
| 2024 | 0.3 | 0.3 | 0 | 0.0 | 0 | 0.0 |
| Moderate | | | | | | |
| 2023 | 8.4 | 7.7 | 0 | 0.0 | 0 | 0.0 |
| 2024 | 8.4 | 8.4 | 0 | 0.0 | 0 | 0.0 |
| Middle | | | | | | |
| 2023 | 40.5 | 35.2 | 1 | 16.7 | 245 | 9.2 |
| 2024 | 40.5 | 40.4 | 8 | 88.9 | 2,607 | 83.2 |
| Upper | | | | | | |
| 2023 | 50.2 | 56.3 | 5 | 83.3 | 2,406 | 90.8 |
| 2024 | 50.2 | 50.3 | 1 | 11.1 | 525 | 16.8 |
| Not Available | | | | | | |
| 2023 | 0.6 | 0.5 | 0 | 0.0 | 0 | 0.0 |
| 2024 | 0.6 | 0.6 | 0 | 0.0 | 0 | 0.0 |
| Total | | | | | | |
| 2023 | 100.0 | 100.0 | 6 | 100.0 | 2,651 | 100.0 |
| 2024 | 100.0 | 100.0 | 9 | 100.0 | 3,132 | 100.0 |
| <i>Source: 2020 ACS; Bank Data, 2023 & 2024 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0%</i> | | | | | | |

Borrower Profile

The distribution of borrowers shows good penetration among individuals of different income levels. Examiners focused on percentage by number of home mortgage loans to low- and moderate-income borrowers. In 2023, the bank originated 16.7 percent of its home mortgage loans to low-income borrowers. This is above aggregate performance by 12.4 percent and was comparable to the

demographic comparator. In 2024, 11.1 percent of the bank’s originated home mortgage loans were to low-income borrowers. This is above the aggregate by 7.4 percent and trailed the demographic comparator by 5.4 percent. The assessment area has a median home value of \$566,137 and the median income of a low-income individual in the same area did not exceed \$68,450. This could present significant underwriting challenges for low-income individuals to obtain a home mortgage loan under conventional underwriting standards.

In 2023, 16.7 percent of the bank’s home mortgage loans within the assessment area were to moderate-income borrowers. This level of lending is above both aggregate performance and the demographic comparator, by 4.1 percent and 2.3 percent, respectively. In 2024, the bank’s level of lending to moderate-income borrowers increased to 22.2 percent. This is above aggregate performance by 9.0 percent and the demographic comparator by 7.8 percent.

The bank also hosts First-Time Home-Buyer (FTHB) information sessions twice-annually to reach out to low- and moderate-income borrowers. In addition, the bank’s marketing program includes advertising and outreach to municipalities in the assessment area with substantial low- and moderate-income populations.

The following chart shows the distribution of loans to borrowers of differing income levels.

| Distribution of Home Mortgage Loans by Borrower Income Level | | | | | | |
|--|---------------|------------------------------|----------|--------------|--------------|--------------|
| Borrower Income Level | % of Families | Aggregate Performance % of # | # | % | \$(000s) | % |
| Low | | | | | | |
| 2023 | 16.5 | 4.3 | 1 | 16.7 | 245 | 9.2 |
| 2024 | 16.5 | 3.7 | 1 | 11.1 | 200 | 6.4 |
| Moderate | | | | | | |
| 2023 | 14.4 | 12.6 | 1 | 16.7 | 311 | 11.7 |
| 2024 | 14.4 | 13.2 | 2 | 22.2 | 530 | 16.9 |
| Middle | | | | | | |
| 2023 | 19.9 | 19.6 | 1 | 16.7 | 300 | 11.3 |
| 2024 | 19.9 | 21.1 | 1 | 11.1 | 435 | 13.9 |
| Upper | | | | | | |
| 2023 | 49.2 | 40.3 | 3 | 50.0 | 1,795 | 67.7 |
| 2024 | 49.2 | 47.2 | 4 | 44.4 | 1,717 | 54.8 |
| Not Available | | | | | | |
| 2023 | 0.0 | 23.2 | 0 | 0.0 | 0 | 0.0 |
| 2024 | 0.0 | 14.8 | 1 | 11.1 | 250 | 8.0 |
| Total | | | | | | |
| 2023 | 100.0 | 100.0 | 6 | 100.0 | 2,651 | 100.0 |
| 2024 | 100.0 | 100.0 | 9 | 100.0 | 3,132 | 100.0 |
| Source: 2020 ACS; Bank Data, 2023 & 2024 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0% | | | | | | |

Response to Complaints and Fair Lending Policies and Procedures

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

The Division of Banks provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106. A review of the bank's public comment file indicated the bank received no complaints pertaining to the institution's CRA performance since the previous examination. The fair lending review was conducted in accordance with the Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. Based on these procedures, no evidence of disparate treatment was noted.

