

PUBLIC DISCLOSURE

March 16, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Rockland Trust Company
Certificate Number: 9712

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Division of Banks
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Federal Deposit Insurance Corporation
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New York, New York 10118

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 or the Federal Deposit Insurance Corporation 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 outstanding 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 table indicates the performance level of the bank with respect to the Lending, Investment, and Service Tests.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding		X	X
High Satisfactory	X		
Satisfactory**			
Needs to Improve			
Substantial Noncompliance			

** The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.*

*** FDIC rules and regulations stipulate use of a “high satisfactory” and “low satisfactory” rating for the three tests. This jointly issued public evaluation uses the term “satisfactory” in lieu of “low satisfactory” for the Lending, Investment, and Service Test ratings, as the Division of Banks (Division) does not have a “low satisfactory” rating.*

The Lending Test is rated High Satisfactory.

- Lending levels reflect good responsiveness to the assessment area credit needs.
- A substantial majority of home mortgage and small business loans were made within the assessment area.
- The geographic distribution of home mortgage and small business loans reflect adequate penetration throughout the assessment area.
- The distribution of borrowers reflects good penetration among retail customers of different income levels and business customers of different size.
- The bank uses innovative and flexible lending practices in order to serve assessment area credit needs.

- The bank has made a relatively high level of community development loans.

The Investment Test is rated Outstanding.

- The bank has an excellent level of qualified community development investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors.
- The bank exhibits good responsiveness to credit and community economic development needs.
- The bank makes significant use of innovative and complex investments to support community development initiatives.

The Service Test is rated Outstanding.

- Delivery systems are accessible to essentially all portions of the bank's assessment area.
- To the extent changes have been made, the bank's record of opening and closing branches has generally not adversely impacted the accessibility of its delivery systems within the assessment area, particularly in low- or moderate-income geographies.
- Services (including where appropriate, business hours) are tailored to the convenience and needs of the assessment area, particularly low- and moderate-income geographies and individuals.
- The bank is a leader in providing community development services.

SCOPE OF EVALUATION

General Information

This evaluation, conducted jointly by the FDIC and Division, covers the period from the prior evaluation dated June 1, 2017, to the current evaluation dated March 16, 2020. Examiners used the Interagency Large Bank Examination Procedures to evaluate Rockland Trust Company's (RTC) Community Reinvestment Act (CRA) performance. These procedures include three tests: the Lending Test, Investment Test, and Service Test.

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

- Lending activity
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Innovative and flexible lending practices
- Community development loans

The Investment Test considered the following criteria.

- Number and dollar amount of qualified investments
- Responsiveness to credit and community development needs
- Innovativeness or complexity of qualified investments

The Service Test considered the following criteria.

- Accessibility of delivery systems
- Changes in branch locations
- Reasonableness of business hours and services
- Community development services

An institution must achieve at least a Satisfactory rating on the Lending Test to obtain an overall Satisfactory rating. This evaluation does not include any lending activities performed by affiliates.

Loan Products Reviewed

Examiners determined that the bank's major product lines are small business and home mortgage loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. Although the bank originated small farm and consumer loans during the evaluation period, its activities in these areas are nominal and will not affect the results of the Lending Test; therefore, they do not warrant further analysis.

As reflected in the bank's December 31, 2019 Report of Condition and Income (Call Report), commercial lending, consisting of commercial real estate and commercial and industrial loans, represents 50.2 percent of the loan portfolio, and residential lending, consisting of all loans secured by 1-4 family and multifamily residential properties, represents 48.1 percent of the loan portfolio. Bank records indicated that the bank's lending focus and product mix shifted during the evaluation period. Specifically, the bank's residential mortgage lending increased year over year from 2017 to 2019, while small business lending remained consistent. Of note, in 2018 and 2019, RTC originated more residential loans, by number of loans and dollar amount, than small business loans. This was partly attributed to RTC acquiring two institutions. Nevertheless, based on the bank's business focus, origination activity, and the loan portfolio distribution, examiners gave equal weight to the bank's small business and home mortgage lending performance when arriving at overall conclusions and ratings.

Examiners considered all residential mortgage loan data derived from the bank's 2017, 2018, and 2019 Home Mortgage Disclosure Act (HMDA) loan application registers. The bank originated 1,834 loans totaling \$670.4 million in 2017; 3,457 loans totaling \$922.9 million in 2018; and 4,466 loans totaling \$1.4 billion in 2019. The bank's 2017 and 2018 residential loan activity was compared to aggregate and demographic data. The bank's 2019 residential loan activity was compared to demographic data. Aggregate data for 2019 was unavailable.

Examiners considered all small business loan information derived from the bank's 2017, 2018, and 2019 CRA loan registers. The bank originated 2,238 small business loans totaling \$302.4 million in 2017; 2,404 small business loans totaling \$305.3 million in 2018; and 2,194 small business loans totaling \$316.8 million in 2019. The bank's 2017 and 2018 small business lending activity was compared to aggregate and demographic data. The bank's 2019 small business lending activity was compared to demographic data. Aggregate data for 2019 was unavailable.

While the number and dollar volume of loans are both presented, examiners emphasized performance by number of loans under the Geographic Distribution and Borrower Profile criteria because the number of loans is a better indicator of the number of individuals and businesses served.

Demographic information referenced in this evaluation was obtained from the 2015 American Community Survey (ACS) Census, D&B, Moody's Analytics, and U.S. Bureau of Labor Statistics. Bank financial data was obtained from the Call Report, unless otherwise noted.

Examiners considered the bank's innovative and flexible lending programs and community development loans since the previous evaluation. The Investment and Service Tests also considered the bank's number and dollar amount of qualified investments and community development services since the previous evaluation.

DESCRIPTION OF INSTITUTION

Background

RTC is a state-chartered commercial bank headquartered in Rockland, Massachusetts and operates primarily in the eastern portion of the state. RTC is a wholly owned bank subsidiary of Independent Bank Corporation and maintains five Community Development Corporations (CDC). The CDCs are a direct subsidiary of the bank, established in connection with awards received through the New Markets Tax Credit Program. When these tax credits are awarded, RTC makes qualified investments into the applicable CDCs, and then distributes the funds through qualified loans.

The FDIC and Division last evaluated RTC's CRA performance as of May 31, 2017, and issued a Satisfactory rating using the Federal Financial Institutions Examination Council's (FFIEC) Interagency Large Bank CRA Examination Procedures.

Operations

RTC offers a wide range of commercial and consumer products including, checking accounts, savings accounts, money market accounts, and certificates of deposit. RTC also offers commercial real estate and non-real estate loans, small business loans, 1-4 family loans, multifamily loans, construction loans, consumer loans, and credit cards. Customers also have access to alternative banking services such as remote deposit capture for businesses and 24-hour online and mobile banking for consumers and businesses.

RTC operates 98 full-service branches, including its main office, and six loan production offices, in Massachusetts. RTC also maintains 119 automated teller machines (ATMs) throughout Massachusetts, 96 are located within branches, 9 are stand-alone full-service, and 14 are stand-alone non-deposit taking.

During the evaluation period, RTC acquired the following banks.

- **Milford National Bank** was acquired on November 16, 2018 and had total assets of \$360.0 million as of September 30, 2018. The Office of the Comptroller of the Currency evaluated Milford National Bank's CRA performance as of July 25, 2016, and assigned an Outstanding rating.
- **Blue Hills Bank** was acquired on April 1, 2019 and had total assets of \$2.5 billion as of March 31, 2019. The FDIC and Division evaluated Blue Hills Bank's CRA performance as of September 28, 2015, and assigned a Satisfactory rating.

Ability and Capacity

As of December 31, 2019, RTC had total assets of \$11.4 billion, which included total loans of \$8.9 billion, or 78.1 percent of total assets. RTC's total deposits were \$9.3 billion as of December 31, 2019. Commercial loans (nonfarm nonresidential and commercial and industrial) account for the

largest portion of the loan portfolio, followed by residential loans (1-4 family and multifamily). The following table illustrates the bank's loan portfolio.

Loan Portfolio Distribution as of 12/31/2019		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	582,476	6.5
Secured by Farmland	4,057	0.1
Secured by 1-4 Family Residential Properties	3,133,020	35.2
Secured by Multifamily (5 or more) Residential Properties	562,914	6.3
Secured by Nonfarm Nonresidential Properties	3,050,610	34.3
Total Real Estate Loans	7,333,077	82.4
Commercial and Industrial Loans	1,416,530	15.9
Agricultural Production and Other Loans to Farmers	12,125	0.1
Consumer Loans	25,639	0.3
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	119,575	1.3
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	8,906,946	100.0
<i>Source: Reports of Condition and Income</i>		

There are no significant financial, legal, or other impediments identified that would limit the bank's ability to help meet the credit or community development needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment area(s) within which its CRA performance will be evaluated. The bank designated six separate contiguous assessment areas all located within Massachusetts. Specifically, the bank delineated 10 full counties in the following Metropolitan Statistical Areas (MSAs), Metropolitan Divisions (MDs), and Non-MSAs as its assessment areas.

- Barnstable Town, MA MSA #12700 (includes Barnstable County)
- Boston-Cambridge-Newton, MA-NH MSA #14460, which consists of:
 - Cambridge-Newton-Framingham, MA MD #15764 (includes Essex County and Middlesex County)
 - Boston, MA MD #14454 (includes Norfolk County, Plymouth County, and Suffolk County)
- Providence-Warwick, RI-MA MSA #39300 (includes Bristol County)
- Worcester, MA MSA #49340 (includes Worcester County)
- Non-MSA #99999 (includes Dukes County)
- Non-MSA #99999 (includes Nantucket County)

Dukes and Nantucket Counties (non-MSAs) are new to the bank's assessment area since the previous evaluation. RTC added Dukes and Nantucket Counties to its assessment area because of the May 17, 2017 acquisition of Edgartown National Bank.

