PUBLIC DISCLOSURE

January 26, 2026

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Watertown Savings Bank
Certificate Number: 23298

60 Main Street,
Watertown, Massachusetts 02210

Division of Banks
One Federal Street, Suite 710
Boston, Massachusetts 02110

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the Division of Banks concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Watertown Savings Bank** (bank) prepared by the Massachusetts Division of Banks (Division), the institution's supervisory agency as of January 26, 2026. The Division rates the CRA performance of an institution consistent with the provisions set forth in Massachusetts Regulation 209 CMR 46.00.

INSTITUTION RATING

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

An institution in this group has a high satisfactory record of helping to meet the credit needs of its assessment area, including low-and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated High Satisfactory

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of its home mortgage loans inside of the assessment area by both number and dollar amount.
- The geographic distribution of loans reflects excellent dispersion throughout the assessment area.
- The distribution of borrowers, given the demographics of the assessment area, reflects excellent penetration among individuals of different income levels.
- The bank did not receive any CRA-related complaints since the previous evaluation; The bank has a reasonable record relative to its fair lending policies and procedures.

The Community Development Test is rated High Satisfactory

- The bank demonstrated good responsiveness to the assessment area's community development needs through qualified investments and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment area.

SCOPE OF EVALUATION

General Information

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

This evaluation covers the period from the last evaluation dated October 23, 2023, to the current evaluation dated January 26, 2026. Examiners used Intermediate Small Bank Examination Procedures to evaluate the bank's CRA performance. The CRA Evaluation was conducted concurrently with the Federal Reserve Bank of Boston. These procedures include the Lending Test and the Community Development Test.

Examiners used 2020 U.S. Census Data for metropolitan area boundaries, census tracts and their income levels, and demographic information.

The Lending Test considered the bank's performance according to the following criteria:

- Loan-to-Deposit Ratio
- Assessment Area Concentration
- Geographic Distribution
- Borrower Profile
- Response to CRA-related Complaints and Fair Lending Program

The Community Development Test considered the following factors:

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

Activities Reviewed

The bank's major product line is home mortgage loans, considering the bank's business strategy and the number and dollar volume of loans originated during the evaluation period.

Examiners reviewed home mortgage loans reported on the bank's 2023 and 2024 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). The bank originated 116 HMDA reportable loans totaling $61.7 million in 2023 and 70 HMDA-reportable loans totaling $41.4 million in 2024. Examiners compared bank lending in 2023 and 2024 to aggregate HMDA data for the relevant year and applicable demographic data.

For the Lending Test, examiners reviewed the number and dollar volume of home mortgage loans. While the tables throughout this evaluation include both the number and dollar volume of loans, examiners emphasized bank performance by number of loans, as the number of loans better indicates the number of individuals served.

For the Community Development Test, examiners drew conclusions based on data provided by bank management on community development qualified investments and community development services since the prior CRA evaluation dated October 23, 2023.

DESCRIPTION OF INSTITUTION

Background

The Bank is a state chartered mutual savings bank founded in 1870 and headquartered in Watertown, Massachusetts. At its previous evaluation dated October 23,2023, the bank received an overall High Satisfactory rating using FFIEC Interagency Intermediate Small Institution Examination Procedures.

Operations

In addition to its main office located at 60 Main Street, in Watertown, the bank operates nine full-service branches located in Arlington, Belmont, Lexington, Waltham (2), and Watertown (4). The bank's branches located at 175 Watertown Street in Watertown and 6 Lexington Street in Waltham are both located in moderate-income census tracts. Additionally, the bank operates two stand-alone full-service ATMs in Waltham, one of which, located at 85 River Street, is in a moderate-income census tract. Since the prior examination, the bank has not opened or closed any branches, nor has it initiated any new merger activities.

The Bank offers a range of banking products and services, including personal and business checking, savings, money market, individual retirement accounts (IRAs), and certificate accounts. Lending products include mortgage, home equity, construction, and vehicle lending. The bank also provides online and mobile banking services, including mobile check deposit, card management, and bill pay capabilities.

