

PUBLIC DISCLOSURE

November 16, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Country Bank for Savings
Certificate Number: 23992

75 Main Street
Ware, MA 01082

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

Federal Deposit Insurance Corporation
350 Fifth Avenue, Suite 1200
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.

TABLE OF CONTENTS

Institution Rating	
Overall Rating.....	1
Performance Test Ratings Table	1
Summary of Major Factors Supporting Rating.....	1
Institution	
Scope of Evaluation	3
Description of Institution	5
Description of Assessment Area.....	7
Conclusions on Performance Criteria	11
Discriminatory or Other Illegal Credit Practices Review	25
Metropolitan Area – Springfield MSA	
Description of Institution’s Operations.....	26
Conclusions on Performance Criteria	27
Metropolitan Area – Worcester MSA	
Description of Institution’s Operations.....	35
Conclusions on Performance Criteria	35
Appendix	
Fair Lending Policies and Procedures (Division of Banks).....	44
Glossary	46

INSTITUTION RATING

INSTITUTION’S CRA RATING: This institution is rated **Satisfactory** by the FDIC and the Commonwealth of Massachusetts Division of Banks (the Division). An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment areas, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The following table provides the performance level of Country Bank for Savings with respect to the Lending, Investment, and Service Tests.

PERFORMANCE LEVELS	<u>Country Bank for Savings</u>		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			
Satisfactory**	X	X	X
Needs to Improve			
Substantial Noncompliance			

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

**Note: FDIC rules and regulations stipulate use of a “High Satisfactory” and “Low Satisfactory” rating for the three tests. For purposes of this jointly issued public evaluation, the term “Satisfactory” will be used in lieu of the “Low Satisfactory” rating for the Lending, Investment, and Service Test ratings, as the Division does not have a “Low Satisfactory” rating.

The Lending Test is rated **Satisfactory** based on the following factors:

- Lending levels reflect good responsiveness to the assessment area’s credit needs.
- An adequate percentage of loans were made in the bank’s assessment area.
- The geographic distribution of loans reflects adequate penetration throughout the assessment area.
- The distribution of borrowers reflects, given the product lines offered by the bank, good penetration among borrowers of different income levels and businesses of different sizes.
- The bank made an adequate level of community development loans.
- The bank uses innovative and/or flexible lending practices in order to serve assessment area credit needs.

The Investment Test is rated **Satisfactory** based on the following factors:

- The bank has an adequate level of qualified community development investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.
- The institution exhibits adequate responsiveness to credit and community development needs in the assessment area.
- The bank occasionally uses innovative and/or complex investments to support community development initiatives.

The Service Test is rated **Satisfactory** based on the following factors:

- Delivery systems are reasonably accessible to all portions of the assessment areas, including low- and moderate-income areas, and to individuals of different income levels and businesses of different sizes.
- To the extent changes have been made, the bank's record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals.
- The bank's business hours and services do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and low- and moderate-income individuals.
- The bank provides an adequate level of community development services.

SCOPE OF EVALUATION

General Information

Large Bank CRA examination procedures were used to evaluate Country Bank for Savings' (Country Bank) CRA performance. These procedures evaluate the bank's CRA performance pursuant to three tests: Lending, Investment and Service. The CRA evaluation considered activity from July 25, 2012, through November 16, 2015.

The Lending Test evaluates the institution's record of helping to meet the credit needs of its assessment area pursuant to the following criteria.

- 1) the volume of lending activity
- 2) the proportion of lending within the assessment area(s)
- 3) the dispersion of loans and the number and amount of loans in low-, moderate-, middle- and upper-income geographies in the assessment area(s)
- 4) the distribution of loans among low-, moderate-, middle- and upper-income borrowers and businesses of different sizes
- 5) the volume of community development lending
- 6) the use of innovative or flexible lending practices.

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) pursuant to the following criteria.

- 1) the dollar amount of qualified investments
- 2) the innovativeness or complexity of qualified investments
- 3) the responsiveness of qualified investments to credit and community development needs; and
- 4) the degree to which the qualified investments are not routinely provided by private investors.

The Service Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of its community development services pursuant to the following criteria.

- 1) the distribution of the institution's branches among geographies of different income levels
- 2) the record of opening and closing branches, particularly branches located in low- and moderate-income geographies or that primarily serve low- or moderate-income individuals
- 3) the availability and effectiveness of alternate systems for delivering retail banking services
- 4) the range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies
- 5) the extent of community development services offered and used
- 6) the innovativeness and responsiveness of community development services

Loan Products Reviewed

The analysis of loans includes residential mortgages and small business loans originated between January 1, 2014, and June 30, 2015 (YTD 2015) within the assessment area. Since residential mortgage lending represents the bank's primary product line, more weight is assigned to this loan type when arriving at Lending Test conclusions and ratings. September 30, 2015 Call Report data indicates residential lending comprises 59.0 percent of the loan portfolio, and the bank originated significantly more residential mortgage loans (878) than small business loans (129) during the review period.

Residential mortgage loan data is derived from the bank's Loan Application Registers (LARs) maintained in accordance with the Home Mortgage Disclosure Act (HMDA). For 2014 the bank reported 567 loans totaling \$136.3 million, and for YTD 2015 the bank reported 311 loans totaling \$68.1 million. The evaluation focused on 2014 performance, the most recent year for which aggregate data is available. Aggregate data includes lending activity in the assessment area from all HMDA-reporting institutions.

Small business loans include commercial real estate loans and commercial and industrial loans with original balances of \$1 million or less. Information concerning small business loans was derived from the CRA Loan Registers (LRs) submitted annually by the bank to the Federal Reserve Bank. The bank reported 80 loans totaling \$13.8 million in 2014 and 49 loans totaling \$5.0 million in YTD 2015. Since the bank did not originate any small farm loans, and consumer loans represent a small product line, they were not included in the Lending Test.

The Lending Test also considered community development loans and innovative and flexible lending from July 25, 2012 through November 16, 2015. The Investment and Service Tests considered qualified investments and community development services from the same time period.

Metropolitan Statistical Area (MSA) Review

All of the bank's branches are located in Massachusetts. The bank's assessment area consists of the eastern portion of the Springfield, MA MSA and the southern portion of the Worcester, MA-CT MSA. Both the Springfield and Worcester metropolitan portions were reviewed using full-scope procedures. Performance in the Springfield, MA MSA received slightly greater weight when arriving at overall ratings and conclusions.

DESCRIPTION OF INSTITUTION

Background

Incorporated in 1850, Country Bank is a state-chartered mutual savings bank in Ware, Massachusetts. The bank's three subsidiaries do not offer products or services to the general public. The bank's CRA performance was last evaluated by the Division and the FDIC on July 24, 2012, and it was rated "High Satisfactory" by the Division and "Satisfactory" by the FDIC.

Operations

The bank's main office is located in a moderate-income census tract at 75 Main Street in Ware. The bank operates 15 branches located in the following cities and towns: Belchertown, Brimfield, Charlton (2), Leicester (2), Ludlow, Palmer (2), Paxton, Ware (2), West Brookfield, Wilbraham, and Worcester. The Worcester branch opened August 3, 2015, and is located in a low-income census tract.

One of the Charlton branches is located in a retirement community, offers limited hours of operation, and is only open to residents and employees of the retirement community. The bank also maintains an administrative office in a middle-income census tract of Ware. Each full-service branch has 24-hour automated teller machines (ATMs). The bank maintains six remote ATMs that are located at Baystate Wing Hospital in Palmer, Baystate Mary Lane Hospital in Ware, and locations in Brookfield, Cherry Valley, Hardwick, and Rochdale.

Country Bank offers a variety of personal and business deposit and lending products. The deposit products include certificates of deposit, checking, money market checking, and savings accounts. Lending products include commercial real estate, lines of credit, and term loans; home equity lines of credit; home improvement, home mortgage, personal and vehicle loans. In addition, the bank offers alternative delivery systems, such as mobile, online, and telephone banking; online account opening; and account to account and person to person transfers.

Ability and Capacity

As of September 30, 2015, the bank had total assets of \$1.3 billion and total deposits of \$978 million. Total loans were \$966 million and represented 69.9 percent of total assets. The bank's net loan-to-deposit ratio, as of the same date, was 97.8 percent. Since the last CRA evaluation, the bank's assets have decreased from \$1.4 billion to \$1.3 billion, or 4.2 percent; net loans have increased 12.6 percent, and deposits have increased 1.2 percent.

Country Bank is primarily a residential lender with a majority of the loan portfolio secured by residential properties. As noted in Table 1, approximately 56.7 percent of the loans are secured by residential one-to-four family properties, followed by commercial real estate loans at 31.9 percent and construction loans at 5.9 percent. The following table illustrates the current distribution of the loan portfolio.