The Barnstable Town, MA, Boston-Cambridge-Newton, MA, Providence-Warwick, RI-MA, and Worcester, MA MSAs, are all located within the Boston-Worcester-Providence, MA-RI-NH-CT Combined Statistical Area (CSA). Examiners conducted full-scope reviews of the Barnstable Town, MA MSA, Boston-Cambridge-Newton, MA MSA, Providence-Warwick, RI-MA MSA, and Worcester, MA MSA assessment areas. While examiners reviewed and analyzed these areas separately, the bank's performance was consistent in each MSA. Since these areas are part of the Boston-Worcester-Providence, MA-RI-NH-CT CSA, and the bank's performance was consistent in the individual assessment areas, examiners presented the bank's performance within this evaluation on a consolidated basis, using the Boston-Worcester-Providence, MA-RI-NH-CT CSA. Within this evaluation, this consolidated assessment area will be referred to as the Boston assessment area (AA).

The non-MSAs (Dukes and Nantucket Counties) are not part of the Boston-Worcester-Providence, MA-RI-NH-CT CSA. Examiners conducted limited-scope reviews of these non-MSA assessment areas because the bank has a limited presence in these areas. Examiners reviewed and analyzed the bank's CRA performance in Dukes and Nantucket Counties separately, and the bank's performance was consistent within the two counties. Since the bank's performance was consistent in these areas, examiners presented them together as one assessment area on a consolidated basis. Within this evaluation, this consolidated assessment area is referred to as the Nantucket assessment area (AA).

Within this evaluation, examiners first present the bank's performance in the Boston AA and the Nantucket AA combined overall and assign an overall rating based on the combined performance, and then present the Boston AA and Nantucket AA performance separately.

Examiners placed significantly more weight on the bank's performance in the Boston AA when determining the overall ratings and conclusions, given that the substantial majority of the bank's lending, deposits, and branches are within this assessment area. Please refer to the individual assessment areas toward the end of this evaluation for detailed descriptions of the Boston AA and Nantucket AA performances.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment areas to help assess credit and community development needs. The information obtained from these contacts helps to determine whether local financial institutions are responsive to these needs and what credit and community development opportunities, if any, are available. Examiners conducted community contacts in the Boston AA because they conducted a full scope review of that assessment area's performance. Since examiners conducted a limited scope review of the Nantucket AA, they did not conduct a community contact specific to the assessment area.

Examiners conducted a community contact with an economic development corporation serving the Boston AA. The contact indicated the need to increase awareness of Small Business Administration (SBA) resources to assist startup companies, as well as financial literacy for entrepreneurs. The contact noted that Brockton particularly exhibits a need for small business investments, especially in low-income areas. The contact noted that institutions could provide further assistance by referring denied small business loan applicants to local certified development companies, which may have more flexible financing standards. The contact noted several institutions that were active in the Boston AA, and specifically mentioned RTC as active in both investment and technical assistance for small businesses.

A second community contact with an economic development organization in the Boston AA noted the opportunity for growth and investment in Brockton. The contact has limited interaction with banks, but noted RTC as particularly active with small business investments. The contact noted that additional collaboration, including referrals to alternative financing, would be beneficial for businesses in the Boston AA.

Examiners also contacted a representative from two local housing authorities in the southern portion of the Boston AA. The contact identified the lack of affordable housing for low- and moderate-income individuals and families, as well as the need for credit repair education. The contact noted that the availability of both affordable housing rentals and purchases is limited, and in significant need of investments. Additionally, high closing costs create an additional barrier to homeownership for qualified low- and moderate-income applicants. Despite these obstacles, opportunities for financial institutions to assist in these areas through financing additional affordable housing investments exist. In addition, the contact noted that the large immigrant population in the Boston AA needs credit repair programs and financial education. Overall, the contact stated that local financial institutions were receptive to the lending and community development needs of the organization. In addition, one of the contacts noted that RTC engaged in extensive outreach to tenants of their housing authority, and helped provide access to its banking services, including streamlining account openings.

Credit and Community Development Needs and Opportunities

Examiners identified the primary credit needs of the Boston AA, based on demographic and economic information, discussions with management, and information from the community contacts, to be affordable housing and small business lending. In addition, examiners determined that there is a significant need for community development services supporting low- and moderate-income individuals in the Boston AA.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

RTC demonstrated High Satisfactory performance under the Lending Test. The bank's good borrower profile performance and relatively high level of community development loans primarily supports this

conclusion. The bank's performance in the Boston AA is consistent with the High Satisfactory rating. While the bank's performance in the Nantucket AA is inconsistent with the High Satisfactory rating, it did not affect the overall rating. This is because the majority of the bank's branches and deposits are in the Boston AA, and its performance in the Boston AA primarily supports this conclusion.

Lending Activity

Lending levels reflect good responsiveness to the assessment areas credit needs.

In 2017, the bank originated 1,778 home mortgage loans for \$628.7 million within its assessment area. RTC ranked 24th out of 670 lenders that originated or purchased residential mortgage loans in the bank's assessment area, with a market share of 1.0 percent. All but two of the lenders that ranked ahead of RTC were large national banks or non-bank mortgage companies. The top five lenders hold 20.2 percent of the market share. In 2018, RTC originated 3,390 home mortgage loans for \$867.9 million and ranked 15th out of 676 lenders that originated or purchased residential mortgage loans in the bank's assessment area, with a 1.7 percent market share. The bank's home mortgage lending levels nearly doubled in 2018 from 2017 mainly due to the bank's acquisitions of Milford National Bank and Blue Hills Bank, which helped expand its branch network and asset size. In 2019, RTC's home mortgage lending in its assessment area again increased from its 2017 and 2018 lending levels, and the bank originated 4,342 residential loans for \$1.4 billion.

In 2017, the bank originated 2,125 small business loans for \$267.2 million and the bank ranked 13th out of 193 lenders that originated small business loans in the assessment area, with a 1.5 percent market share. The top five lenders were all large national banks and comprised 60.0 percent of the market share. In 2018, the bank originated 2,280 small business loans for \$274.2 million and ranked 14th out of 192 lenders that originated small business loans in the assessment area, with a 1.5 percent market share. In 2019, the bank originated 2,086 small business loans for \$285.9 million, which is consistent with its 2017 and 2018 lending levels.

Assessment Area Concentration

A substantial majority of the bank's home mortgage and small business loans are made in its assessment areas. The following table details RTC's lending inside and outside of the assessment areas for each product type.

Lending Inside and Outside of the Assessment Areas											
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)	
	Inside		Outside			Inside		Outside			
	#	%	#	%		\$	%	\$	%		
Home Mortgage											
2017	1,778	96.9	56	3.1	1,834	628,745	93.8	41,634	6.2	670,379	
2018	3,390	98.1	67	1.9	3,457	867,900	93.2	63,325	6.8	931,225	
2019	4,342	97.2	124	2.8	4,466	1,367,816	96.4	51,194	3.6	1,419,009	
Subtotal	9,510	97.5	247	2.5	9,757	2,864,461	94.8	156,153	5.2	3,020,613	
Small Business											
2017	2,125	95.0	113	5.0	2,238	267,176	88.3	35,262	11.7	302,438	
2018	2,280	94.8	124	5.2	2,404	274,176	89.8	31,106	10.2	305,282	
2019	2,086	95.1	108	4.9	2,194	285,878	90.2	30,925	9.8	316,803	
Subtotal	6,491	95.0	345	5.0	6,836	827,230	89.5	97,293	10.5	924,523	
Total	16,001	96.4	592	3.6	16,593	3,691,691	93.6	253,446	6.4	3,945,137	

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

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment areas. The bank’s performance in its Boston AA primarily supports this conclusion.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and business customers of different size. The bank’s performance in its Boston AA primarily supports this conclusion.

Innovative and Flexible Lending

RTC uses innovative and/or flexible lending practices in order to serve assessment areas credit needs. During the evaluation period, RTC originated 1,156 loans for approximately \$388.4 million through innovative and/or flexible lending programs. The bank’s innovative and/or flexible residential lending programs focused on assisting low- and moderate-income individuals, first time homebuyers, or U.S. armed service veterans in pursuing or maintaining home ownership. The bank offers innovative and/or flexible commercial loan programs through the SBA to meet the credit needs of small businesses in the assessment areas. The bank offers all of its innovative and/or flexible lending programs throughout its assessment areas.

Described below are the bank’s innovative and/or flexible lending programs.