Ability and Capacity

As of September 30, 2025, quarterly call report, the bank's assets total approximately $1.5 billion, including net loans totaling $635 million and $1.3 billion in deposits. Since the previous examination, total assets have grown by 3.6 percent, total loans by 3.4 percent, and deposits by 1.4 percent.

As noted in the table below, real estate loans make up 99.5 percent of the bank's loan portfolio, with loans and lines of credit secured by 1-4 family residential properties making up 86.1 percent. The following table provides additional details regarding the composition of the bank's loan portfolio.

Loan Portfolio Distribution as of 09/30/2025		
Loan Category	**$(000s)**	**%**
Construction, Land Development, and Other Land Loans	7,281	1.1
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	558,052	87.6
Secured by Multifamily (5 or more) Residential Properties	21,298	3.4
Secured by Nonfarm Nonresidential Properties	47,393	7.4
Total Real Estate Loans	**634,024**	**99.5**
Commercial and Industrial Loans	2,258	0.3
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	3,042	0.4
Obligations of State and Political Subdivisions in the U.S.	570	0.1
Other Loans	60	0.0
Lease Financing Receivables (net of unearned income)	0	0.0
Less: Unearned Income	124	0.0
Total Loans	**636,788**	**100.0**
Source: Reports of Condition and Income		

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

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. The Bank has designated a single assessment area in the Cambridge-Newton-Framingham MA, Metropolitan Division (Cambridge MD), which is a part of the larger Boston-Cambridge-Newton MA-NH Metropolitan Statistical Area.

Economic and Demographic Data

The Bank's assessment area included the cities and towns of Arlington, Belmont, Lexington, Newton, Waltham, and Watertown, which is comprised of 65 census tracts. According to the 2020 U.S. Census data, the assessment area contains:

- 0 low-income tracts,
- 8 moderate-income tracts
- 14 middle-income census tracts
- 42 upper-income census tracts
- 1 tract without an income designation

The assessment area has no designated low-income census tracts. Of the 8 moderate-income census tracts within the assessment area, five are located in Waltham, two in Watertown, and one is located in Arlington.

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

Demographic Information of the Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	65	0.0	12.3	21.5	64.6	1.5
Population by Geography	297,527	0.0	10.3	24.3	64.3	1.1
Housing Units by Geography	117,588	0.0	11.9	26.0	62.1	0.0
Owner-Occupied Units by Geography	69,353	0.0	6.6	23.4	70.0	0.0
Occupied Rental Units by Geography	42,374	0.0	20.0	30.3	49.7	0.0
Vacant Units by Geography	5,861	0.0	15.3	26.9	57.8	0.0
Businesses by Geography	42,979	0.0	10.1	23.3	66.5	0.1
Farms by Geography	644	0.0	16.8	29.8	53.4	0.0
Family Distribution by Income Level	72,015	14.2	13.5	17.7	54.6	0.0
Household Distribution by Income Level	111,727	19.8	12.1	15.9	52.1	0.0
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		$121,481	Median Housing Value			$774,867
			Median Gross Rent			$1,859
			Families Below Poverty Level			3.3%
Source: 2020 ACS, 2024 D&B Data, and FFIEC Estimated Median Family Income. *(*) The NA category consists of geographies that have not been assigned an income classification.*						

The Geographic Distribution criterion compares the home mortgage loans to the distribution of owner-occupied housing units. As shown in the tables above, 59.0 percent of the 117,588 housing units are owner-occupied, providing opportunity for home mortgage lending within the assessment area. However, only 11.9 percent of these owner-occupied units are located in moderate-income census tracts, which limits the bank's home mortgage lending opportunities in the moderate-income geographies.