Table 1 – Loan Portfolio Distribution as of September 30, 2015		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	57,324	5.9
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	547,434	56.7
Secured by Multi-family (5 or more) Residential Properties	21,871	2.3
Secured by Non-farm Non-Residential Properties	308,473	31.9
Total Real Estate Loans	935,102	96.8
Commercial and Industrial Loans	24,623	2.5
Consumer Loans	5,837	0.6
Other Loans	137	0.1
Total Loans	965,699	100.0
<i>Source: Reports of Condition and Income</i>		

There were no significant financial or legal impediments identified that would limit the bank's ability to meet the credit needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires a financial institution to define an assessment area within which its CRA performance will be evaluated. Country Bank designated an assessment area in Massachusetts that includes a portion of the Springfield, MA Metropolitan Statistical Area (MSA) and the Worcester, MA-CT MSA. The following sections discuss the demographic and economic information for the assessment area.

Economic and Demographic Data

The bank's assessment area includes 21 cities and towns located in Hampden, Hampshire, and Worcester Counties. Listed below are the cities and towns that comprise the assessment area, grouped by the MSA in which they are located:

- **Springfield, MA MSA - Hampden County:** Brimfield, Holland, Ludlow, Monson, Palmer, Wales and Wilbraham; **Hampshire County:** Belchertown and Ware
- **Worcester MSA -** Brookfield, Charlton, East Brookfield, Hardwick, Leicester, New Braintree, North Brookfield, Paxton, Spencer, Warren, West Brookfield and Worcester, all located in Worcester County.

The bank's assessment area consists of 53 census tracts that reflect the following income designations according to the 2010 U.S. Census Data:

- 8 low-income tracts
- 6 moderate-income tracts
- 23 middle-income tracts
- 15 upper-income tracts
- 1 census tract with no income designation

As a result of the bank opening a new branch in the City of Worcester, the bank has expanded its assessment area to include 23 census tracts in Worcester west of interstate highways 190 and 290. All eight of the low-income census tracts are located in Worcester. The six moderate income tracts are located in Ware (1) and Worcester (5). The evaluation recognized Country Bank's recent expansion into Worcester when evaluating performance in the Worcester, MA-CT MSA portion of the assessment area. It's expected that the bank will increase lending, investment and service activities in the recently added low- and moderate-income census tracts as the bank becomes more established in this area.

Table 2 provides additional demographic and economic information pertaining to the bank's assessment area.

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	53	15.1	11.3	43.4	28.3	1.9
Population by Geography	241,486	12.3	9.6	41.4	36.2	0.5
Housing Units by Geography	99,842	13.1	10.5	43.1	33.3	0.0
Owner-Occupied Units by Geography	60,785	2.7	5.9	47.4	44.0	0.0
Occupied Rental Units by Geography	29,756	29.4	17.7	37.7	15.2	0.0
Vacant Units by Geography	9,301	28.7	18.0	32.1	21.2	0.0
Businesses by Geography	16,400	19.0	11.1	35.1	34.7	0.1
Family Distribution by Income Level	59,423	21.6	16.1	21.1	41.2	0.0
Median Family Income <i>FFIEC-Estimated Median Family Income for 2014</i> Springfield, MA MSA 44140 Worcester, MA-CT MSA 49340		\$75,506 \$66,000 \$77,900	Median Housing Value Unemployment Rate Families Below Poverty Level Households Below Poverty Level			\$259,619 8.0% 7.4% 11.5%

Source: 2010 U.S. Census, 2014 D&B Data, and FFIEC Estimated Median Family Income; () The NA category consists of geographies that have not been assigned an income classification.*

According to 2014 D&B data, there are 16,400 businesses within the assessment area. Gross annual revenues (GARs) for these businesses are below:

- 72.6 percent have \$1 million or less
- 5.0 percent have more than \$1 million
- 22.4 percent have unknown revenues

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by GAR level. Service industries represent the largest portion of businesses at 43.9 percent; followed by retail trade (12.5 percent); non-classifiable establishments (11.1 percent) and construction (9.6 percent). In addition, 65.6 percent of area businesses have four or fewer employees, and 90.7 percent operate from a single location.

The 2014 and 2015 FFIEC-updated median family income (MFI) is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle- and upper-income categories are presented in the following table. These categories are based on the FFIEC-updated MFI of \$66,000 (2014) and \$67,300 (2015) for the Springfield MSA and \$77,900 (2014) and \$81,500 (2015) for the Worcester MSA.

Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Springfield MSA Median Family Income				
2014 (\$66,000)	<\$32,999	\$33,000 to <\$52,799	\$52,800 to <\$79,199	≥\$79,200
2015 (\$67,300)	<\$33,649	\$33,650 to <\$53,839	\$53,840 to <\$80,759	≥\$80,760
Worcester MSA Median Family Income				
2014 (\$77,900)	<\$38,949	\$38,950 to <\$62,319	\$62,320 to <\$93,479	≥\$93,480
2015 (\$81,500)	<\$81,500	\$40,749 to <\$65,199	\$65,200 to <\$97,799	≥\$97,800

Source: FFIEC

The assessment area consists of 99,842 total housing units, of which 60,785 or 60.9 percent are owner-occupied, 29,756 or 29.8 percent are rental units, and 9,301 or 9.3 percent are vacant units. The median housing value in 2010 for the assessment area was \$259,619, and the median age of the housing stock was 53 years. The distribution of owner-occupied housing units is used as a comparison against the distribution of home mortgage loans by geography for the Geographic Distribution analysis.

According to the 2010 U.S. Census Data, the unemployment rate for the assessment area was 8.0 percent. Data obtained from the U.S. Bureau of Labor and Statistics as of December 31, 2014, indicates that the unemployment rate was 4.9 percent for Massachusetts, 6.9 percent for Hampden County, 4.3 percent for Hampshire County, and 5.2 percent for Worcester County.

Data from Moody's Analytics shows that healthcare is the major industry within the assessment area. This is particularly the situation in Worcester, where University of Massachusetts Memorial Health Care, Fallon Clinic, and Saint Vincent's Hospital employ nearly 18,000 people. Other leading employers in the Worcester, MA-CT MSA portion of the assessment area are the federal, state, and local governments; University of Massachusetts Medical School; and BJ's Wholesale Club. The Executive Office of Labor and Workforce Development for Massachusetts shows that Hampden County House-Correction in Ludlow and Wing Memorial Hospital & Medical Center in Ware are the two largest employers within the Springfield, MA MSA portion of the assessment area.

Competition

The bank faces strong competition from other financial institutions that originate mortgage loans within the assessment area. These institutions range in size from small credit unions and mortgage companies with single office locations to the largest banks in New England. Among the more prominent lenders competing with the Country Bank are Berkshire Bank, Monson Savings Bank, Wells Fargo Bank (Wells Fargo), Bank of America, and Spencer Bank. Country Bank ranked second in lending activity within the assessment area with a 5.5 percent market share. The top lender was Wells Fargo, which originated 374 loans for a 7.4 percent market share. The third-leading lender was Quicken Loans, which originated 202 loans for a 4.0 percent market share.

Since market share data for small business lending is only available at the county level, examiners could not perform a meaningful analysis of the competitive environment in the assessment area.

Community Contact

As part of the evaluation process, active third parties in the assessment area are contacted to assist in assessing the credit and community development needs of the community. The information obtained from these contacts helps to determine whether local financial institutions are responsive to the credit and community development needs and what opportunities, if any, are available.

Examiners contacted two community organizations to help identify credit and community development needs. One contacted entity is an economic development organization and the other is an affordable housing organization. Both organizations are located within the Springfield MSA, with one in the western part of the assessment area and one farther east and

closer to the Worcester MSA border. Both contacts indicated that local financial institutions are responsive to credit and community development needs and provide assistance to their organizations. Neither contact made any complaints about local financial institutions. One of the contacts said that opportunities are available for banks to help fund financial literacy and home buyer education programs, first-time homebuyer mortgage programs, and community development projects.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that affordable housing loans represent a primary credit need for the assessment area. Opportunity exists for originating such loans in the Springfield and Worcester metropolitan areas. Small business lending opportunities and demand are also a significant need throughout the assessment area. Furthermore, as indicated by community contact information and demographic and economic data, the assessment area has community development needs for charitable donations to community development service agencies and for access to financial education programs.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Overall, the Country Bank's Lending Test performance is rated Satisfactory. The following sections discuss bank performance under each criterion.

Lending Activity

Country Bank's lending activity reflects good responsiveness to the assessment area's credit needs. In particular, the bank actively originates home mortgage loans in its assessment area.

Home Mortgage Loans

In 2014, the bank originated 276 home mortgage loans totaling \$34.8 million in the assessment area. As noted previously, Country bank ranked second in originating home mortgage loans, trailing only Wells Fargo. Home improvement and home purchase loans represented the primary focus of the bank's home mortgage lending and comprised 51.8 percent and 27.9 percent, respectively, of the total number of loans. The bank's first-time homebuyer programs and participation in MassHousing programs resulted in a substantial number of home purchase loans. Refinancing loans accounted for the remaining 20.3 percent of total loans. Country Bank continued its active lending in YTD 2015 with 179 loans totaling \$24.5 million in just 6 months.