Residential Loan Programs

- **Federal Housing Administration (FHA) Loan Products:** The FHA insures loans for fixed and adjustable rate products with down payments as low as 3.5 percent, low closing costs, and flexible credit standards. During the evaluation period, RTC originated 435 FHA mortgage loans for \$158.5 million. In addition, the bank originated 17 FHA 203K loans for \$6.5 million. Borrowers can use FHA 203K loans for major home renovations, such as structural work, or for home improvements that cost more than \$35,000.
- **MassHousing Loans:** MassHousing is an organization that provides financing for affordable housing in Massachusetts through various different flexible lending products. The bank continues to collaborate with MassHousing to offer several loan programs targeting low-and moderate-income individuals. The programs features vary, but generally offer a low down payment amount and below market interest rates. All MassHousing products with a loan-to-value ratio (LTV) of more than 80.0 percent include *Mortgage Insurance Plus*, a payment protection benefit that borrowers can use if they become unemployed and are collecting unemployment benefits. The benefit covers the principal and interest payment of the loan for up to six months. During the evaluation period, the bank originated 380 MassHousing loans totaling \$110.6 million.
- **Fannie Mae Home Ready and Home Ready with reduced Mortgage Insurance:** This program is for home purchases, and rate or term refinance transactions, with up to 97.0 percent LTV and 105.0 percent combined LTV (CLTV). The bank originated 89 loans for \$25.3 million during the evaluation period under this program.
- **Freddie Mac Home Possible (Home Possible):** Home Possible mortgages offer credit flexibilities to help low- and moderate-income borrowers attain home ownership. The program has a low down payment amount requirement of 3.0 percent. In addition, Home Possible offers flexible options to increase homeownership. RTC originated 60 Home Possible loans for \$20.4 million during the evaluation period.
- **Veterans Administration (VA) Products:** The VA offers various flexible fixed and adjustable rate purchase and refinance loan products with up to 100.0 percent financing for U.S. armed service veterans. The bank originated 27 VA loans for \$9.5 million during the evaluation period.
- **Freddie Mac Open Access:** This product is for borrowers whose current mortgage is owned by Freddie Mac and the value of the property is not within current LTV limits for conventional refinancing. The product allows a LTV to be as high as 125.0 percent, with unlimited CLTV. In addition, Freddie Mac permits flexibility with mortgage insurance. For example, if the borrower did not have mortgage insurance on the original loan, then mortgage insurance is not required on the refinance. RTC originated 3 Open Access loans for \$765,000 during the evaluation period.

- **U.S. Department of Agriculture (USDA) Products:** The USDA offers fixed rate products with up to 100.0 percent financing for properties located in USDA defined rural areas and borrowers within certain income limits. The USDA charges a 2.0 percent guarantee fee that can be financed through the loan proceeds, allowing for a maximum LTV of 103.5 percent. The bank originated 2 USDA loans for \$532,000 during the evaluation period.

Small Business Loan Programs

- **SBA 7(a) Loan Program:** This loan program helps small businesses with start-up expenses or expansion. These SBA loans offer smaller down payments and flexible terms. The bank originated 97 SBA 7(a) program loans totaling \$24.2 million during the evaluation period.
- **SBA 504 Loan Program:** This loan program provides long-term fixed asset financing made through a CDC. The program offers a low down payment requirement and flexibility in financing fees. RTC originated 46 SBA 504 loans totaling \$32.1 million during the evaluation period.

Community Development Lending

RTC has made a relatively high level of community development loans. During the evaluation period, RTC originated or renewed 37 loans totaling \$276.6 million that qualified as community development loans. By dollar volume, this level represented approximately 3.2 percent of average total assets and 4.0 percent of average total loans as of the December 31, 2019 Call Report. The bank’s community development loan volume increased 85.0 percent by number and 171.4 percent by dollar volume since the previous evaluation. The bank originated all of its community development loans in its Boston AA.

The following table illustrates the bank’s qualified community development lending activity by year and purpose.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
6/1/2017-12/31/2017	4	26,410	2	3,955	0	0	5	28,048	11	58,413
2018	4	14,560	0	0	0	0	2	22,516	6	37,076
2019	9	49,681	2	7,144	2	14,590	3	69,053	16	140,468
YTD 2020	4	40,654	0	0	0	0	0	0	4	40,654
Total	21	131,305	4	11,099	2	14,590	10	119,617	37	276,611

Source: Bank Records from June 1, 2017 through March 16, 2020.

The following are examples of RTC’s qualified community development loans.

- In 2019, RTC was the lead bank in a mixed-use redevelopment project in a moderate-income census tract in Quincy. The City of Quincy adopted an “Urban Revitalization and

Development Plan” to revitalize the center of the city, and the bank’s loan will help revitalize the moderate-income census tract where it is located, as well as the surrounding areas. RTC financed \$45.0 million of the \$55.0 million loan.

- In 2018, RTC originated an \$11.3 million loan to a non-profit organization to construct a 47-unit affordable housing project for low- and moderate-income senior citizens located in South Boston.
- In 2019, RTC originated a \$5.8 million loan to renovate and expand a hotel in a low-income census tract in Hyannis. The renovation and expansion will provide and retain jobs in the low-income area.
- In 2017, RTC originated a \$7.7 million loan to construct 44 affordable housing units within 10 buildings in Bourne.

INVESTMENT TEST

RTC demonstrated Outstanding performance under the Investment Test. The bank has an excellent level of qualified community development investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors, which supports the Outstanding rating.

The bank’s performance in the Boston AA is consistent with the overall Outstanding rating and primarily supports this conclusion. While the bank’s performance in the Nantucket AA is inconsistent with the rating, it had nominal weight on overall conclusions as the majority of the bank’s branches and deposits are in the Boston AA.

Investment Activity

The bank has an excellent level of qualified community development investments and qualified grants and donations. During the evaluation period, the bank maintained 451 qualified investments totaling approximately \$136.6 million, of which 37 are equity and debt security investments totaling \$135.0 million. The total investment amount represents 11.4 percent of average total securities and 1.5 percent of average total assets since the previous evaluation.

The following table illustrates the bank’s qualified community development investments and qualified grants and donations by year and purpose.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	15	36,142			3	657			18	36,798
6/1/2017-12/31/2017	2	16,000			1	25			3	16,025
2018	1	2,753			1	25			2	2,778
2019	5	53,895			7	12,025			12	65,920
YTD 2020	2	13,505							2	13,505
Subtotal	25	122,295			12	12,732			37	135,027
Qualified Grants & Donations	42	115	349	1,345	20	44	3	33	414	1,537
Total	67	122,410	349	1,345	32	12,776	3	33	451	136,564

Source: Bank Records

Equity and Debt Security Investments

Of the bank’s equity and debt security investments, 19 totaling approximately \$98.2 million are new, and 18 totaling approximately \$36.8 million (book value) are prior period investments. The bank’s total qualified equity investments increased by 193.0 percent from the prior evaluation, when the bank had approximately \$46.0 million of qualified equity investments. Given RTC’s responsiveness to its assessment areas’ needs, examiners gave credit to investments the bank made that benefited a broader regional area. Of the 37 qualified equity investments, 8 for approximately \$17.3 million benefited a broader regional area. The following are examples of the bank’s equity investments that benefited a broader regional area.

Current Period Investments

- **Stratford V:** The bank obtained this \$3.5 million investment utilizing low-income housing tax credits (LIHTC). The funds support nationwide affordable housing properties, including properties in the bank’s broader regional area.
- **Balance Point Capital Partners II:** The bank acquired this \$3.0 million investment in 2019, when it acquired Blue Hills Bank. This is a Small Business Investment Company Fund, with investment activity focused on companies headquartered in the United States in low- and moderate-income areas or businesses engaged in qualifying energy-saving activities as defined by the SBA. The investment is nationwide, with a portion located in the bank’s broader regional area.
- **South Eastern Economic Development (SEED):** This organization supports small businesses through financing and technical assistance. The bank provided capital commitments to SEED totaling \$90,000 to support business counseling services for existing and prospective businesses in Massachusetts and Rhode Island.

Prior Period Investments

- **Boston Capital Fund 38:** The bank invested in this LIHTC fund in 2014. The funds support nationwide affordable housing projects, including properties in the broader regional area. The book value is \$10.6 million as of December 31, 2019.

Qualified Grants and Donations

Qualified investments for this evaluation period included grants and donations to organizations that provide affordable housing, community services to low- and moderate-income individuals, and promote economic development. During the evaluation period, the bank's 414 CRA qualified donations totaled approximately \$1.5 million. The bank made 249 CRA qualified donations for \$1.4 million during the previous evaluation. The majority of the bank's CRA qualified donations supported community service organizations that primarily benefit low- and moderate-income individuals. Please refer to the Boston and Nantucket AA's sections for more information about donations specifically benefitting each assessment area.

Responsiveness to Credit and Community Development Needs

The bank exhibits good responsiveness to credit and community economic development needs. By dollar amount, the bank made a significant majority of its equity and debt security investments to organizations that provide affordable housing opportunities to individuals within the assessment area. This was a need identified by the community contacts. Similarly, a majority of the bank's grants support community services for low- and moderate-income individuals, which examiners identified as an assessment area need.

Community Development Initiatives

The bank makes significant use of innovative or complex investments to support community development initiatives. The bank is proactive in pursuing complex LIHTC, which are highly competitive products. The prior period and current evaluation investments reflect a diverse CRA strategy obtaining local investments with a direct impact on the bank's assessment areas as well as a broader regional area.

SERVICE TEST

RTC demonstrated Outstanding performance under the Service Test. The bank's Service Test performance is driven by its community development services, as they were numerous and particularly responsive to the assessment areas' needs.

The bank's performance in the Boston AA is consistent with the overall Outstanding rating and primarily supports this conclusion. While the bank's performance in the Nantucket AA is inconsistent with the rating, it had nominal weight on overall conclusions as a majority of the bank's branches and deposits are in the Boston AA.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the bank's assessment area. The bank has 98 branches within its assessment areas, of which 96 have 24-hour ATMs. The bank also maintains 23 stand-alone ATMs, 9 deposit taking and 14 non-deposit taking, throughout its assessment areas.

In addition to its branches and ATMs, RTC offers numerous alternative delivery systems to expand retail banking service access to all individuals, including low- and moderate-income individuals and families,. For example, the bank offers online banking with bill pay, which allows users to view account transaction history, transfer funds, and pay bills. Customers also have access to mobile banking, which allows customers to make various transactions through a mobile phone. The bank also offers debit cards through MasterCard that allows for ATM access and point of sale purchases wherever MasterCard is accepted. Personal and business banking customers can also contact customer service by telephone, live chat, text message, or email to the bank's Customer Information Center (Center). The Center operates Monday through Friday 7:00 a.m. to 8:00 p.m., Saturday 8:00 a.m. to 5:00 p.m., and Sunday 10:00 a.m. to 3:00 p.m.