The median housing value in the bank's assessment area is $774,867, which is relatively high when compared to the median family income of $121,481. Additionally, 27.7 percent of the assessment area's families are low-and moderate-income, with 3.3 percent of families in the assessment area also living below the poverty level. These factors may reduce the number of low- and moderate-income families that qualify for a mortgage under conventional underwriting standards and illustrate the challenges lenders face in originating loans to these borrowers.

Examiners use the updated Federal Financial Institution Examination Council (FFIEC) median family income information to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories in the Cambridge MD.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
Cambridge-Newton-Framingham, MA Median Family Income (15764)				
2023 ($146,200)	<$73,100	$73,100 to <$116,960	$116,960 to <$175,440	≥$175,440
2024 ($146,600)	<$73,300	$73,300 to <$117,280	$117,280 to <$175,920	≥$175,920
Source: FFIEC				

Unemployment

According to the U.S. Bureau of Labor Statistics, the 2024 annual average unemployment rate was 3.6 percent in Middlesex County, compared to the statewide average of 4.0 percent. Unemployment rates within the assessment area could create fewer qualified borrowers and delay homebuying decisions, which decreases home mortgage lending demand.

Competition

The Bank is in a highly competitive market for financial services. According to 2024 Branch & Deposit Market Share data, 29 financial institutions operated 121 full-service branches within the assessment area. Of these institutions, The Bank ranked 7th with a 5.1 percent deposit market share. The top three institutions are Bank of America N.A., Leader Bank N.A., and M&T Bank held a combined 44.9 percent of the market.

Competition for home mortgage lending is also strong. According to the 2023 Home Mortgage Disclosure Act (HMDA) aggregate lending data, 322 lenders, consisting of banks, credit unions and non-depository mortgage lenders reported originating or purchasing 7,673 residential mortgage loans in the assessment area. The Bank ranked 21st with a 1.0 percent market share, by number of loans. The top three lenders in the market share were JPMorgan Chase Bank, N.A., Citizens Bank, N.A., and Bank of America N.A., with 28.4 percent of the total market. In 2024 HMDA aggregate lending data, 321 lenders reported originating or purchasing 7,024 residential mortgage loans in the assessment area. The Bank ranked 30th with a 0.8 percent market share, by number of loans. The top three lenders in the market share were Citizens Bank, N.A., Guaranteed Rate Inc., and Bank of America N.A., with 13.8 percent of the total market.

Community Contact

As part of the evaluation process, examiners contact third parties, active in the assessment area to gain insight into local credit and community development needs. The information obtained helps to determine whether local institutions are responsive to those needs and identifies available community development opportunities.

Examiners met with a representative from a community services organization that serves the assessment area. During the interview, the contact indicated that access to affordable housing is the greatest challenge facing area residents. Lending requirements, including substantial down payments and private mortgage insurance, increase borrowing costs and make it more difficult for residents to qualify for mortgage financing. The contact noted that programs such as those offered through MassHousing have a meaningful impact in helping individuals achieve homeownership. Additionally, the contact emphasized the value of institutions employing bilingual staff, as they can effectively communicate with non-English-speaking residents and support the development of English language skills beyond a basic level.

Credit and Community Development Needs and Opportunities

Considering information from community contacts, bank management and demographic and economic data, examiners determined the primary community development need of the assessment area is affordable housing. The high housing costs support this conclusion. The bank can help address the credit needs for home mortgage customers by continuing to offer flexible lending products.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The Bank demonstrated a High Satisfactory performance under the Lending Test. The following sections summarize the bank's overall performance under each criterion.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's quarterly net LTD ratio, calculated from Call Report data, averaged 47.9 percent over the last 9 calendar quarters from September 30, 2023, to September 30, 2025. The ratio ranged from a low of 46.5 percent as of December 31, 2024, to a high of 49.3 percent as of September 30, 2024.

Examiners compared the bank's average LTD ratio to that of three similarly situated institutions. Examiners selected similarly situated institutions based on asset size, lending focus, and geographic location. The following table shows that The Bank's ratio was below all three similarly situated institutions.