Small Business Loans

In 2014, Country Bank originated 50 small business loans totaling \$6.5 million in the assessment area. Small business loans are originated for a variety of business purposes, such as working capital, business expansion, equipment purchases, and the purchase or refinance of commercial real estate. In YTD 2015, the bank originated 24 small business loans totaling \$1.9 million in the assessment area. This represents reasonable activity considering this is the bank's secondary product line.

Market rank data for 2014 provides additional insight into the bank's volume of small business lending, although market share data was only available for the full counties comprising the assessment area. This includes highly-populated cities such as Springfield, MA that are not part of the bank's assessment area. Nonetheless, Country Bank ranked 29th with a 0.4 percent market share among the 94 reporting lenders that originated or purchased small business loans in Hampden, Hampshire, or Worcester Counties in 2014. The top three lenders were American Express with 20 percent market share, Capital One Bank with 11.6 percent market share, and number three was Citibank with 9.8 percent. These three lenders and a majority of the top lenders were banks that offered business credit cards.

Assessment Area Concentration

As indicated in the table below, the bank made a majority of home mortgage and small business loans by number inside its assessment area. However, a majority of loans by dollar volume were outside the assessment area.

The bank's strong market share and rank in the assessment area mitigate its marginal performance under this criterion. As the top local lender in the area, it's evident that bank lending outside the assessment area did not adversely affect its ability to meet the credit needs inside the assessment area. In addition, the vast majority of home mortgage loans outside the assessment area were purchased loans. Since 2013, the bank purchased 299 loans totaling \$127 million from banks and mortgage companies located outside the assessment area. The bank generally purchased loans of higher dollar amounts.

Table 4 illustrates loan volume inside and outside of the assessment area.

Table 4 – Distribution of Loans Inside and Outside of the Assessment Area										
Loan Category or Type	Number of Loans				Total	Dollars in Loans \$(000s)				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2014	276	48.7	291	51.3	567	34,843	25.6	101,443	74.4	136,286
YTD 2015	179	57.6	132	42.4	311	24,491	36.0	43,632	64.0	68,123
Subtotal	455	51.8	423	48.2	878	59,334	29.0	145,075	71.0	204,409
Small Business										
2014	50	62.5	30	37.5	80	6,496	47.2	7,276	52.8	13,772
YTD 2015	24	49.0	25	51.0	49	1,929	38.4	3,099	61.6	5,028
Subtotal	74	57.4	55	42.6	129	8,425	44.8	10,375	55.2	18,800
Total	529	52.5	478	47.5	1,007	67,759	30.4	155,450	69.6	223,209

Source: 2014 and two quarters of 2015 HMDA and CRA Reported Data

Geographic Distribution

Examiners focused on the distribution of lending in the area's low- and moderate-income census tracts. The geographic distribution of loans reflects adequate penetration throughout the assessment area. In August 2015, the bank expanded its assessment area due to opening a Worcester branch, adding eight low-income and five moderate-income census tracts. While the evaluation reviewed performance using the new assessment area, examiners recognized that the bank did not have a physical presence near Worcester's low- and moderate-income tracts during 2014 and YTD 2015.

Home Mortgage Loans

As shown in Table 5, the bank's lending within low-income census tracts (2.2 percent) was slightly lower than both the aggregate (4.1 percent) and owner occupied housing (2.7 percent) percentages. Market share data for 2014 shows 79 lenders originated or purchased 200 loans in low-income census tracts. Country Bank ranked sixth with a 3.0 percent market share, trailing three local institutions. This performance is reasonable, particularly considering the bank's recent expansion into Worcester.

The bank's percentage of lending in moderate-income census tracts was similar to owner-occupied housing and aggregate percentages. Market share data for 2014 shows 100 lenders originated or

purchased 350 loans were originated in these tracts. Country Bank ranked second with a 4.9 percent market share, trailing only Wells Fargo.

In YTD 2015, the bank’s percentage of loans in low-income census tracts decreased slightly, but its performance in moderate-income tracts remained steady.

Table 5 – Distribution of Home Mortgage Loans by Income Category of the Geography				
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%
Low				
2014	2.7	4.1	6	2.2
YTD 2015	2.7	--	1	0.6
Moderate				
2014	6.0	7.0	17	6.2
YTD 2015	6.0	--	12	6.7
Middle				
2014	47.4	45.4	140	50.7
YTD 2015	47.4	--	77	43.0
Upper				
2014	43.9	43.5	113	40.9
YTD 2015	43.9	--	89	49.7
Total				
2014	100.0	100.0	276	100.0
YTD 2015	100.0	--	179	100.0
<i>Source: 2010 U.S. Census; 2014 HMDA Aggregate Data; 2014 and two quarters of 2015 HMDA Reported Data; "--" is data not available</i>				

Small Business Loans

The geographic distribution of small business loans reflects poor dispersion throughout the assessment area. For comparative purposes, the table includes the percentage of businesses and aggregate data within each census tract income category. The bank did not make any loans in the low- or moderate-income census tracts in 2014, but it did originate one loan in YTD 2015 within both low- and moderate-income census tracts. Considering the bank’s recent expansion into the City of Worcester and small business lending is not the bank’s primary business line, this conclusion did not significantly affect the rating.

Table 6 - Distribution of Small Business Loans by Income Category of the Geography				
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%
Low				
2014	19.0	16.2	0	0.0
YTD 2015	19.6	--	1	4.2
Moderate				
2014	11.1	10.2	0	0.0
YTD 2015	11.3	--	1	4.2
Middle				
2014	35.1	35.5	24	48.0
YTD 2015	34.6	--	13	54.1
Upper				
2014	34.7	37.7	26	52.0
YTD 2015	34.4	--	9	37.5
NA				
2014	0.1	0.4	0.0	0.0
YTD 2015	0.1	--	0.0	0.0
Total				
2014	100.0	100.0	50	100.0
YTD 2015	100.0	--	24	100.0
<i>Source: 2014 and 2015 D&B Data; 2014 and two quarters of 2015 CRA Reported Data; 2014 CRA Aggregate Data, NA is aggregate information which was not available as of the evaluation date</i>				

Borrower Profile

The distribution of borrowers reflects good penetration among individuals of different income levels and businesses of different sizes in the assessment area. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers and the percentage by number of small business loans to businesses with gross annual revenues (GAR) of \$1 million or less.

Home Mortgage Loans

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

Home mortgage lending to low-income borrowers exceeded the percentage of aggregate data. A low-income family in the assessment area, with incomes less than \$32,999 within the Springfield, MA MSA or \$38,949 within the Worcester, MA-CT MSA would not likely qualify for a mortgage under conventional underwriting standards, especially considering the median housing value of \$259,619. Therefore, the demand and opportunity for lending to low-income families is relatively limited. This helps explain the difference between bank and aggregate performance in lending to low-income borrowers compared to the percentage of low-income

families. The bank’s percentage of loans to moderate-income borrowers was similar to the aggregate percentage.

Market share data further supports the bank’s performance under this criterion. In 2014, the bank ranked first in lending to low-income borrowers with an 8.3 percent market share. The bank ranked second in lending to moderate-income borrowers with a 5.3 percent market share, trailing only Wells Fargo. The bank’s volume of home improvement loans primarily influenced its high market ranks.

In YTD 2015, the bank continued making loans to low- and moderate-income borrowers. However, the percentage of loans to low-income borrowers decreased slightly, while the percentage of loans to moderate-income borrowers increased slightly.

Table 7 – Distribution of Home Mortgage Loans by Income Category of the Borrower				
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%
Low				
2014	21.6	6.1	26	9.4
YTD 2015	21.6	--	10	5.6
Moderate				
2014	16.1	21.0	56	20.3
YTD 2015	16.1	--	41	22.9
Middle				
2014	21.1	23.9	82	29.7
YTD 2015	21.1	--	46	25.7
Upper				
2014	41.2	33.5	89	32.3
YTD 2015	41.2	--	69	38.5
NR				
2014	--	15.5	23	8.3
YTD 2015	--	--	13	7.3
Total				
2014	100.0	100.0	276	100.0
YTD 2015	100.0	--	179	100.0
<i>Source: 2010 U.S. Census Data; 2014 HMDA Aggregate Data; 2014 and two quarters of 2015 HMDA Reported Data; “--” is data not available; NR is income not reported</i>				

Small Business Loans

The distribution of small business loans reflects a good distribution of lending to businesses with GARs of \$1 million or less. In 2014, the bank originated 74.0 percent of small business loans to businesses with revenues less than or equal to \$1 million. This percentage is significantly higher than the aggregate (33.0 percent) and the percentage of businesses in the assessment area (72.6 percent).