RTC also employs 146 employees that speak a second language. The bank maintains a list of each employee, the languages they speak, and their corresponding branch location, so all bank staff can easily contact a bilingual representative to serve customers with limited-English proficiency. Languages spoken include Amharic, Cantonese, Haitian Creole, Portuguese, and Spanish. Based on the FDIC's 2017 survey of unbanked and underbanked households, minority individuals in the northeast region have much higher populations of individuals underserved by retail banking. RTC's language services enhance accessibility to bank products and services and promotes economic inclusion among first-generation immigrants and other consumers who may otherwise limited financial resources, many of which are low- or moderate-income individuals and families. These language services are critical, as a review of the demographics indicate that a large portion of low- and moderate-income individuals in the bank's assessment areas are first-generation Americans, where English may not be their first language.

The following table displays the bank's branch and ATM distribution throughout the assessment area.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	153	12.0	575,603	9.8	1	1.0	1	0.8
Moderate	253	19.8	1,120,853	19.1	14	14.3	18	15.1
Middle	480	37.6	2,297,125	39.1	52	53.1	62	52.1
Upper	371	29.0	1,864,993	31.7	31	31.6	38	31.9
NA	21	1.6	17,780	0.3	0	0.0	0	0.0
Totals	1,278	100.0	5,876,354	100.0	98	100.0	119	100.0

Source: 2015 ACS Census & Bank Data; Due to rounding, totals may not equal 100.0

While the bank’s branches and ATMs in low- and moderate-income census tracts compares somewhat unfavorably to the demographics, several branches are located in census tracts that are adjacent to low- and/or moderate-income geographies. The bank’s branches, including its Boston, Brockton, New Bedford, Fall River, Somerville, and Worcester branches are accessible through public transportation and some are within walking distance from low- and moderate-income census tracts. Specifically, the bank’s Boston, Medford, and Somerville branches are particularly accessible by public transportation (bus, train, and commuter rail) to low- and moderate-income census tracts. Furthermore, the branches that are not located in low- or moderate-income census tracts are centrally located, and are either adjacent to or easily accessible to, residents in low- and moderate-income census tracts allowing individuals living in these areas access to the bank’s branches.

Changes in Branch Locations

The bank’s record of opening and closing branches has generally not adversely impacted the accessibility of its delivery systems within the assessment area, particularly in low- or moderate-income geographies. Since the previous evaluation, the bank opened 22 branches, 17 through mergers. Of the 22 branches, 2 are located in moderate-income census tracts, 10 are located in middle-income census tracts, and 10 are located in upper-income census tracts. During the same period, RTC closed eight branch locations, two in low-income census tracts, one in a moderate-income census tract, three in middle-income census tracts, and two in upper-income census tracts.

While the bank closed branches in low- and moderate-income census tracts, the adverse impact on the assessment areas’ low- and moderate-income census tract residents was lessened by the consolidation of the closed branches into other nearby branches. For example, one of the branches closed in a low-income census tract in Brockton that maintained very limited hours (weekdays 1:00 p.m. - 4:00 p.m.) and the bank consolidated it into an existing branch location in a moderate-income census tract 0.5 miles away. In addition, the bank closed a branch in a low-income census tract in Hyannis and consolidated it into to another existing branch location in a moderate-income census

tract 0.7 miles away. Finally, while the bank closed a branch in a moderate-income census tract in Milford, it had two existing branch locations in Milford in adjacent upper-income census tracts. Both branches are within a 4-mile radius (1.1 miles and 2.2 miles respectively) of the closed branch. As a result, the bank's branches remain reasonably accessible to the customers in the moderate-income census tract, limiting adverse impacts of the closure.

Reasonableness of Business Hours and Services

Services and business hours are tailored to the convenience and needs of the assessment areas, particularly low- and moderate-income geographies and individuals. Weekday branch hours are convenient and comparable to other institutions; however, the bank offers Saturday hours at most of its locations, as well as Sunday hours at 18 of its locations throughout the assessment areas. Approximately 33.0 percent of the 18 branches with Sunday hours are in moderate-income census tracts. Further, loan and deposit products do not vary among the branch offices.

RTC employees also offered personalized customer service to low- and moderate-income customers, helping them access banking and other services. For example, the Stoughton Branch manager coordinates with a local housing authority to streamline the account opening process for new housing residents, the majority of which are low- or moderate-income, and assists with annual verification forms required for public housing. A local community contact noted practice as an example of RTC tailoring their banking services to meet the needs of low- and moderate-income residents. Also, as noted previously, the bank has 146 employees that speak a second language. These employees tailor banking services to first-generation Americans where English may not be their first language, the majority of which are low- and moderate-income.

Community Development Services

RTC is a leader in providing community development services.

The bank demonstrated outstanding responsiveness to the needs of the communities it serves. Specifically, the bank provides outreach to organizations that support housing opportunities for low- and moderate-income individuals. For example, the bank partners with Massachusetts Housing Partnership and the Federal Home Loan Bank, which offer nontraditional financing, technical assistance, and housing development and analysis. RTC's participation with these organizations are responsive to the affordable housing needs of low- and moderate-income individuals and families. As previously noted, community contacts identified RTC as being particularly involved in community services that address affordable housing needs.

Furthermore, the bank's extensive financial literacy services and collaboration with economic development initiatives reflect excellent responsiveness to community development needs. Community contacts specifically identified that some of assessment area's needs were financial literacy and economic development initiatives, including small business workshops. The bank offered numerous workshops targeting small businesses that would address this need identified by the community contact. Further, the bank worked with partners, including SEED and Massasoit Community College, to offer workshops focused on providing technical assistance to small businesses. The bank also supported small businesses through the creation of its "Small Business,

Big Dreams” initiative, which provides funding, promotion, and technical assistance to small businesses. Through this initiative, the bank provided technical assistance to small businesses by helping create business plans and strategies. Another contact specifically identified a need for the promotion of small business development in Brockton. During the evaluation, bank collaborated with Metro South Chamber of Commerce and SEED and held workshops for small and startup businesses in Brockton. These workshops addressed the need identified by the community contact.

In addition, employees devoted time to organizations that support affordable housing, community services, economic development, financial literacy, and first-time homebuyer programs.

During the evaluation period, the bank had 341 instances of qualified community development services to over 100 qualified organizations. The following table shows the number of community development services by year and purpose.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
6/1/2017-12/31/2017	23	34	9	0	66
2018	40	59	14	0	113
2019	47	45	15	0	107
YTD 2020	17	26	12	0	55
Total	127	164	50	0	341
<i>Source: Bank Records</i>					

A description of notable community development services provided throughout the bank’s assessment areas during the evaluation period are listed below.

Financial Literacy Programs

- **Online Financial Education for Small Businesses:** The bank maintains a free online learning center with information and articles focused on small business development and growth. Topics include preventing business fraud, employee development, and writing a business plan. The learning center also gathers informational interviews from local businesses on best practices and tips. The bank also provides online webinars with industry professionals and bank employees to cover specific topics for small businesses.
- **Small Business Seminars:** The bank provided nine seminars to local small businesses, collaborating with organizations like the Metro South Chamber of Commerce, the Worcester Chamber of Commerce, Massasoit Community College, and SEED. Topics included tax filing for entrepreneurs, writing a business plan, marketing, and fraud prevention.

First Time Home Buyers programs

- **First Time Homebuyer Classes:** Bank staff coordinated with several organizations in the assessment areas to provide education for prospective homeowners. Organizations include Neighborworks, Urban Edge, and the Neighborhood of Affordable Housing. These organizations specialize in helping low- and moderate-income individuals.

Employee Involvement

- **Massachusetts Housing Partnership (MHP):** This statewide nonprofit affordable housing organization works with the Governor of Massachusetts and the Department of Housing and Community Development to increase the supply of affordable housing in the state. Services provided by MHP include credit for low- and moderate-income borrowers and affordable housing developers, as well as technical assistance and education. RTC's chief executive officer was the chairman in 2017.
- **SEED:** This organization supports small businesses through financing and technical assistance. The bank has several employees that provided technical expertise to SEED. RTC's president served on SEED's Board of Directors, and a first vice president served on the Loan Committee, both providing technical expertise.
- **Community Economic Development Assistance Corporation (CEDAC):** CEDAC is a community development financial institution that supports nonprofit community development organizations through financial resources and technical expertise. A bank senior vice president served on the Board of Directors as treasurer.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the bank's overall CRA rating.

**BOSTON-WORCESTER-PROVIDENCE, MA-RI-NH-CT CSA
BOSTON AA - Full-Scope Review**

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN
THE BOSTON AA**

The Boston AA consists of Barnstable, Bristol, Essex, Middlesex, Norfolk, Plymouth, Suffolk, and Worcester Counties in their entirety. A description of the MSAs/MDs of the counties is on page 6 under *The Description of the Assessment Areas* section. The largest percentage of RTC’s lending, branch, and deposit activities are within this assessment area. Specifically, the Boston AA accounts for the following:

- 92.9 percent of the bank’s branch network
- 94.6 percent of total deposits
- 99.1 percent of combined census tracts
- 96.1 percent of residential loans by number
- 93.6 percent of small business loans by number
- 100.0 percent by community development loans by number
- 99.9 percent by dollar of qualified investments
- 98.2 percent of service activity instances

Since the prior CRA evaluation, the bank added 417 census tracts to its Boston AA; this was due to the bank designating full counties instead of partial counties, which included selected towns, as its assessment area. The Boston AA now includes 1,271 census tracts. The following table reflects income designations for the current and prior CRA evaluation assessment areas.