Loan-to-Deposit (LTD) Ratio Comparison		
Institution	**Total Assets as of 9/30/2025 ($000s)**	**Average Net LTD Ratio (%)**
Watertown Savings Bank	**1,467,941**	**47.9**
Everett Cooperative Bank	1,552,333	108.1
Reading Cooperative Bank	1,198,988	97.3
Winchester Cooperative Bank	890,371	91.8
Source: Reports of Condition and Income 09/30/2023 – 9/30/2025		

As illustrated above, the bank's loan-to-deposit ratio is below that of similarly situated institutions. The bank's conservative lending strategy and the competitive lending environment in the bank's assessment area contribute to the bank's low loan-to-deposit ratio. In 2023, there were 322 lenders who originated or purchased a home mortgage loan within the assessment area and in 2024, there were 321 lenders who originated or purchased a home mortgage loan within the assessment area, demonstrating a highly competitive environment.

Assessment Area Concentration

The bank originated a majority of its home mortgage loans, by both number and dollar volume, within its assessment area. The following table presents the distribution of the bank's home mortgage lending inside and outside the assessment area. Although the bank's overall lending concentration within the assessment area reflects a slight decline compared to prior examination, its positive market share performance in 2023 and 2024 demonstrates continued efforts and an ability to effectively serve assessment area credit needs in a highly competitive market.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%	#	$	%	$	%	
Home Mortgage										
2023	63	54.3	53	45.7	116	34,942,100.00	56.6	26,773,790.00	43.4	61,715,890.00
2024	42	60.0	28	40.0	70	24,733,435.00	59.8	16,638,150.00	40.2	41,371,585.00
Subtotal	**105**	**56.5**	**81**	**43.5**	**186**	**59,675,535.00**	**57.9**	**43,411,940.00**	**42.1**	**103,087,475.00**
Total	**105**	**56.5**	**81**	**43.5**	**186**	**59,675,535.00**	**57.9**	**43,411,940.00**	**42.1**	**103,087,475.00**
Source: Bank Data; Due to rounding, totals may not equal 100.0										

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the assessment area. Examiners focused their analysis on lending activity within moderate-income census tracts, as there are no low-income census tracts located in the assessment area.

The bank's lending performance exceeded both the aggregate performance and the percentage of owner-occupied housing units in 2023 and 2024. Market share ranking further supports this conclusion. In 2023, the bank ranked 5th in lending to moderate-income areas, and in 2024, ranked 8th demonstrating continued strong performance in serving these areas.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	**% of Owner-Occupied Housing Units**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2023	0.0	0.0	0	0.0	0	0.0
2024	0.0	0.0	0	0.0	0	0.0
Moderate						
2023	6.6	6.8	10	15.9	5,030	14.4
2024	6.6	8.1	10	23.8	5,060	20.5
Middle						
2023	23.4	19.9	33	52.4	15,150	43.4
2024	23.4	23.0	22	52.4	14,508	58.7
Upper						
2023	70.0	73.2	20	31.7	14,763	42.2
2024	70.0	68.9	10	23.8	5,166	20.9
Not Available						
2023	0.0	0.0	0	0.0	0	0.0
2024	0.0	0.0	0	0.0	0	0.0
Total						
2023	**100.0**	**100.0**	**63**	**100.0**	**34,942**	**100.0**
2024	**100.0**	**100.0**	**42**	**100.0**	**24,733**	**100.0**
Source: 2020 ACS; Bank Data, 2023 & 2024 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0%						

<u>Borrower Profile</u>

The distribution of borrowers, given the demographics of the assessment area, reflects excellent penetration among individuals of different income levels. Examiners focused on the percentage, by number, of home mortgage loans made to low- and moderate-income borrowers.

In 2023, the bank's performance with low-income borrowers exceeded both the aggregate lending performance and the percentage of families within the assessment area. Performance to moderate-income borrowers exceeded the aggregate and was above the percentage of families. Market share rankings further support this excellent performance as the bank ranked 2nd in lending to low-income borrowers and 8th in lending to moderate-income borrowers.