Table 8 – Distribution of Small Business Loans by Gross Annual Revenue Category				
Business Revenue Level	% of Businesses	Aggregate Performance % of #	#	%
≤\$1,000,000				
2014	72.6	33.0	37	74.0
YTD 2015	77.7	--	21	87.5
>1,000,000 or NR				
2014	27.4	67.0	13	26.0
YTD 2015	22.3	--	3	12.5
Total				
2014	100.0	100.0	50	100.0
YTD 2015	100.0	--	24	100.0
<i>Source: 2014 D&B Data; 2014 Aggregate Data; 2014 and two quarters of 2015 CRA Reported Data; "--" is data not available; NR is revenue not reported</i>				

Community Development Loans

During the evaluation period, the bank originated eight community development loans totaling \$3.4 million. Although this level of activity represents only 0.2 percent of average total assets and 0.4 percent of average total loans, the bank increased the number of originations since the last evaluation from three to eight community development loans. Furthermore, these loans were responsive to community development needs in the assessment area. The following table illustrates the bank’s community development lending activity by year and purpose.

Table 9 – Community Development Lending												
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
2012 *	1	220,500	1	1,630,000	0	0	0	0	0	0	2	1,850,500
2013	2	399,000	0	0	1	55,000	0	0	0	0	3	454,400
2014	1	143,400	1	10,000	0	0	0	0	0	0	2	153,400
2015 **	1	912,000	0	0	0	0	0	0	0	0	1	912,000
Total	5	1,674,900	2	1,640,000	1	55,000	0	0	0	0	8	3,369,900
<i>Source: Bank Records - *From July 25, 2012 through December 31, 2012. **From January 1, 2015 through November 16, 2015</i>												

Below are notable examples of the bank’s community development loans:

- In 2012, the bank originated a \$1.6 million loan for the housing branch of a social service agency. The purpose of the loan was to develop an emergency shelter for disadvantaged individuals facing homelessness in the greater Worcester area.
- In 2013, the bank became the lead institution in a \$330,000 participation line of credit for a local non-profit organization. The mission of the organization is to fund small businesses in the area when conventional financing is unavailable. The bank’s participation was \$55,000.

- In 2014, the bank originated a \$10,000 CD-secured loan with a non-profit organization. The purpose of the loan was to provide working capital. The goal of the organization is to provide educational services to teenagers throughout western Massachusetts in an effort to prepare them for the workforce. Approximately 58.5 percent of the participating students qualify as low-income.
- In 2015, the bank originated a \$912,000 loan for the refinance of an 8-unit multifamily property in Worcester. Based on the rent rolls provided, all units qualify as affordable housing.

Innovative or Flexible Lending Practices

The bank uses innovative and flexible lending programs to assist in meeting the credit needs of its assessment area. The majority of programs involve government-related subsidies and guarantees. The following highlights the various innovative and flexible loan programs offered by the bank.

Residential Lending Programs

- **United States Department of Agriculture (USDA) Single Family Housing Guaranteed Loan Program:** This loan product is primarily used to help low-income individuals or households purchase homes in rural areas. Funds can be used to build, repair, renovate, or relocate a home. Funds can also be used to prepare or renovate residential sites or essential infrastructure, such as water and sewage facilities. During the evaluation period, the bank originated 56 loans totaling \$9.3 million.
- **MassHousing-First Mortgages:** This product is an affordable 30-year fixed rate loan for first-time or repeat homebuyers, and it assists low- and moderate-income borrowers. Along with a reduced rate, the product offers a low down payment, flexible underwriting and payment protection services. During the evaluation period, the bank originated 26 loans totaling \$4.4 million.
- **MassHousing – No MI Mortgages:** Similar to the conventional first mortgage program, this product offers home loans at below-market interest rates to borrowers that fall within income and loan limit guidelines and have completed a homebuyer education course. The minimum down payment for originations within the program is three percent of the sales price. The bank originated 32 loans totaling \$4.9 million during the evaluation period.
- **MassHousing – Right Rate Mortgages:** This product is available exclusively to borrowers at or below 80 percent of the area median income. This product was funded by tax-exempt bonds and was discontinued as of April 2014. The bank originated nine loans totaling \$1.2 million during the evaluation period.
- **MassHousing – Purchase and Rehabilitation Mortgages:** This program covers the cost of purchasing a home in need of repairs and making the necessary improvements. A three percent down payment is required, and the minimum rehabilitation amount for applicable properties is \$7,500. The bank originated 12 loans totaling \$1.4 million during the evaluation period.

- **MassHousing – Home Improvement Loan:** The bank offers this program to borrowers within income guidelines for non-luxury improvements to their primary residence. These second mortgage loans are greater than \$7,500 at an interest rate of five percent. In addition, the program utilizes flexible underwriting guidelines for approval. The bank originated five loans during the evaluation period totaling \$91,830.
- **MassHousing – Septic System Repair Loan:** The bank offers this program to borrowers within income guidelines for failing or noncompliant septic systems. Interest rates range between zero and five percent, depending on income. During the evaluation period, the bank originated four loans totaling \$50,528.
- **Home Options for Massachusetts Elders (HOME):** The bank offers a term reverse mortgage through HOME, a charitable nonprofit agency dedicated to protecting the equity of low- and moderate-income elder homeowners (age 62 or older). The program has counseling requirements to ensure that the reverse mortgage is an appropriate financial decision. During the evaluation period, the bank originated four loans totaling \$356,381.
- **MassSave – HEAT Loan Program:** This product helps homeowners purchase and install energy efficient improvements in their properties. Eligible improvements include window replacement, installation of solar hot water systems, or other weatherization measures. Residential customers are eligible for loans at an interest rate of zero percent for up to \$25,000. The bank originated 575 HEAT loans totaling \$4.0 million during the evaluation period. Approximately 148 HEAT loans for \$1.0 million were provided to low- and moderate-income borrowers.

Small Business Lending Programs

- **SBA 7a Loan Program:** The SBA 7(a) program offers smaller down payments and flexible terms and guarantees that assist small businesses in opening and expanding their businesses. The maximum loan amount is \$5,000,000, and the SBA guarantees most loans for 75 percent of the value. Country Bank originated four loans totaling \$174,000 through this program during the evaluation period.
- **SBA 504 Loan Program:** This loan program is designed to encourage economic development within a community. Characteristics of the program include a 50 percent guaranty, a loan secured from a Certified Development Company, and a loan purpose of job creation or retention. During the evaluation period, Country Bank originated two loans totaling \$1.9 million.
- **Massachusetts Capital Access (MassCap) Loans:** The bank offers this flexible form of commercial lending to help small businesses acquire financing. Loan amounts of up to \$500,000 are provided to cover business expansion, equipment purchases, and real estate acquisitions. During the evaluation period, Country Bank originated four MassCap loans totaling \$48,610.
- **USDA Business and Industry Loan Guarantee Program:** This loan program provides

financing for businesses in rural areas. Loans can be used to purchase and develop real estate, for business conversion or modernization, or debt refinancing. During the evaluation period, Country Bank originated one loan for \$150,000.

INVESTMENT TEST

Investment Activity

Country Bank is rated Satisfactory under the Investment Test. Considering the size of the institution and its ability and capacity, the bank made an adequate level of community development investments and grants during the evaluation period. These investments and grants were not in a leadership position and are not considered innovative or complex, but they show adequate responsiveness to the community development needs of the assessment area.

During the evaluation period, the bank's community development investments totaled approximately \$6.6 million. These investments consisted of \$6.1 million in qualified equity investments and \$569,420 in qualified donations. The donations include \$7,724 to CRA qualified organizations that benefit areas outside of the assessment area. These outside donations are included with the total donations because Country Bank has been responsive to the assessment area's community development needs and opportunities. The following table shows the bank's qualified investments by year and community development purpose.

Table 10 – Qualified Investments

Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	6	2,064	0	0	0	0	6	2,064
2012*	0	0	0	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	2	3,000	0	0	0	0	2	3,000
2014	0	0	0	0	0	0	0	0	0	0	0	0
2015**	0	0	0	0	1	1,000	0	0	0	0	1	1,000
Subtotal	0	0	0	0	9	6,064	0	0	0	0	9	6,064
Qualified Grants & Donations	5	10	132	376	11	183	0	0	0	0	148	569
Total	5	10	132	376	20	6,247	0	0	0	0	157	6,633

Source: Bank Records - *From July 25, 2012 through December 31, 2012. **From January 1, 2015 through November 16, 2015.

Qualified Equity Investments

In total, the bank has \$6.1 million in qualified bonds, which 0.4 percent of total assets as of September 30, 2015. This represents an increase from the level of qualified equity investments of \$4.6 million during the prior review period. The following is a complete list of qualified bond investments.