Census Tract	Current Assessment Area	Prior Assessment Area
Low-income	153	98
Moderate-income	252	167
Middle-income	478	338
Upper-income	365	238
NA income	23	13
Total	1,271	854

Economic and Demographic Data

The following table illustrates select demographic characteristics of the Boston AA.

Demographic Information of the Assessment Area						
Assessment Area: Boston AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,271	12.0	19.8	37.6	28.7	1.8
Population by Geography	5,848,750	9.8	19.1	39.1	31.6	0.3
Housing Units by Geography	2,441,620	9.5	19.8	40.9	29.6	0.2
Owner-Occupied Units by Geography	1,369,874	3.3	14.1	44.6	37.9	0.1
Occupied Rental Units by Geography	848,944	19.4	28.3	33.4	18.4	0.5
Vacant Units by Geography	222,802	9.4	23.0	46.1	21.2	0.3
Businesses by Geography	475,903	7.6	14.7	37.5	39.5	0.6
Farms by Geography	10,249	3.3	10.9	44.2	41.5	0.1
Family Distribution by Income Level	1,413,752	23.3	16.4	19.5	40.8	0.0
Household Distribution by Income Level	2,218,818	26.6	14.4	16.4	42.6	0.0
Median Family Income MSA - 12700 Barnstable Town, MA MSA		\$80,751	Median Housing Value			\$374,359
Median Family Income MSA - 14454 Boston, MA		\$90,699	Median Gross Rent			\$1,192
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		\$100,380	Families Below Poverty Level			7.8%
Median Family Income MSA - 39300 Providence-Warwick, RI-MA MSA		\$73,950				
Median Family Income MSA - 49340 Worcester, MA-CT MSA		\$81,137				
<i>Source: 2015 ACS and 2019 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.</i>						

According to 2015 ACS data, the percentage of families with incomes below the federal poverty level in the Boston AA is 7.8 percent. This may limit these families from qualifying for a home mortgage loan, which limits lending opportunities. In addition, 17.4 percent of the owner-occupied units are located in low- and moderate-income census tracts. The low owner-occupancy rates, particularly in low-income census tracts at 3.3 percent, indicates limited owner-occupied home mortgage lending opportunities in those census tracts.

Examiners used the FFIEC-updated median family income to analyze home mortgage lending under the Borrower Profile criterion. The following table reflects low-, moderate-, middle-, and upper-income categories in the assessment area for 2017, 2018, and 2019.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Barnstable Town, MA MSA Median Family Income (12700)				
2017 (\$90,200)	<\$45,100	\$45,100 to <\$72,160	\$72,160 to <\$108,240	≥\$108,240
2018 (\$86,200)	<\$43,100	\$43,100 to <\$68,960	\$68,960 to <\$103,440	≥\$103,440
2019 (\$91,300)	<\$45,650	\$45,650 to <\$73,040	\$73,040 to <\$109,560	≥\$109,560
Boston, MA MD Median Family Income (14454)				
2017 (\$94,300)	<\$47,150	\$47,150 to <\$75,440	\$75,440 to <\$113,160	≥\$113,160
2018 (\$99,300)	<\$49,650	\$49,650 to <\$79,440	\$79,440 to <\$119,160	≥\$119,160
2019 (\$105,500)	<\$52,750	\$52,750 to <\$84,400	\$84,400 to <\$126,600	≥\$126,600
Cambridge-Newton-Framingham, MA MD Median Family Income (15764)				
2017 (\$104,800)	<\$52,400	\$52,400 to <\$83,840	\$83,840 to <\$125,760	≥\$125,760
2018 (\$110,300)	<\$55,150	\$55,150 to <\$88,240	\$88,240 to <\$132,360	≥\$132,360
2019 (\$115,500)	<\$57,750	\$57,750 to <\$92,400	\$92,400 to <\$138,600	≥\$138,600
Providence-Warwick, RI-MA MSA Median Family Income (39300)				
2017 (\$74,500)	<\$37,250	\$37,250 to <\$59,600	\$59,600 to <\$89,400	≥\$89,400
2018 (\$80,600)	<\$40,300	\$40,300 to <\$64,480	\$64,480 to <\$96,720	≥\$96,720
2019 (\$85,100)	<\$42,550	\$42,550 to <\$68,080	\$68,080 to <\$102,120	≥\$102,120
Worcester, MA-CT MSA Median Family Income (49340)				
2017 (\$84,000)	<\$42,000	\$42,000 to <\$67,200	\$67,200 to <\$100,800	≥\$100,800
2018 (\$86,900)	<\$43,450	\$43,450 to <\$69,520	\$69,520 to <\$104,280	≥\$104,280
2019 (\$95,300)	<\$47,650	\$47,650 to <\$76,240	\$76,240 to <\$114,360	≥\$114,360
<i>Source: FFIEC</i>				

The analysis of small business loans under the Borrower Profile criterion compares the distribution of the bank's small business loans to the distribution of businesses by Gross Annual Revenue (GAR) level. According to 2019 D&B data, there were 475,903 non-farm businesses operating within the Boston AA. GARs for these businesses are detailed below.

- 85.2 percent have \$1 million or less.
- 6.0 percent have more than \$1 million.
- 8.8 percent have unknown revenues.

Competition

The bank operates within a highly competitive market for financial services. According to the June 30, 2019 FDIC Summary of Deposits data, there were 259 financial institutions operating 1,956 branch offices within the bank's Boston AA. RTC ranked 5th with a 4.6 percent deposit market share. The institutions ranked higher than RTC were large national banks with numerous offices

throughout the metropolitan areas, including Citizens Bank, N.A; Santander Bank N.A.; Bank of America, N.A; and TD Bank, N.A.

There is a high level of competition for home mortgage and small business loans among several banks, credit unions, and non-depository lenders in the Boston AA. According to 2018 home mortgage aggregate data, 670 lenders reported 193,776 originated or purchased residential mortgage loans in the Boston AA, indicating a high degree of competition. RTC ranked 15th with a 1.7 percent market share. The top five lenders were Citizens Bank, N.A; Wells Fargo Bank, N.A., Bank of America, N.A; Quicken Loans Inc.; and Santander Bank N.A. These five lenders captured 20.6 percent of the market share. The 2018 aggregate small business data also indicates a high degree of competition, as 189 institutions reported 149,175 small business loans in the Boston AA. RTC ranked 14th with a 1.5 percent market share. The top five lenders were American Express National Bank; Bank of America, N.A; Chase Bank USA, N.A.; Citibank, N.A.; and Lake Forest Bank and Trust. These five lenders captured 59.5 percent of the market share.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE BOSTON AA

LENDING TEST

RTC demonstrated High Satisfactory performance under the Lending Test in the Boston AA. The bank's good borrower profile performance and relatively high level of community development loans primarily supports this conclusion. The following sections discuss the bank's performance under each Lending Test factor.

Lending Activity

RTC's lending levels reflect good responsiveness to the Boston AA credit needs. In 2017, the bank originated 1,761 home mortgage loans for \$618.4 million and 2,111 small business loans for \$265.4 million in the Boston AA. In 2017, RTC ranked 24th out of 664 lenders that originated residential mortgage loans in the Boston AA, with 1.0 percent market share. All but two of the lenders ranking ahead of RTC were large national banks or non-bank mortgage companies. The top five lenders captured 20.3 percent of the market share. Also in 2017, RTC ranked 13th out of 192 lenders that originated a small business loan in the Boston AA, with a 1.5 percent market share. The top five lenders were all large national banks and captured 59.9 percent of the market share.

In 2018, RTC originated 3,325 home mortgage loans for \$823.0 million and 2,235 small business loans for \$268.4 million in the Boston AA. In 2018, RTC's home mortgage lending market ranking increased, and the bank ranked 15th out of 670 lenders that originated residential mortgage loans in the Boston AA, with a market share of 1.7 percent. Also in 2018, RTC ranked 14th out of 190 lenders that originated a small business loan in the Boston AA, with a market share of 1.5 percent. This is similar to the bank's 2017 rankings.

The bank's home mortgage loans nearly doubled in 2018 from 2017. In addition, the bank's home mortgage lending increased from 2018 to 2019. As previously stated in the overall assessment area section, this was mainly due to the bank's acquisition of Milford National Bank and Blue Hills Bank.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the Boston AA. The bank's home mortgage and small business lending performances support this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration. In 2017, the bank's performance in low-income census tracts was below aggregate data, but above demographic data. In 2018, the bank's lending in low-income census tracts trailed both the demographic and aggregate lending data. In 2019, the bank's lending in low-income census tracts was comparable to demographics.