In 2024, the bank's performance with low-income borrowers was well above the aggregate performance, though it was below the percentage of families. Lending to moderate-income borrowers was above the aggregate and below the percentage of families. Although the bank's market ranking declined slightly in 2024, it continued to support an excellent performance.

Examiners note that lending to low- and moderate-income borrowers presents inherent challenges. Considering the median housing value of $774,867, homeownership affordability is limited. Low-income families in the assessment area earn less than $73,100, while moderate-income families earn between $73,100 and $116,960. Given these income levels, it may be difficult for low- and moderate-income families to qualify for mortgage financing under conventional underwriting standards.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	**% of Families**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2023	14.2	2.6	17	27.0	5,611	16.1
2024	14.2	2.1	3	7.1	340	1.4
Moderate						
2023	13.5	6.3	9	14.3	2,811	8.0
2024	13.5	6.7	4	9.5	2,527	10.2
Middle						
2023	17.7	12.8	10	15.9	4,415	12.6
2024	17.7	14.5	6	14.3	2,642	10.7
Upper						
2023	54.6	50.1	19	30.2	11,150	31.9
2024	54.6	61.5	19	45.2	11,162	45.1
Not Available						
2023	0.0	28.1	8	12.7	10,955	31.4
2024	0.0	15.2	10	23.8	8,063	32.6
Total						
2023	**100.0**	**100.0**	**63**	**100.0**	**34,942**	**100.0**
2024	**100.0**	**100.0**	**42**	**100.0**	**24,733**	**100.0**
Source: 2020 ACS; Bank Data, 2023 & 2024 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0%						

Response to Complaints

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

Fair Lending Policies and Procedures

The Division of Banks provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-16. 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, examiners did not note any evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs. The bank has an adequate record relative to fair lending policies and procedures.

Minority Application Flow

Examiners reviewed the bank's 2023 and 2024 HMDA LARs to determine if the application flow from the difference racial groups within the bank's assessment area reflected the assessment area's demographics.

According to the 2020 U.S. Census Data, the bank's assessment area contained a total population of 297,527 with a minority population of 31.9 percent. The minority population represented is 16.3 percent Asian, 7.6 percent Hispanic, 3.4 percent Black or African American, 4.4 percent other race, 0.1 percent American Indian or Alaska Native, 0.1 percent Native Hawaiian or other Pacific Islander. Examiners compared the bank's application activity with that of the 2023 and 2024 aggregate performance. The comparison assists in deriving reasonable expectations for the rate of applications the bank received from minority home mortgage loan applicants. Refer to the following table for information on the bank's minority application flow as well as aggregate lenders in the bank's assessment area.

MINORITY APPLICATION FLOW						
RACE	**Bank 2023**		**Aggregate Data 2023**	**Bank 2024**		**Aggregate Data 2024**
	#	%	%	#	%	%
American Indian/ Alaska Native	0	0.0	0.1	0	0.0	0.2
Asian	2	2.6	16.5	1	1.9	20.2
Black/ African American	0	0.0	1.5	0	0.0	1.6
Hawaiian/Pacific Islander	0	0.0	0.1	1	1.9	0.1
2 or more Minority	0	0.0	0.1	1	1.9	0.1
Joint Race (White/Minority)	4	5.2	3.0	2	3.6	3.7
Total Racial Minority	**6**	**7.8**	**21.3**	**5**	**9.3**	**25.9**
White	48	62.3	43.9	25	46.3	49.8
Race Not Available	23	29.9	34.8	24	44.4	24.3
Total	**77**	**100.0**	**100.0**	**54**	**100.0**	**100.0**
ETHNICITY						
Hispanic or Latino	4	5.2	2.6	4	7.4	3.0
Joint (Hisp/Lat /Not Hisp/Lat)	2	2.6	1.4	1	1.9	1.7
Total Ethnic Minority	**6**	**7.8**	**4.0**	**5**	**9.3**	**4.7**
Not Hispanic or Latino	46	59.7	61.2	25	46.3	71.3
Ethnicity Not Available	25	32.5	34.8	24	44.4	24.0
Total	**77**	**100.0**	**100.0**	**54**	**100.0**	**100.0**
Source: 2020 ACS; 2023 &2024 HMDA Lars, 2023 & 2024 HMDA Aggregate Data						