Examiners reviewed the bank's compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and the Equal Credit Opportunity Act, and did not identify any discriminatory or other illegal credit practices.

Minority Application Flow

The bank's HMDA LARs for 2023 and 2024 were reviewed to determine if the application flow from the different racial groups within the bank's assessment area was reflective of the assessment area's demographics.

According to the 2020 ACS Census Data, the bank's assessment area contained a total population of 725,981 individuals, of which 29.4 percent are minorities. The minority population represented is 12.9 percent Asian/Pacific Islander, 7.2 percent Black/African American, 0.1 percent American Indian, 5.3 percent Hispanic or Latino, and 5.4 percent other.

The bank's level of lending in 2023 and 2024 was compared with that of the 2023 and 2024 aggregate's lending performance. The comparison of this data assists in deriving reasonable expectations for the rate of applications the bank received from minority home mortgage loan applicants. Refer to the table below for information on the bank's minority application flow, as well as the aggregate lenders in the bank's assessment area.

| MINORITY APPLICATION FLOW | | | | | | |
|---|----------------|--------------|---------------------|----------------|--------------|---------------------|
| RACE | Bank 2023 HMDA | | 2023 Aggregate Data | Bank 2024 HMDA | | 2024 Aggregate Data |
| | # | % | % | # | % | % |
| American Indian/ Alaska Native | 0 | 0.0 | 0.3 | 0 | 0.0 | 0.2 |
| Asian | 0 | 0.0 | 11.2 | 4 | 25.0 | 12.9 |
| Black/ African American | 0 | 0.0 | 6.3 | 0 | 0.0 | 6.7 |
| Hawaiian/Pacific Islander | 0 | 0.0 | 0.1 | 0 | 0.0 | 0.1 |
| 2 or more Minority | 0 | 0.0 | 0.2 | 0 | 0.0 | 0.2 |
| Joint Race (White/Minority) | 0 | 0.0 | 1.9 | 0 | 0.0 | 2.1 |
| Total Racial Minority | 0 | 0.0 | 20.0 | 4 | 25.0 | 22.2 |
| White | 6 | 66.7 | 50.9 | 7 | 43.8 | 54.9 |
| Race Not Available | 3 | 33.3 | 29.1 | 5 | 31.3 | 22.9 |
| Total | 9 | 100.0 | 100.0 | 16 | 100.0 | 100.0 |
| ETHNICITY | | | | | | |
| Hispanic or Latino | 0 | 0.0 | 3.6 | 0 | 0.0 | 4.3 |
| Joint (Hisp/Lat /Not Hisp/Lat) | 0 | 0.0 | 1.5 | 1 | 6.3 | 1.7 |
| Total Ethnic Minority | 0 | 0.0 | 5.1 | 1 | 6.3 | 6.0 |
| Not Hispanic or Latino | 6 | 66.7 | 65.7 | 10 | 62.5 | 70.9 |
| Ethnicity Not Available | 3 | 33.3 | 29.2 | 5 | 31.2 | 23.1 |
| Total | 9 | 100.0 | 100.0 | 16 | 100.0 | 100.0 |
| <i>Source: 2020 US Census Data, HMDA Aggregate Data 2023 and 2024, HMDA LAR Data 2023 and 2024.</i> | | | | | | |

In 2023, the bank received nine HMDA-reportable loan applications within its assessment area. Of these, the bank received no applications from racial minority applicants, below aggregate performance of 20.0 percent. Additionally, none of the applications within its assessment area were from ethnic groups of Hispanic origin, below the aggregate ethnic minority application rate of 5.1 percent.

In 2024, the bank received 16 HMDA-reportable loan applications within the assessment area. Of these, four applications, or 25.0 percent, were from racial minority applicants, above the aggregate application flow of 22.2 percent. The bank received one application, or 6.3 percent, from ethnic minority groups within its assessment area, comparable to the aggregate rate of 6.0 percent.

The bank has made efforts to reach more demographics by maintaining a bi-lingual employee, providing work translation services, and extending advertising to a secondary newspaper that targets portions of southern Norfolk County and extends outreach to majority minority areas. With the increase in total applications in 2024, the applications toward racial and ethnic minority groups were above the aggregate. The above efforts help to ensure applicants from all demographics have access to credit. Considering the demographic composition of the assessment area, comparisons to aggregate data, and the bank's fair lending controls, the bank's minority application flows in 2023 and 2024 reflect adequate performance.

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.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five-year estimates based on population thresholds.

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.

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.

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).

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 (e.g., geographic distribution, borrower profile, 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 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 Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

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 (e.g., 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 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 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.

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 geography.

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

Nonmetropolitan Area (also known as non-MSA): 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.

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 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 non-farm non-residential 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.

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, requires 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 671 Washington Street Canton, MA 02021."

[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 the Massachusetts Division of Banks, 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.