- **Small Business Investment Companies (SBIC):** During the review period, Country Bank purchased three SBIC bonds totaling \$4.0 million dollars. In addition, the bank retained two SBIC bonds that were purchased prior to the evaluation period. These existing bonds have a total book value of \$785,818, as of October 31, 2015. The funds from the bonds help to finance small businesses through loans with low interest rates. The rates are set according to the cost of funds to the Federal government. SBIC finances business within the assessment area.
- **Recovery Zone Economic Development (RZED):** Country Bank retained two RZED bonds that were purchased prior to the evaluation period. These two bonds have a total book value of \$260,142, as of October 31, 2015. Funds from these bonds financed qualified economic development activities in a federally-designated Empowerment Zone in Boston, as authorized under the American Recovery and Reinvestment Act of 2009. Although the funds went toward activities outside of the assessment area, Country Bank receives credit for the bonds because the bank has been responsive to area community development needs.
- **Massachusetts Development Finance Agency (MDFA):** The bank also retained two MDFA bonds that were purchased during the prior evaluation period. These bonds have a total book value of \$1.0 million, as of October 31, 2015. Funds from these bonds were used to finance revitalization and stabilization efforts within low- and moderate-income geographies in Cambridge. As with the RZED bonds, Country Bank receives CRA credit for these investments made outside of the assessment area but within Massachusetts.

Qualified Donations

Country Bank made 148 CRA qualified donations totaling \$570,000 during the evaluation period. This consisted of 28 donations totaling \$117,000 for the period from July 25, 2012, to December 31, 2012; 42 donations totaling \$184,000 in 2013; 42 donations totaling \$157,000 in 2014; and 36 donations totaling \$111,000 for the period from January 1, 2015, through November 16, 2015. The qualified donations for calendar year 2013 represent 29.1 percent of total donations and 2.5 percent of pre-tax net operating income. For 2014, qualified donations represent 25.2 percent of total donations and 1.5 percent of pre-tax net operating income.

Country Bank donated to numerous organizations throughout the assessment area that provide services for homeless individuals, at-risk youths, victims of domestic violence, and senior citizens. The bank also supports organizations that provide heating assistance, literacy programs, and other types of services to low- and moderate-income individuals and families.

Following are details of a few significant qualified donations that Country Bank made during the evaluation period.

- **Food Pantries:** Country Bank has annually donated to food pantries and homeless shelters throughout the assessment area. These include Chip-In Food Pantry in Charlton, Helping Hands Cupboard and Saint Francis Food Pantry in Belchertown, Leicester Food

Pantry, Sharing Cupboard Food Pantry in West Brookfield, Saint Joseph's Church Food Pantry in North Brookfield, Tri-Parish Community Church Food Pantry in Gilbertville, Wachusets Food Pantry, and Wales Community Pantry.

- **Salvation Army:** The bank has annually donated to Salvation Army organizations in Belchertown, Palmer, Springfield, Ware, and West Brookfield. The Massachusetts division of the Salvation Army provides assistance to individuals that are unemployed, homeless, in extreme poverty, have a limited education, or are facing an unexpected crisis. They operate soup kitchens, shelters, after-school programs, and food pantries. They also provide relief to disaster victims, assistance to disabled individuals, clothing to homeless individuals, and opportunities for underprivileged children.
- **Economic Development Council of Western Massachusetts (EDC):** The EDC provides resources and information to local businesses and to new regional businesses free of charge. The EDC's mission is to improve the region through job creation and to enhance public and private investments.

Responsiveness to Credit and Community Development Needs

Country Bank's qualified investments provide adequate responsiveness to community development needs. The bank's qualified investments have community development purposes that benefit communities throughout the entire assessment area and address identified community development needs.

Innovativeness or Complexity of Qualified Investments

While Country Bank's investments are not innovative or complex, they provide much needed services and support to groups that have limited access to private investments.

SERVICE TEST

Country Bank is rated Satisfactory under the Service Test. The following sections address the bank's Service Test performance.

Accessibility of Delivery Systems

Country Bank's delivery systems are reasonably accessible to essentially all portions of the assessment area. Including the main office, the bank has 15 full-service branches. The Worcester branch, which opened on August 3, 2015, is the only branch located in a low-income census tract. The bank's main office in Ware is the only bank location in a moderate-income census tract. Country Bank has seven branches in middle-income census tracts and six branches in upper-income tracts. In addition, the bank operates a limited-service branch at a senior citizens center located in Charlton, which is a middle-income census tract.

The following table shows the bank’s branch structure and ATM network by census tract income level.

Table 11 – Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	8	15.1	29,683	12.3	1	6.7	1	4.0
Moderate	6	11.3	23,259	9.6	1	6.7	3	12.0
Middle	23	43.4	100,101	41.4	7	46.6	14	56.0
Upper	15	28.3	87,332	36.2	6	40.0	7	28.0
NA	1	1.9	1,111	0.5	0	0.0	0	0.0
Total	53	100.0	241,486	100.0	15	100.0	25	100.0

Source: 2010 U.S. Census and Bank Records

Changes in Branch Locations

Country Bank opened the Worcester branch on August 3, 2015. With the addition of this branch, the bank improved the accessibility of its delivery systems to low- and moderate-income geographies and individuals within the assessment area. The bank did not close any branches during the evaluation period.

Reasonableness of Business Hours and Services

Country Bank’s business hours and services do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and/or individuals.

Community Development Services

Financial Expertise/Technical Assistance

During the evaluation period, 14 bank employees utilized their financial expertise or technical assistance in 36 instances. They helped eight different community development-related organizations within the assessment area. The following table shows these services by year and purpose.

Table 12 – Community Development Services						
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Neighborhood Stabilization	Totals
	#	#	#	#	#	#
2012*	0	4	0	0	0	4
2013	0	7	2	0	0	9
2014	0	9	2	0	0	11
2015**	0	9	3	0	0	12
Total	0	29	7	0	0	36

*Source: Bank Records - *From July 25, 2012 through December 31, 2012. **From January 1, 2015 through November 16, 2015.*

Following are significant examples of Country Bank's community development services:

- Five employees are involved with Salvation Army organizations in western Massachusetts. Two of these employees are Board Members, one is the Chairperson for the Belchertown unit, one is the Outreach Coordinator of this same unit, and one is the Treasurer of the West Brookfield unit. As stated in the Investments section of this evaluation, the Massachusetts division of the Salvation Army assists individuals that are homeless, in extreme poverty, have a limited education, and face an unexpected crisis. The organization focuses on fighting hunger, providing relief to disaster victims, assistance to disabled individuals, clothing to homeless individuals, and opportunities for underprivileged children.
- Two employees are involved with the Springfield Partners for Community Action. One employee is a Board member and the Chairperson of the Finance Committee. The other person is a volunteer with the organization's Volunteer Income Tax Assistance Program. Springfield Partners for Community Action serves approximately 10,000 low-income people annually through education and outreach programs. In addition, the Volunteer Income Tax Assistance Program provides free tax preparation services to poor individuals. This organization provides assistance to Hampden County residents, with many of the recipients living in Springfield.
- One employee is a Board Member of the Quaboag Valley Business Assistance Corporation. This organization provides economic assistance to local businesses that are unable to obtain assistance from local banks.

Educational Seminars

Country Bank has sponsored and/or participated in many educational seminars that provided financial education to the public. These primarily consisted of seminars about first-time homebuyer programs, but they also included a seminar to assist small businesses with understanding financial statements. The following table provides overall data on the qualified seminars that Country Bank has sponsored or participated in.

Table 13 – Community Development Educational Seminars

Brief Service Description	Community Development Purpose	Bank Sponsored Event, Program or Seminar		Number of Bank Employees Providing Technical Assistance	Product or Service
		Year(s)	Number of Attendees		
Soft Second Program Presentation	Affordable Housing	2012	40 attendees	5	First-Time Homebuyers
MassHousing Program Presentation	Affordable Housing	2012	30 attendees	4	MassHousing Programs
First-Time Homebuyer Class	Affordable Housing	2013	Two group presentations with a total of 45 attendees	2	First-Time Homebuyers
NeighborWorks First-Time Homebuyer Class	Affordable Housing	2014	30	1	First-Time Homebuyers
HAP First-Time Homebuyer Class	Affordable Housing	2014	35	Loan origination event held three times. One employee taught lending portion for one course.	First-Time Homebuyers
WRAR First-Time Homebuyer Class	Affordable Housing	2014	30	One employee taught lending portion of the course.	First-Time Homebuyers
Valley CDC First-Time Homebuyer Class	Affordable Housing	2014	27	One employee taught lending portion of the course.	First-Time Homebuyers
Understanding Financial Statements	Economic Development	2014	44	1	Small Businesses
What to Expect When Applying for a Mortgage	Affordable Housing	2015	Two group presentations with a total of 9 attendees	Two presenters at each presentation.	First-Time Homebuyers
Financial Literacy	Community Service	2013	Four presentations, with 25 attendees at each presentation (100 total)	One employee presenting at each presentation (4 total)	Financial Literacy

Source: Bank Records

Loan Modifications

Country Bank continues to offer residential loan modifications to help customers avoid foreclosure and retain their homes. For the evaluation period, the bank made 27 hardship loan modifications for residential loans. Of these 27 modifications, 12 or 44.4 percent were in the bank’s assessment area and were to low- or moderate-income individuals. This program is considered under the Service Test, as additional expertise and resources were provided in credit counseling to low- and moderate-income homeowners to avoid foreclosure.