In 2023, the bank received 77 home mortgage loan applications from within its assessment area. Of these applications, the bank received 6 or 7.8 percent from racial minority applicants. The bank's percentage is lower than the aggregate of 21.3 percent. For the same period, the bank also received 6 or 7.8 percent from ethnic groups of Hispanic origin within its assessment area and was higher than the aggregate of 4.0 percent.

In 2024, the bank received 54 home mortgage loan applications from within its assessment area. Of these applications, the bank received 5 or 9.3 percent from racial minority applicants. The bank's percentage is below the aggregate of 25.9 percent. For the same period, the bank also received 5 or 9.3 percent from ethnic groups of Hispanic origin within its assessment area and the aggregate received 4.7 percent.

The minority application flow is reasonable. The bank remains cognizant of its racial minority application performance and has taken steps to ensure all demographics have access to credit. The bank remains committed to pursuing further outreach efforts to all segments of the community. Efforts include the development of new community partnerships as well as maintaining existing relationships with community organizations. This approach supports ongoing engagement and responsiveness to community credit needs.

COMMUNITY DEVELOPMENT TEST

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

Community Development Investments

The Bank made 87 qualified investments totaling $22.5 million. These included one new investment of $1.0 million, 21 prior period investments totaling $21.4 million and 64 donations totaling approximately $154,375. The dollar amount of qualified investments equates to 1.5 percent of average total assets and 3.6 percent of average total securities. Since the prior examination, the bank's total dollar amount of investments decreased, while donations increased from $88,000.

The Bank outperforms similarly situated institutions in dollar amount of qualified community development investments.

The following table illustrates community development investments 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	21	21,440	0	0	0	0	0	0	**21**	**21,440**
2024	0	0	0	0	0	0	0	0	**0**	**0**
2025	1	1,000	0	0	0	0	0	0	**1**	**1,000**
YTD 2026										
Subtotal	**1**	**22,440**	**0**	**0**	**0**	**0**	**0**	**0**	**22**	**22,440**
Qualified Grants & Donations			65	154					**65**	**154**
Total	**22**	**22,440**	**65**	**154**	**0**	**0**	**0**	**0**	**87**	**22,594**
Source: Bank Data										

Equity Investments

In 2025, the bank purchased a $5 million Freddie Mac Mortgage-Backed Security (MBS) supporting the construction of a 298-unit housing development in Belmont. Of the total units, 60, or 20 percent, are designated as affordable housing. Accordingly, the bank received community development credit for $1 million, representing the proportionate share of affordable units within the overall investment.

Donations

The bank made approximately 64 donations totaling approximately $154,375 within the assessment area, with a majority of donations supporting community service organizations that serve low- and moderate -income individuals.

The following are examples of CRA-qualified donations.

- ***Chester Brook Community Foundation*** **–** This non-profit organization provides before and after school care, academic support, and mentoring to children and teens that live within the Chesterbrook Gardens Public Housing. This housing community located in Waltham is specifically designated for low-and moderate-income individuals. The bank's financial giving to this organization was in support of community service to low- and moderate-income residents.

- ***Waltham Boys and Girls Club*** – The organization is dedicated to aiding young people within the area in need of support. Programs include afterschool care, school supplies, and food assistance. The organization is located in a moderate-income area and primarily serves families in the area. The bank's financial giving in 2024 support community services for low- and moderate-income families.