The bank's lending in moderate-income tracts exceeded the demographic data in both 2017 and 2018, and the aggregate data in 2017. However, the bank's lending in 2018 in moderate-income census tracts was slightly below aggregate lending data. In 2019, the bank's lending in moderate-income census tracts was below demographics.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: Boston AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	3.3	4.9	72	4.1	30,780	5.0
2018	3.3	4.7	84	2.5	27,510	3.3
2019	3.3	--	143	3.4	51,719	4.0
Moderate						
2017	14.1	16.2	327	18.6	116,555	18.8
2018	14.1	15.7	484	14.6	131,890	15.9
2019	14.1	--	553	13.1	175,651	13.5
Middle						
2017	44.6	43.7	850	48.3	238,058	38.5
2018	44.6	43.5	1,590	47.8	353,850	42.6
2019	44.6	--	1,968	46.5	552,654	42.4
Upper						
2017	37.9	35.1	507	28.8	230,998	37.4
2018	37.9	35.9	1,167	35.1	317,955	38.3
2019	37.9	--	1,561	36.9	522,501	40.1
Not Available						
2017	0.1	0.1	5	0.3	1,977	0.3
2018	0.1	0.1	0	0.0	0	0.0
2019	0.1	--	3	0.1	743	0.1
Totals						
2017	100.0	100.0	1,761	100.0	618,368	100.0
2018	100.0	100.0	3,325	100.0	831,205	100.0
2019	100.0	--	4,228	100.0	1,303,269	100.0
<i>Source: 2015 ACS; 1/1/2017 - 12/31/2019 Bank Data, 2017 & 2018 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 adequate penetration throughout the Boston AA. The bank trailed the demographic data in 2017, 2018, and 2019 and the aggregate data in 2017 and 2018 in lending within the low-income census tracts. While the bank's lending compared unfavorably to the demographic and aggregate data, as noted in the competition section, there is significant competition for small business loans in the assessment area.

In 2017, the bank trailed both the aggregate and demographic data in the moderate-income census tracts. In 2018, the bank's lending improved in moderate-income census tracts when compared to aggregate and demographics, and it exceeded both the aggregate and demographic data. However, in 2019, the bank's lending trailed demographic data in moderate-income census tracts.

Geographic Distribution of Small Business Loans						
Assessment Area: Boston AA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	7.7	7.2	111	5.3	17,877	6.7
2018	7.7	7.3	100	4.5	14,160	5.3
2019	7.6	--	112	5.5	17,881	6.4
Moderate						
2017	14.6	14.8	284	13.5	41,871	15.8
2018	14.6	14.9	342	15.3	46,785	17.4
2019	14.7	--	272	13.4	44,381	15.8
Middle						
2017	38.0	39.0	1,070	50.7	126,892	47.8
2018	38.0	39.2	1,122	50.2	125,138	46.6
2019	37.5	--	1,003	49.3	128,527	45.8
Upper						
2017	39.0	38.5	643	30.5	78,685	29.6
2018	39.1	38.2	669	29.9	81,859	30.5
2019	39.5	--	646	31.7	88,614	31.6
Not Available						
2017	0.6	0.5	3	0.1	95	0.0
2018	0.6	0.5	2	0.1	423	0.2
2019	0.6	--	3	0.1	933	0.3
Totals						
2017	100.0	100.0	2,111	100.0	265,420	100.0
2018	100.0	100.0	2,235	100.0	268,365	100.0
2019	100.0	--	2,036	100.0	280,336	100.0
<i>Source: 2017, 2018 & 2019 D&B Data; 1/1/2017 - 12/31/2019 Bank Data; 2017 & 2018 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and business customers of different size.

Home Mortgage Loans

The distribution of home mortgage loans by borrower income levels reflects good penetration to retail customers of different income levels. RTC's lending to low-income borrowers was comparable to aggregate data in 2017 and 2018. However, both the bank and aggregate lending is less than the demographic data. A review of the low-income family data in the Boston AA revealed difficulty in qualifying for a home mortgage loans, particularly for those families and individuals with incomes below the poverty level. Market share data further supports the bank's good performance. Out of the 392 lenders that originated or purchased at least one residential mortgage loan to a low-income borrower in the Boston AA, RTC ranked 21st with a market share of 1.1 percent. All but one of the institutions that ranked higher than RTC were large national banks and non-bank mortgage companies. In 2018, RTC's low-income borrower lending market rank improved to 13th out of 377 lenders with a market share of 1.6 percent. The bank's lending to low-income borrowers improved in 2019, but still was below demographic data.

The bank's lending to moderate-income borrowers exceeded both the aggregate and demographic data in 2017 and 2018. Market share data further supports the bank's good performance. In 2017, RTC ranked 21st out of 463 lenders that originated or purchased at least one loan to a moderate-income borrower, with a 1.2 market share. In 2018, the bank's ranking rose to 14th out of 436 lenders, with a 1.9 percent market share. All but one of the institutions ranking ahead of RTC were large national banks or non-bank mortgage companies. In 2019, the bank's lending compared favorably to the demographic data.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Boston AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	23.3	5.2	102	5.8	15,920	2.6
2018	23.3	5.9	183	5.5	21,485	2.6
2019	23.3	--	257	6.1	34,936	2.7
Moderate						
2017	16.4	17.6	368	20.9	80,993	13.1
2018	16.4	17.8	640	19.2	117,400	14.1
2019	16.4	--	834	19.7	170,945	13.1
Middle						
2017	19.5	23.5	497	28.2	127,959	20.7
2018	19.5	23.2	845	25.4	171,905	20.7
2019	19.5	--	1,092	25.8	267,684	20.5
Upper						
2017	40.8	40.9	644	36.6	225,089	36.4
2018	40.8	40.4	1,437	43.2	372,455	44.8
2019	40.8	--	1,805	42.7	598,577	45.9
Not Available						
2017	0.0	12.9	150	8.5	168,407	27.2
2018	0.0	12.7	220	6.6	147,960	17.8
2019	0.0	--	240	5.7	231,126	17.7
Totals						
2017	100.0	100.0	1,761	100.0	618,368	100.0
2018	100.0	100.0	3,325	100.0	831,205	100.0
2019	100.0	--	4,228	100.0	1,303,268	100.0
<i>Source: 2015 ACS; 1/1/2017 - 12/31/2019 Bank Data, 2017 & 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The distribution of small business loans reflects good penetration to businesses with GARs of \$1 million or less. RTC's lending to businesses with GARs of \$1 million or less exceeded aggregate data in 2017 and 2018, although the bank's lending to these businesses is below the percentage of businesses with GARs of \$1 million or less for both years. In addition, while the aggregate lending to businesses with GARs of \$1 million or less decreased by 7.1 percentage points in 2018 from

2017, RTC’s lending to these businesses increased by 2.5 percentage points. In 2019, RTC lending volume by percentage remained consistent with its 2017 and 2018 lending.

Market share data further supports the bank’s good performance. In 2017, RTC ranked 11th out of 192 lenders that originated at least one loan to businesses with GARs of \$1 million or less in the Boston AA, with a 1.6 market share. In 2018, RTC ranked 9th out of 189 lenders that originated at least one loan to a business with GARs of \$1 million or less, with a 1.9 market share. The eight lenders that ranked ahead of RTC were large national banks.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: Boston AA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2017	83.7	46.6	1,173	55.6	88,306	33.3
2018	83.7	39.5	1,299	58.1	94,089	35.1
2019	85.2	--	1,142	56.1	84,225	30.0
>\$1,000,000						
2017	6.8	--	596	28.2	125,275	47.2
2018	6.7	--	632	28.3	124,627	46.4
2019	6.0	--	695	34.1	160,329	57.2
Revenue Not Available						
2017	9.4	--	342	16.2	51,839	19.5
2018	9.6	--	304	13.6	49,649	18.5
2019	8.8	--	199	9.8	35,782	12.8
Totals						
2017	100.0	100.0	2,111	100.0	265,420	100.0
2018	100.0	100.0	2,235	100.0	268,365	100.0
2019	100.0	--	2,036	100.0	280,336	100.0
<i>Source: 2017, 2018 & 2019 D&B Data; 1/1/2017 - 12/31/2019 Bank Data; 2017 & 2018 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Innovative or Flexible Lending Practices

RTC uses innovative and/or flexible lending practices in order to serve assessment area credit needs. All innovative and/or flexible lending programs discussed in the overall section are offered in the Boston AA.

Community Development Loans

RTC has made a relatively high level of community development loans. All of the bank’s community development loans were made within the Boston AA. Please refer to the overall Community Development Loans section for details on the bank’s community development lending activity by year and purpose.

INVESTMENT TEST

RTC demonstrated Outstanding performance under the Investment Test. The bank has an excellent level of qualified community development investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors, which supports the Outstanding rating.

Investment and Grant Activity

The bank has an excellent level of qualified community development investments and qualified grants and donations. During the evaluation period, the bank maintained 426 qualified investments totaling approximately \$119.1 million, of which there are 29 equity and debt security investments totaling \$117.7 million in the Boston AA.

The following table illustrates the bank’s qualified community development investments by year and purpose.

Qualified Investments										
Assessment Area: Boston AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	14	25,539			1	500			15	26,039
6/1/2017-12/31/2017	2	16,000							2	16,000
2018	1	2,753							1	2,753
2019	5	53,895			5	9,000			10	62,895
YTD 2020	1	10,000							1	10,000
Subtotal	23	108,187			6	9,500			29	117,687
Qualified Grants & Donations	42	115	335	1,290	20	44	0	0	397	1,449
Total	65	108,302	335	1,290	26	9,544	0	0	426	119,136

Source: Bank Records

The following are notable examples of the bank’s investments in the Boston AA.

Current Period Investments

- **Wells Fargo Mortgage Backed Securities:** In 2019, the bank purchased a \$14.4 million mortgage backed security comprised of 45 mortgages. The mortgages financed housing for low- and moderate-income individuals in the assessment area.
- **Olmstead Green:** In 2018, the bank committed \$2.8 million to a low-income housing project in Dorchester. This project utilizes LIHTC to construct and maintain 100 units of affordable housing.
- **Stratford 29 Fund:** In 2019, the bank invested \$20.8 million to develop a 55-unit affordable housing complex in Roxbury. The complex is designated for low-income individuals and families.