Interest on Lawyers’ Trust Account (IOLTA) Program

The bank continues to administer an IOLTA program. Under this program, the interest earned goes to the Massachusetts IOLTA Program, and the funds are used to provide low-income individuals with a variety of legal services. As of the quarter ending September 30, 2015, Country Bank had 44 accounts in the IOLTA Program.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners determined that there is no evidence of discriminatory or other illegal practices. Therefore, consideration of this area did not impact Country Bank's CRA rating.

METROPOLITAN AREA

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE SPRINGFIELD, MA MSA

A full-scope review of the Springfield, MA MSA portion of the assessment area was conducted. This area represents a majority of Country Bank’s lending, investment, and service activity, as well as its branch offices.

The bank’s main office is located at 75 Main Street in Ware, which is in a moderate-income census tract. Including the main office, the bank operates nine branches in the Springfield, MA MSA. These branches are located in Belchertown, Brimfield, Ludlow, Palmer (2), Ware (3), and Wilbraham. The bank’s offices are located in moderate-income (1), middle-income (5), and upper-income (3) census tracts. Each full-service branch has 24-hour ATMs.

This portion of the bank’s assessment area includes nine cities and towns: Belchertown and Ware are located in Hampshire County, and Brimfield, Holland, Ludlow, Monson, Palmer, Wales, and Wilbraham are located in Hampden County.

This portion of the assessment area consists of 17 census tracts that reflect the following income designations according to the 2010 U.S. Census:

- 0 low-income tract
- 1 moderate-income tract
- 7 middle-income tracts
- 9 upper-income tracts

Table 14 provides additional demographic and economic information pertaining to the bank's assessment area.

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	17	0.0	5.9	41.2	52.9
Population by Geography	88,471	0.0	4.2	36.1	59.7
Owner-Occupied Housing by Geography	27,130	0.0	2.6	37.3	60.1
Occupied Rental Units by Geography	6,976	0.0	12.0	49.9	38.1
Vacant Units by Geography	2,480	0.0	14.8	30.1	55.1
Businesses by Geography	5,694	0.0	3.1	33.9	63.0
Family Distribution by Income Level	23,836	14.6	14.1	19.2	52.1
Median Family Income (MFI)		\$81,278	Unemployment Rate		7.5%
FFIEC – Estimated Median Family for 2014		\$66,000	Families Below Poverty		4.9%
Median Housing Value		\$248,521	Level		
<i>Source: 2010 U.S. Census Data, 2014 D&B Data and FFIEC Estimated median Family Income</i>					

CONCLUSIONS ON PERFORMANCE CRITERIA – SPRINGFIELD, MA MSA

LENDING TEST

Country Bank’s Lending Test performance in the Springfield, MA MSA is consistent with its overall performance.

Lending Activity

Lending levels reflect good responsiveness to credit needs in this metropolitan area. During 2014, the bank originated 163, or 59.1 percent, of its residential loans within this portion of the assessment area. In YTD 2015, the bank originated 123 loans, or 68.7 percent, of total assessment area loans in this portion of its assessment area. The bank ranked number one by originating 163 loans with an 8.0 percent market share in 2014.

Geographic Distribution

The geographic distribution of home mortgage and small business loans reflects adequate penetration throughout this portion of the assessment area. The following sections discuss bank performance by product type.

Home Mortgage Loans

The geographic distribution of loans reflects adequate penetration throughout the assessment area. The table below presents the geographic distribution of residential loans by tract income within the assessment area.

Table 15 – Distribution of Home Mortgage Loans by Income Category of the Geography				
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%
Moderate				
2014	2.6	2.9	8	4.9
YTD 2015	2.6	--	9	7.3
Middle				
2014	37.3	31.3	64	39.3
YTD 2015	37.3	--	46	37.4
Upper				
2014	60.1	65.8	91	55.8
YTD 2015	60.1	--	68	55.3
Total				
2014	100.0	100.00	163	100.0
YTD 2015	100.0	--	123	
<i>Source: 2010 U.S. Census Data; 2014 HMDA Aggregate Data; 2014 and two quarters of 2015 HMDA Reported Data; “--” is data not available</i>				

The analysis emphasized lending in the area’s one moderate-income census tract. The bank exceeded both the aggregate and demographics in the moderate-income census tract. Market

share data showed the bank ranked first with a market share of 8.0 percent in this tract, followed by Wells Fargo at 7.2 percent. This ranking is consistent with the bank's performance in the overall assessment area.

Small Business Loans

The geographic distribution of small business loans reflects adequate dispersion. For comparative purposes, the table includes the percentage of businesses and aggregate data within each census tract income category. As noted in following table, the bank did not make any loans in the moderate-income census tracts, but it did originate one loan in YTD 2015.

Table 16 - Distribution of Small Business Loans by Income Category of the Geography				
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%
Low				
2014	N/A	N/A	N/A	N/A
YTD 2015	N/A	N/A	N/A	N/A
Moderate				
2014	3.2	2.2	0	0.0
YTD 2015	3.3	--	1	5.6
Middle				
2014	33.8	33.4	11	32.4
YTD 2015	33.8	--	8	44.4
Upper				
2014	63.0	64.4	23	67.6
YTD 2015	62.9	--	9	50.0
Total				
2014	100.0	100.0	34	100.0
YTD 2015	100.0	--	18	100.0
<i>Source: 2014 and 2015 D&B Data; 2014 and two quarters of 2015 CRA Reported Data; 2014 CRA Aggregate Data</i>				

Borrower Profile

The distribution of borrowers reflects good penetration among individuals of different income levels and businesses of different sizes. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers and the percentage by number of small business loans to businesses with GAR of \$1 million or less.

Home Mortgage Loans

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

Home mortgage lending to low-income borrowers, at 6.1 percent, is good when compared to the aggregate data of 3.7 percent. The bank's performance of lending to moderate-income

borrowers, at 19.6 percent, is higher than the aggregate at 16.5 percent, as well as the percentage of families (14.6 percent).

Market share data further supports the bank’s performance under this criterion. In 2014, the bank ranked first in lending to low-income borrowers with a 12.7 percent market share. The bank also ranked first in lending to moderate-income borrowers with a 9.4 percent market share.

Table 17 – Distribution of Home Mortgage Loans by Income Category of the Borrower				
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%
Low				
2014	14.6	3.7	10	6.1
YTD 2015	14.6	--	8	6.5
Moderate				
2014	14.1	16.5	32	19.6
YTD 2015	14.1	--	22	17.9
Middle				
2014	19.2	24.2	48	29.5
YTD 2015	19.2	--	32	26.0
Upper				
2014	52.1	42.7	67	41.1
YTD 2015	52.1	--	53	43.1
Income NR				
2014	--	12.9	6	3.7
YTD 2015	--	--	8	6.5
Total				
2014	100.0	100.0	163	100.0
YTD 2015	100.0	--	123	100.0
<i>Source: 2010 U.S. Census Data; 2014 HMDA Aggregate Data; 2014 and two quarters of 2015 HMDA Reported Data; "--" is data not available; NR is income not reported</i>				

Small Business Loans

The distribution of small business loans reflects adequate penetration to businesses with GARs of \$1 million or less. In 2014, the bank originated 67.6 percent of small business loans to businesses with revenues less than or equal to \$1 million. This percentage is higher than the aggregate (42.9 percent), but it is lower than the percentage of businesses (75.1 percent).

Business Revenue Level	% of Businesses	Aggregate Performance % of #	#	%
≤\$1,000,000				
2014	75.1	42.9	23	67.6
YTD 2015	81.7	--	16	88.9
>1,000,000 or NR				
2014	24.9	57.1	11	32.4
YTD 2015	18.3	--	2	11.1
Total				
2014	100.0	100.0	34	100.0
YTD 2015	100.0	--	18	100.0
<i>Source: 2014 D&B Data; 2014 Aggregate Data; 2014 and two quarters of 2015 CRA Reported Data; “--” is data not available; NR is revenue not reported</i>				

Community Development Loans

Country Bank made an adequate level of community development loans. The bank originated five community development loans in the Springfield, MA MSA during the evaluation period, totaling \$607,400. These loans primarily supported affordable housing, an identified need in this portion of the assessment area. This represents 62.5 percent of the bank’s community development loans by number and 18.0 percent by dollar amount. The following table illustrates the bank’s community development lending activity by year and purpose.

Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
2012 *	0	0	0	0	0	0	0	0	0	0	0	0
2013	2	399,000	0	0	1	55,000	0	0	0	0	3	454,000
2014	1	143,400	1	10,000	0	0	0	0	0	0	2	153,400
2015 **	0	0	0	0	0	0	0	0	0	0	0	0
Total	3	542,400	1	10,000	1	55,000	0	0	0	0	5	607,400
<i>Source: Bank Records - *From July 25, 2012 through December 31, 2012. **From January 1, 2015 through November 16, 2015.</i>												

Below are notable examples of the bank’s community development loans:

- In 2013, the bank became the lead institution in a \$330,000 participation line of credit for a local non-profit organization. The mission of the organization is to fund small businesses in the area when conventional financing is unavailable. The bank’s participation was \$55,000.
- In 2013, the bank originated a \$224,000 loan to purchase a six-unit multifamily property. The rents collected are no more than 72.8 percent of the current fair market rent for comparable units in the area, designating them as affordable housing.

- In 2014, the bank originated a \$10,000 CD-secured loan with a non-profit organization to provide working capital. The organization provides educational services to teenagers throughout western Massachusetts to prepare them for the workforce. Approximately 58.5 percent of the participating students are from low-income families.

Innovative or Flexible Lending Practices

Innovative and flexible loan programs are consistently available throughout all portions of the Springfield, MA MSA.

INVESTMENT TEST

Country Bank's Investment Test performance in this metropolitan area is consistent with its overall Investment Test performance.

Investment Activity

Investment activity in the Springfield, MA MSA portion of the assessment area is consistent with investment activity throughout the assessment area. Country Bank's qualified investments include several that helped organizations within the Springfield MSA. Overall, these investments reflect adequate responsiveness to community development needs, although they were not innovative or complex.

During the evaluation period, community development investments within this area totaled approximately \$5.1 million. None of the bank's qualified equity investments solely benefited the Springfield MSA. However, the \$4.0 million purchase and the \$785,818 book value of retained SBIC bonds benefited businesses throughout the entire assessment area. Country Bank's qualified donations benefiting the Springfield, MA MSA portion, but not the Worcester MSA portion totaled 57 donations for \$284,000. These donations represent 38.5 percent by number and 49.9 percent by dollar amount of total qualified donations.

The following table shows the bank's qualified investments by year and CRA qualifying activity.

Table 20 – Qualified Investments – Springfield, MA MSA

Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	2	786	0	0	0	0	2	786
2012*	0	0	0	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	2	3,000	0	0	0	0	2	3,000
2014	0	0	0	0	0	0	0	0	0	0	0	0
2015**	0	0	0	0	1	1,000	0	0	0	0	1	1,000
Subtotal	0	0	0	0	5	4,786	0	0	0	0	5	4,786
Qualified Grants & Donations	0	0	53	258	4	26	0	0	0	0	57	284
Total	0	0	53	258	9	4,812	0	0	0	0	62	5,070

*Source: Bank Records - *From July 25, 2012 through December 31, 2012. **From January 1, 2015 through November 16, 2015.*

Country Bank’s qualified donations consisted of 12 donations totaling \$44,000 for the period from July 25, 2012, to December 31, 2012; 22 donations totaling \$95,000 in 2013; 8 donations totaling \$73,000 in 2014; and 15 donations totaling \$72,000 for the period from January 1, 2015, through November 16, 2015.

Country Bank donated to organizations that provide services for homeless individuals, individuals with mental health problems, victims of domestic violence, and senior citizens. The bank also supports organizations that work to provide literacy programs and other types of services to low- and moderate-income individuals and families. Following are details of a few significant qualified donations that the bank made within the Springfield MSA.

Carson Center for Human Services (Carson Center): Country Bank has annually donated at least \$35,000 to the Carson Center. The Carson Center helps individuals with mental health and substance abuse issues. It also provides wellness services and operates a transitional living center for homeless people with head injuries. The Carson Center reported that 80 percent of the people it serves are low- or moderate-income.

Food Pantries: Country Bank has annually donated to area food pantries and homeless shelters. Within the Springfield, MA MSA, these include Helping Hands Cupboard and Saint Francis Food Pantry in Belchertown, Palmer Food Share, and Wales Community Pantry.

Tri-Community YMCA After School Program (Tri-Community Program): The bank has annually donated \$5,000 to the Tri-Community Program since 2013. This program provides after-school childcare to low-income families from the Hillside and Highland Village apartment complexes, which are located in Ware. Daily activities include nutrition and healthy eating activities, exercise programs, and homework assistance.

Responsiveness to Credit and Community Development Needs

Country Bank's qualified investments provide adequate responsiveness to community development needs. The bank's qualified investments have community development purposes that meet stated needs of Springfield, MA MSA portion of the assessment area. Country Bank's community development investment initiatives have focused on areas where community services are needed. A community contact made for this examination stated that Country Bank provides much needed financial support to the area.

SERVICE TEST

Country Bank's Service Test performance in this metropolitan area is consistent with its overall Service Test performance.

Accessibility of Delivery Systems

Country Bank's delivery systems within the Springfield, MA MSA are accessible to essentially all portions of this area.

Including the main office, the bank has nine full-service branches within the Springfield, MA MSA. The bank's main office is located in the only moderate-income census tract. Country Bank has four branches and an operations center located in middle-income census tracts and three branches in upper-income.

The following table shows the bank's branch structure and ATM network by census tract income level.

Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Moderate	1	5.9	3,683	4.2	1	11.1	3	21.4
Middle	7	41.2	31,954	36.1	5	55.6	8	57.2
Upper	9	52.9	52,834	59.7	3	33.3	3	21.4
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	17	100.0	88,470	100.0	9	100.0	14	100.0

Source: 2010 U.S. Census & Bank Records

Changes in Branch Locations

Country Bank did not open or close any branches within the Springfield, MA MSA during the evaluation period.

Reasonableness of Business Hours and Services

The bank's business hours and services within the Springfield, MA MSA are consistent with the

hours and services at its other branches. They do not vary in a way that would inconvenience individuals and businesses from within this portion of the assessment area, particularly within low- and moderate-income geographies and to low- and moderate-income individuals.

Community Development Services

Financial Expertise/Technical Assistance

As stated previously, there were 36 qualified instances where bank employees utilized their financial expertise or technical assistance to help community development-related organizations. Of these 36 instances, 21 specifically benefited the Springfield, MA MSA and 7 benefited both the Springfield and the Worcester metropolitan areas. Within the Springfield, MA MSA, eight different community development-related organizations were impacted. The following table shows the bank’s volume of community development services by year and purpose.

Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Neighborhood Stabilization	Totals
	#	#	#	#	#	#
2012*	0	3	0	0	0	3
2013	0	7	0	0	0	7
2014	0	9	0	0	0	9
2015**	0	9	0	0	0	9
Total	0	28	0	0	0	28

*Source: Bank Records - *From July 25, 2012 through December 31, 2012. **From January 1, 2015 through November 16, 2015.*

Educational Seminars

Out of the ten different types of qualified educational seminars that Country Bank sponsored or participated in, six specifically benefited the Springfield MSA and one benefited both the Springfield and the Worcester MSAs. These seven seminars pertained to the Soft Second Program Presentation, the First-Time Homebuyer Class, the HAP First-Time Homebuyer Class, the Valley CDC First-Time Homebuyer Class, the Understanding Financial Statements Class, the What to Expect When Applying for a Mortgage Seminar, and the Financial Literacy Class.

Loan Modifications

Out of the 12 hardship residential loan modifications that Country Bank made and that are qualified for this evaluation, 10 were made within the Springfield MSA.

METROPOLITAN AREA

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE WORCESTER, MA-CT MSA

A full-scope review of the Worcester, MA-CT MSA portion of the assessment area was conducted, as this area represents a fair portion of the bank’s lending, investment, and service activity, as well as branch offices.

This portion of the assessment area includes the following 12 cities and towns in Worcester County Massachusetts: Brookfield, Charlton, East Brookfield, Hardwick, Leicester, New Braintree, North Brookfield, Paxton, Spencer, Warren, West Brookfield, and Worcester. The bank operates seven branches that are located in Charlton (2), Leicester (2), Paxton, West Brookfield and Worcester. The Worcester branch opened August 3, 2015, and is located in a low-income census tract. One of the Charlton branches, located in a retirement community, offers limited hours of operations and is only open to residents and employees of the community.