- ***Waltham Field Community Farm*** – This non-profit organization is a local farm that supports its community through different programs ranging from agricultural education, adult workshops, and food access to public schools. The hunger relief program provides fresh produce for local food pantries, shelters, and soup kitchens to benefit those in need. The bank's donation was in support of community service to low- and moderate-income families in the area.

- ***Housing Corporation of Arlington (HCA)*** – This nonprofit organization provides and advocates for stable affordable housing for low- and moderate-income individuals and families in Arlington and surrounding communities while promoting social and economic diversity. The bank's donation supports affordable housing for low- and moderate-income residents.

Community Development Services

During the evaluation period, the bank provided 35 instances of financial expertise or technical assistance to community development organizations within its assessment area. The community development services represent a combination of board involvement, financial education, and community outreach. All activities support community services to low and moderate-income individuals throughout the review period.

Community Development Services					
Activity Year	Affordable Housing	Community Service	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
10/23/2023 – 12/31/2023	0	2	0	0	**2**
2024	0	17	0	0	**17**
2025	0	16	0	0	**14**
Total	**0**	**35**	**0**	**0**	**35**
Source: Bank Data					

The following are examples of community development services provided by the bank and its staff.

Employee Involvement

Springwell Elder Services – This organization aims to assist elderly individuals in the MetroWest area. A Vice-President Branch Manager at the bank serves on the organization's money management advisory council, strategizing on methods to help low- and moderate-income individuals remain housed. The council specifically aids low- and moderate-income individuals to manage their household budgets and handling matters related to personal finances.

Watertown Boys and Girls Club – This organization aims to provide a safe and creative space for children between 3 and 18 years old in the Watertown community. The club's service area includes two moderate-income census tracts. The President of the bank serves on the organization's Board of Directors.

Financial Literacy

- Fraud Prevention − Bank staff provided financial literacy in the form of fraud awareness training to vulnerable senior residents inside of the assessment area through the Watertown Council on Ageing.

- REACH Beyond Domestic Violence – A branch manager at the bank provided a financial literacy presentation to 20 individuals at REACH in 2024. The organization works to support survivors of domestic violence and provides emergency shelter, individual support, and education and prevention training throughout the bank's assessment area.

Technical Assistance

- Branch Network Fundraising – The bank uses its branch network to assist with fundraising for local community organizations. Organizations aided included food pantries, organizations with school supplies for needy students (i.e., More than Words and School on Wheels), and clothing and toys for families in need (i.e., Clothes for Kids and Sonny Whooley Foundation)

- Branches- The branch distribution supports accessibility to areas of economic need and low and moderate-income geographies. Two of the branches within the bank's network are located in moderate-income census tracts in Watertown and Waltham.

- Interest on Lawyers' Trust Accounts (IOLTA) - The bank participated in the program during the evaluation period. Interest earned on IOLTA accounts is sent to be utilized to help fund improvements in the administration of justice and delivery of legal services to low-income clients. The low-income residents of Massachusetts who depend on IOLTA-funded legal assistance have pressing non-criminal legal needs that can sometime affect safety or survival itself. The bank's IOLTA program generated $2,477 in 2025.

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
3) The geographic distribution of the bank's loans;
4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

1) The number and amount of community development loans;
2) The number and amount of qualified investments;
3) The extent to which the bank provides community development services; and
4) The bank's responsiveness through such activities to the area's community development needs considering the amount and combination of these activities, along with their qualitative aspects.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

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

1) Make its most current CRA performance evaluation available to the public;

2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;

3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

   "You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at 60 Main Street, Watertown, Massachusetts 02210"

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

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

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

GLOSSARY

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

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

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

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

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

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

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. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution 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 institution:

(i) Has not been reported or collected by the institution or an affiliate for consideration in the institution'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 institution's assessment area(s) or a broader statewide or regional area including the institution'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 <u>financial</u> services; and

(3) Has not been considered in the evaluation of the institution'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.

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 non-farm non-residential properties or are classified as commercial and industrial loans.

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

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.