Prior Period Investments

- **New Verdean LLC:** The bank purchased industrial development bonds secured by this project in 2016. The property is a 110-unit housing facility in New Bedford and 56 units were reserved for low-income residents. The current book value of this investment is \$1.7 million as of December 31, 2019.
- **Cottage Brook Apartments:** The bank purchased industrial development bonds secured by this project in 2015. The property is a 147-unit housing facility in Dorchester, all reserved for low-income tenants. The current book value of this investment is \$4.1 million as of December 31, 2019.
- **Solomon Hess SBA Loan Fund:** The bank invested in this fund in 2007. The fund supports small businesses by acquiring the guaranteed portions of SBA 7(a) loans. The bank's funds targeted small businesses in the Boston AA. As of December 31, 2019, the book value is \$500,000.

Qualified Grants and Donations

Qualified investments for this evaluation period included grants and donations to organizations that provide affordable housing and community services to low- and moderate-income individuals, and promote economic development.

During the evaluation period, the bank's CRA qualified donations totaled approximately \$1.4 million in the Boston AA. The majority of the bank's CRA qualified donations supported community service organizations that primarily benefit low- and moderate-income individuals. The following are notable examples of the bank's qualified donations.

- **Citizen's Housing and Planning Association:** This Boston-based nonprofit encourages the production and preservation of affordable housing for low- and moderate-income families.

The organization both advocates for housing through collaboration and development, and connects area residents to local resources and systems to access affordable housing. The bank contributed to this organization in 2018 and 2019.

- **Boys and Girls Clubs:** The organization enhances the development of youths in the area through various educational, social, and cultural programs. The bank provides annual donations and sponsorships to several local Massachusetts chapters of this organization, including Brockton, Fall River, Dorchester, and Worcester. All qualified donations primarily served low- and moderate-income residents.
- **WATCH CDC:** The bank provided multiple donations to this Waltham-based CDC during the evaluation period. The organization focuses on affordable housing developments in Waltham. WATCH CDC also provides low-income families with homeownership education and financial management training.
- **Cristo Rey Boston High School:** The bank provided donations in 2019 to support a Catholic High School in Boston. The school exclusively serves low- and moderate-income individuals in the area.
- **South Shore Community Action Council (SSCAC):** This organization provides critical services to low-income individuals on the South Shore of Massachusetts, and works to counteract the root causes of poverty in the area. Programs involve support for youth development, budgeting, workforce development, and energy assistance. The bank provided annual sponsorships to SSCAC during the evaluation period.

Responsiveness to Credit and Community Development Needs

The bank exhibits good responsiveness to credit and community economic development needs through equity and debt security investments to organizations that provide affordable housing opportunities and grants in support of organizations providing community services for low- and moderate-income individuals.

Community Development Initiatives

The bank makes significant use of innovative or complex investments to support community development initiatives. The bank is proactive in pursuing complex LIHTC, which are highly competitive products.

SERVICE TEST

RTC demonstrated Outstanding performance under the Service Test in the Boston AA. The bank is a leader in providing community development services to the assessment area, which supports the Outstanding rating.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the bank's Boston AA. The bank maintains 91 branches within the assessment area, including several branches in municipalities with significant portions of the low- and moderate-income census tracts. The bank's branches and access to delivery systems is consistent with the overall assessment. Please see the overall evaluation for further detail.

Changes in Branch Locations

To the extent changes have been made, the institution's record of opening and closing branches has generally not adversely impacted the accessibility of its delivery systems within the assessment area, particularly in low- or moderate-income geographies. Since the previous evaluation, the bank opened 15 branches, 10 through mergers with other banks in the Boston AA. Two branches are located in moderate-income census tracts, four branches are located in middle-income census tracts, and nine branches are located in upper-income census tracts. During the same period, RTC closed eight branch locations, two in low-income census tracts, one in a moderate-income census tract, three in middle-income census tracts, and two in upper-income census tracts. The bank's opening and closing of branches in the Boston AA is consistent with the bank's overall opening and closing of branches. Please see the overall evaluation for further detail.

Reasonableness of Business Hours and Services

Services and business hours are tailored to the convenience and needs of the Boston AA, particularly low- and moderate-income geographies and individuals. The bank's reasonableness of business hours and services in the Boston AA is consistent with the bank's overall reasonableness of business hours and services. Please see the overall evaluation for further detail.

Community Development Services

RTC is a leader in providing community development services. During the evaluation period, the bank provided 335 instances of qualified community development services to over 100 qualified organizations in its Boston AA. The following table shows the bank's number of qualified community development services by year and purpose in the Boston AA.

Community Development Services Assessment Area: Boston AA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
6/1/2017-12/31/2017	22	34	9	0	65
2018	40	58	13	0	111
2019	46	44	15	0	105
YTD 2020	16	26	12	0	54
Total	124	162	49	0	335
<i>Source: Bank Records</i>					

The following are examples of the qualified community development services provided in the Boston AA.

Employee Involvement

- **City of New Bedford Office of Housing and Community Development:** The City of New Bedford has developed an action plan to meet the housing needs of low- and moderate-income individuals. The plan includes programs for affordable homeownership and rehabilitation. A senior residential loan officer of RTC reviewed the city’s action plan and provided feedback based on his technical expertise.
- **Boys and Girls Club of New Bedford:** The organization allows all children to receive community support and neighborhood resources. Special attention is given to at-risk youth and children from disadvantaged circumstances, especially low- and moderate-income families. A senior loan officer served as the vice president of the Boys and Girls Club of New Bedford.
- **Plymouth Area Chamber of Commerce:** This nonprofit organization focuses on the economic development of small businesses. Programs include mentorships, workshops, and technical assistance. A first vice president of RTC served on the organization’s Board of Directors, the Economic Development Committee, and the Finance Committee.
- **My Brother’s Keeper:** This nonprofit organization delivers furniture and food to families in need, particularly low- and moderate-income families. Anyone living in the organization’s service area in southeastern Massachusetts is eligible to receive assistance. A member of the Board of Directors served on the organization’s Capital Committee.

**NON-MSA
NANTUCKET AA - Limited-Scope Review**

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE
NANTUCKET AA**

The Nantucket AA includes a contiguous area consisting of the Nantucket and Dukes Counties in Massachusetts. These counties include the islands of Nantucket and Martha's Vineyard, as well as several other small islands, off the coast of Massachusetts. A small percentage of RTC lending, branch, and deposit activities are contained within this assessment area.

The Nantucket AA accounts for the following:

- 7.1 percent of the bank's branch network
- 5.4 percent of total deposits
- 0.9 percent of combined census tracts
- 1.5 percent of residential loans by number
- 1.3 percent of small business loans by number
- 0.0 percent by community development loans by number
- 0.1 percent by dollar of qualified investments
- 1.8 percent of service activity instances

Economic and Demographic Data

The bank's Nantucket AA includes 11 census tracts. The census tracts reflect the following income designations:

- 0 low-income tracts,
- 1 moderate-income,
- 6 middle-income, includes 3 underserved census tracts
- 2 upper-income,
- 2 census tract with no income designation.

The following tables provide additional economic and demographic information.

Median Family Income Ranges Assessment Area: Nantucket AA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
MA NA Median Family Income (99999)				
2017 (\$80,000)	<\$40,000	\$40,000 to <\$64,000	\$64,000 to <\$96,000	≥\$96,000
2018 (\$80,700)	<\$40,350	\$40,350 to <\$64,560	\$64,560 to <\$96,840	≥\$96,840
2019 (\$102,600)	<\$51,300	\$51,300 to <\$82,080	\$82,080 to <\$123,120	≥\$123,120
<i>Source: FFIEC</i>				

Demographic Information of the Assessment Area Assessment Area: Nantucket AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	11	0.0	9.1	54.5	18.2	18.2
Population by Geography	27,604	0.0	14.7	74.9	10.4	0.0
Housing Units by Geography	29,209	0.0	10.4	79.8	9.8	0.0
Owner-Occupied Units by Geography	7,370	0.0	11.8	78.3	9.9	0.0
Occupied Rental Units by Geography	2,560	0.0	18.4	68.4	13.2	0.0
Vacant Units by Geography	19,279	0.0	8.8	81.8	9.4	0.0
Businesses by Geography	4,090	0.0	14.3	70.0	15.8	0.0
Farms by Geography	193	0.0	11.4	70.5	18.1	0.0
Family Distribution by Income Level	6,284	19.6	12.5	16.3	51.6	0.0
Household Distribution by Income Level	9,930	18.5	14.4	16.1	51.0	0.0
Median Family Income Non-MSAs - MA		\$89,768	Median Housing Value			\$829,989
			Median Gross Rent			\$1,506
			Families Below Poverty Level			8.1%
<i>Source: 2015 ACS and 2019 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE NANTUCKET AA

LENDING TEST

The bank's Lending Test performance in the Nantucket AA is weaker than its overall lending performance. While the AA's performance was considered when determining the bank's overall

rating, it does not have a negative impact on the overall rating. This is because of its limited amount of deposit and branches compared to the Boston AA.

For 2017, 2018, and 2019, the bank originated 196 home mortgage loans totaling approximately \$111.6 million and 109 small business loans totaling approximately \$12.9 million. The bank did not originate any community development loans in the Nantucket AA. The following tables show the bank's lending by census tract income level, individual income level, and business revenue level.

Geographic Distribution

Home Mortgage Loans

Geographic Distribution of Home Mortgage Loans						
Assessment Area: Nantucket AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	0.0	0.0	0	0.0	0	0.0
2018	0.0	0.0	0	0.0	0	0.0
2019	0.0	--	0	0.0	0	0.0
Moderate						
2017	11.8	12.2	2	11.8	667	6.4
2018	11.8	10.9	9	13.8	7,055	19.2
2019	11.8	--	4	3.5	1,745	2.7
Middle						
2017	34.1	30.7	10	58.8	6,905	66.5
2018	34.1	32.2	29	44.6	16,905	46.1
2019	78.3	--	96	84.2	54,884	85.0
Upper						
2017	54.1	57.1	5	29.4	2,805	27.0
2018	54.1	57.0	27	41.5	12,735	34.7
2019	9.9	--	14	12.3	7,918	12.3
Not Available						
2017	0.0	0.0	0	0.0	0	0.0
2018	0.0	0.0	0	0.0	0	0.0
2019	0.0	--	0	0.0	0	0.0
Totals						
2017	100.0	100.0	17	100.0	10,377	100.0
2018	100.0	100.0	65	100.0	36,695	100.0

2019	100.0	--	114	100.0	64,547	100.0
<i>Source: 2015 ACS; 1/1/2017 - 12/31/2019 Bank Data, 2017 & 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

Geographic Distribution of Small Business Loans						
Assessment Area: Nantucket AA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	0.0	0.0	0	0.0	0	0.0
2018	0.0	0.0	0	0.0	0	0.0
2019	0.0	--	0	0.0	0	0.0
Moderate						
2017	15.6	11.9	1	7.1	70	4.0
2018	15.0	11.3	9	20.0	424	7.3
2019	14.3	--	6	12.0	1,185	21.4
Middle						
2017	24.1	22.8	6	42.9	648	36.9
2018	23.4	19.3	15	33.3	2,026	34.9
2019	70.0	--	41	82.0	4,032	72.8
Upper						
2017	60.3	65.1	7	50.0	1,038	59.1
2018	61.6	69.2	21	46.7	3,361	57.8
2019	15.8	--	3	6.0	325	5.9
Not Available						
2017	0.0	0.2	0	0.0	0	0.0
2018	0.0	0.2	0	0.0	0	0.0
2019	0.0	--	0	0.0	0	0.0
Totals						
2017	100.0	100.0	14	100.0	1,756	100.0
2018	100.0	100.0	45	100.0	5,811	100.0
2019	100.0	--	50	100.0	5,542	100.0
<i>Source: 2017, 2018 & 2019 D&B Data; 1/1/2017 - 12/31/2019 Bank Data; 2017 & 2018 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

Home Mortgage Loans

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Nantucket AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	19.6	1.0	0	0.0	0	0.0
2018	19.6	1.8	1	1.5	255	0.7
2019	19.6	--	3	2.6	375	0.6
Moderate						
2017	12.5	4.8	2	11.8	1,613	15.5
2018	12.5	5.1	7	10.8	905	2.5
2019	12.5	--	10	8.8	2,363	3.7
Middle						
2017	16.3	13.2	0	0.0	0	0.0
2018	16.3	9.7	10	15.4	2,810	7.7
2019	16.3	--	18	15.8	3,459	5.4
Upper						
2017	51.6	69.9	10	58.8	5,076	48.9
2018	51.6	67.4	39	60.0	22,265	60.7
2019	51.6	--	69	60.5	38,436	59.5
Not Available						
2017	0.0	11.2	5	29.4	3,688	35.5
2018	0.0	16.1	8	12.3	10,460	28.5
2019	0.0	--	14	12.3	19,914	30.9
Totals						
2017	100.0	100.0	17	100.0	10,377	100.0
2018	100.0	100.0	65	100.0	36,695	100.0
2019	100.0	--	114	100.0	64,547	100.0
Source: 2015 ACS; 1/1/2017 - 12/31/2019 Bank Data, 2017 & 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: Nantucket AA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2017	85.7	44.8	7	50.0	475	27.1
2018	85.3	34.5	26	57.8	1,176	20.2
2019	86.8	--	35	70.0	1,768	31.9
>\$1,000,000						
2017	6.0	--	7	50.0	1,281	73.0
2018	6.3	--	14	31.1	4,269	73.5
2019	5.6	--	11	22.0	1,663	30.0
Revenue Not Available						
2017	8.3	--	0	0.0	0	0.0
2018	8.5	--	5	11.1	366	6.3
2019	7.7	--	4	8.0	2,111	38.1
Totals						
2017	100.0	100.0	14	100.0	1,756	100.0
2018	100.0	100.0	45	100.0	5,811	100.0
2019	100.0	--	50	100.0	5,542	100.0
<i>Source: 2017, 2018 & 2019 D&B Data; 1/1/2017 - 12/31/2019 Bank Data; 2017 & 2018 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

INVESTMENT TEST

RTC’s Investment Test in the Nantucket AA is weaker than its overall rating. While the AA’s performance was considered when determining the bank’s overall rating, it does not have a negative impact on the overall rating. This is because of its limited amount of deposit and branches compared to the Boston AA. During the evaluation period, the bank provided 12 qualified grants totaling approximately \$63,000 in the Nantucket AA. Grants supported both the revitalization of underserved middle-income census tracts and community services for low- or moderate-income individuals.

SERVICE TEST

RTC’s Service Test performance in the Nantucket AA is weaker than its overall performance.

The bank maintains seven branches within the Nantucket AA, including two in underserved middle-income census tracts. All of the branches in the Nantucket AA are new since the previous evaluation and opened through the merger with Edgartown National Bank. RTC did not close any branches. During the evaluation period, there were six instances of qualified community development services. Services primarily supported affordable housing for low- and moderate-income individuals.

APPENDICES

SCOPE OF EVALUATION

Rockland Trust Company	
Scope of Examination: Full scope review was performed on the following assessment areas: Boston AA Barnstable Town MSA Boston-Cambridge-Newton MSA Providence-Warwick MSA Worcester MSA Limited scope review was performed on the following assessment areas: Nantucket AA Dukes County Non-MSA Nantucket County Non-MSA	
Time Period Reviewed:	06/01/17 to 03/16/20
Products Reviewed: Home Mortgage Loans: 01/01/17 - 12/31/19 Small Business Loans: 01/01/17 - 12/31/19 Innovative or Flexible Loans: 06/01/17 - 03/16/20 Community Development Loans: 06/01/17 - 03/16/20 Community Development Investments and Grants: 06/01/17 - 03/16/20 Community Development Services: 06/01/17 - 03/16/20	

FAIR LENDING POLICIES AND PROCEDURES

The Division 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.

MINORITY APPLICATION FLOW

The bank's HMDA LARs for 2018 and 2019 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. Considering the demographic composition of the assessment area and comparisons to aggregate data in 2018, the bank's minority application flow is reasonable.

The bank's assessment area contained a total population of 5,876,354 individuals of which 25.8 percent are minorities. The assessment area's minority and ethnic population is 10.0 percent Hispanic or Latino, 6.6 percent Black/African American, 6.4 percent Asian, 0.1 percent American Indian, 0.1 percent Hawaiian/Pacific Islander, and 2.6 percent other.

The bank's level of lending was compared with that of the aggregate's lending performance level for 2018. The comparison of this data assists in deriving reasonable expectations for the rate of applications the bank received from minority residential 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 2018		2018 Aggregate Data	Bank 2019	
	#	%	%	#	%
American Indian/ Alaska Native	13	0.2	0.3	15	0.2
Asian	199	3.4	6.3	310	4.4
Black/ African American	188	3.1	4.5	353	5.0
Hawaiian/Pacific Islander	8	0.1	0.2	10	0.1
2 or more Minority	4	0.1	0.1	6	0.1
Joint Race (White/Minority)	77	1.3	1.4	97	1.4
Total Racial Minority	489	8.2	12.8	791	11.2
White	4,577	77.3	65.7	5,450	77.2
Race Not Available	855	14.5	21.5	824	11.6
Total	5,921	100.0	100.0	7,065	100.0
ETHNICITY					
Hispanic or Latino	315	5.3	5.6	403	5.7
Joint (Hisp/Lat /Not Hisp/Lat)	47	0.8	1.1	83	1.2
Total Ethnic Minority	362	6.1	6.7	483	6.9
Not Hispanic or Latino	4,648	78.5	71.4	5,749	81.4
Ethnicity Not Available	911	15.4	21.9	830	11.7
Total	5,921	100.0	100.0	7,065	100.0

Source: HMDA Aggregate Data 2018, Bank HMDA LAR Data 2018 and 2019

In 2018, the bank received 5,921 HMDA-reportable loan applications from within its assessment area. Of these applications, 489 or 8.2 percent were received from racial minority applicants, of which 244 or 50.0 percent were originated. The aggregate received 12.8 percent from minority applicants and 54.8 percent were originated. For the same time period, the bank received 362 applications or 6.1 percent from ethnic groups of Hispanic origin within its assessment area, of which 215 or 59.4 percent were originated versus the aggregate that received 6.7 percent from Hispanic applicants and 53.0 percent were originated.

In 2019, the bank received 7,065 HMDA-reportable loan applications from within its assessment area. Of these applications, 791 or 11.2 percent were received from racial minority applicants, of which 397 or 50.0 percent were originated. For the same time period, the bank received 486 applications or 6.9 percent from ethnic groups of Hispanic origin within its assessment area, of which 297 or 60.0 percent were originated.

While the bank's 2018 minority application flow was below aggregate performance, 2019 shows an increasing trend. The bank's application flow has also increased in areas with concentrations of majority-minority census tracts (i.e. Boston). This correlates with increased community outreach in Boston, specifically through first-time homebuyer seminars and financial literacy events. The bank maintains strong monitoring controls of its lending and marketing by geography to ensure all demographics in the assessment area have access to credit applications, and uses its diverse bank staff to support the application process for individuals with Limited English Proficiency (LEP). Based on this information, the bank's minority application flow is reasonable.

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; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

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).

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 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 (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.

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, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations, and Part 345 of the Federal Deposit Insurance Corporation's Rules and Regulations, 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)."

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Federal Deposit Insurance Corporation, 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.