Table 23 – Demographic Information of the Worcester, MA-CT MSA Portion of the Assessment Area

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	36	22.2	13.9	44.4	16.7	2.8
Population by Geography	153,015	19.4	12.8	44.5	22.6	0.7
Housing Units by Geography	63,256	20.6	13.6	45.4	20.4	0.0
Owner-Occupied Units by Geography	33,655	4.9	8.6	55.5	31.0	0.0
Occupied Rental Units by Geography	22,780	38.3	19.4	34.0	8.3	0.0
Vacant Units by Geography	6,821	39.1	19.2	32.8	8.9	0.0
Businesses by Geography	10,706	29.1	15.4	35.7	19.6	0.2
Family Distribution by Income Level	35,587	26.3	17.5	22.4	33.8	0.0
Median Family Income FFIEC-Estimated Median Family Income for 2014 Worcester, MA MSA 49340		\$71,640 \$77,900	Median Housing Value Unemployment Rate (2010 Census Data) Families Below Poverty Level Households Below Poverty Level		\$269,035 8.3% 9.1% 14.0%	

Source: 2010 U.S. Census, 2014 D&B Data, and FFIEC Estimated Median Family Income; () The NA category consists of geographies that have not been assigned an income classification.*

Although the evaluation includes geographies from the City of Worcester in the assessment area, consideration was given to how recently the bank opened a branch in Worcester when evaluating performance.

CONCLUSIONS ON PERFORMANCE CRITERIA – WORCESTER, MA-CT MSA

LENDING TEST

The bank’s Lending Test performance in this portion of the assessment area is consistent with its overall Lending Test performance.

Lending Activity

Lending in the Worcester, MA-CT MSA portion is consistent with lending throughout the entire assessment area. During 2014, the bank originated 113, or 40.9 percent, of its residential loans within this portion of the assessment area. The bank ranked third with a market share of 3.8 percent, trailing only nationally-based lenders. In YTD 2015, the bank originated 56 loans, or 31.3 percent, of total assessment area loans in this portion of its assessment area.

Geographic Distribution

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area. Examiners focused on the comparison to aggregate and demographic data. The following table shows that the bank's performance in low-income census tracts compares reasonably to the aggregate and demographic levels. In moderate-income areas, the bank's lending percentage is similar to aggregate and demographic percentages. The percentage of lending decreased in both low- and moderate-income census tracts in YTD 2015.

Table 24 – Distribution of Home Mortgage Loans by Income Category of the Geography				
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%
Low				
2014	4.9	6.7	6	5.3
YTD 2015	4.9	--	1	1.8
Moderate				
2014	8.6	9.6	9	8.0
YTD 2015	8.6	--	3	5.3
Middle				
2014	55.5	54.4	76	67.2
YTD 2015	55.5	--	31	55.4
Upper				
2014	31.0	29.3	22	19.5
YTD 2015	31.0	--	21	37.5
Total				
2014	100.0	100.0	113	100.0
YTD 2015	100.0	--	56	100.0
<i>Source: 2010 U.S. Census; 2014 HMDA Aggregate Data; 2014 and two quarters of 2015 HMDA Reported Data; "--" is data not available</i>				

Market share data showed the bank ranked fifth with a market share of 3.1 percent in lending to low-income census tracts. Wells Fargo ranked first with a market share of 5.5 percent. In moderate-income census tracts the bank was ranked fifth with a market share of 3.1 percent. Wells Fargo ranked first with an 8.0 percent market share. This ranking reflects reasonable performance considering the bank's branch presence in the area and its recent entry into the City

of Worcester. All low- and moderate-tracts are in Worcester and were added to the assessment area during the review period.

Small Business Loans

The geographic distribution of small business loans reflects poor penetration. The following table shows the bank did not originate any loans in low- or moderate-income census tracts in 2014 and only one loan was originated in YTD 2015 in a low-income census tracts. However, this conclusion did not materially affect the bank’s rating due to the recent addition of these tracts to the assessment area. In addition, small business loans represent the bank’s secondary business line.

Table 25 – Distribution of Small Business Loans by Income Category of the Geography				
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%
Low				
2014	29.1	7.1	0	0.0
YTD 2015	30.0	--	1	16.7
Moderate				
2014	15.4	15.3	0	0.0
YTD 2015	15.6	--	0	0.0
Middle				
2014	35.7	37.5	13	81.3
YTD 2015	35.0	--	4	66.6
Upper				
2014	19.6	38.2	3	18.7
YTD 2015	19.2	--	1	16.7
NA				
2014	0.2	1.9	0	0.0
YTD 2015	0.2	--	0	0.0
Total				
2014	100.0	100.0	16	100.0
YTD 2015	100.0	--	6	100.0
<i>Source: 2014 and 2015 D&B Data; 2014 and two quarters of 2015 CRA Reported Data; 2014 CRA Aggregate Data</i>				

Borrower Profile

The distribution of borrowers reflects good penetration among individuals of different income levels and businesses of different sizes in the assessment area. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers and the percentage by number of small business loans to businesses with GAR of \$1 million or less.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income, is good.

Home mortgage lending to low-income borrowers, at 14.2 percent, is good when compared to the aggregate data of 7.6 percent. The bank’s performance of lending to moderate-income borrowers, at 21.2 percent, is lower than the aggregate at 23.9 percent, but higher than the percentage of families (17.5 percent).

Market share data further supported the bank’s performance under this criterion. In 2014, the bank ranked first in lending to low-income borrowers with a 6.8 percent market share and fourth in lending to moderate-income borrowers with a 3.4 percent market share. The bank decreased the percentage of loans to low-income borrowers in YTD 2015, although the percentage of loans to moderate-income borrowers increased significantly.

Table 26 – Distribution of Home Mortgage Loans by Income Category of the Borrower				
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%
Low				
2014	26.3	7.6	16	14.2
YTD 2015	26.3	--	2	3.6
Moderate				
2014	17.5	23.9	24	21.2
YTD 2015	17.5	--	19	33.9
Middle				
2014	22.4	23.8	34	30.1
YTD 2015	22.4	--	14	25.0
Upper				
2014	33.8	27.6	22	19.5
YTD 2015	33.8	--	16	28.6
Income NR				
2014	--	17.1	17	15.0
YTD 2015	--	--	5	8.9
Total				
2014	100.0	100.0	113	100.0
YTD 2015	100.0	--	56	100.0
<i>Source: 2010 U.S. Census Data; 2014 HMDA Aggregate Data; 2014 and two quarters of 2015 HMDA Reported Data; "--" is data not available; NR is income not reported</i>				

Small Business Loans

The distribution of small business loans reflects adequate penetration to businesses with GARs of \$1 million or less. In 2014, the bank originated 87.5 percent of small business loans to businesses with revenues less than or equal to \$1 million. This percentage is higher than both the aggregate (40.9 percent) and percentage of businesses (71.2 percent) in this area.

Business Revenue Level	% of Businesses	Aggregate Performance % of #	#	%
≤\$1,000,000				
2014	71.2	40.9	14	87.5
YTD 2015	75.5	--	5	83.3
>1,000,000 or NR				
2014	28.8	59.1	4	12.5
YTD 2015	24.5	--	1	16.7
Total				
2014	100.0	100.0	16	100.0
YTD 2015	100.0	--	6	100.0
<i>Source: 2014 D&B Data; 2014 Aggregate Data; 2014 and two quarters of 2015 CRA Reported Data; "--" is data not available; NR is revenue not reported</i>				

Community Development Loans

Country Bank made an adequate level of community development loans in this area. The bank originated three community development loans in the Worcester, MA-CT MSA during the evaluation period, totaling \$2.8 million. This represents 37.5 percent of the bank’s community development loans by number and 82.0 percent by dollar amount. The following table illustrates the bank’s community development lending activity by year and purpose.

Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
2012 *	1	220,500	1	1,630,000	0	0	0	0	0	0	2	1,850,500
2013	0	0	0	0	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0	0	0	0	0
2015 **	1	912,000	0	0	0	0	0	0	0	0	1	912,000
Total	2	1,132,500	1	1,630,000	0	0	0	0	0	0	3	2,762,500
<i>Source: Bank Records - *From July 24, 2012 to December 31, 2012. **From January 1, 2015 through November 16, 2015</i>												

Below are examples of the bank’s community development loans in the Worcester MSA:

- In 2012, the bank originated a \$1.6 million loan for the housing branch of a social service agency. The purpose of the loan was to develop an emergency shelter for disadvantaged individuals located in the greater Worcester area. These individuals may be employable but are nonetheless facing homelessness.
- In 2015, the bank originated one loan for the refinance of an 8-unit multifamily property in Worcester, MA. Based on the rent rolls provided, all units qualify as affordable housing within the Worcester MSA. The loan amount originated was \$912,000.

Innovative or Flexible Lending Practices

Innovative and flexible loan programs are consistently available throughout all portions of the Worcester MSA.

INVESTMENT TEST

Country Bank's Investment Test performance in this metropolitan area is consistent with its overall Investment Test performance.

Investment Activity

Investment activity in the Worcester MSA portion of the assessment area is consistent with investment activity throughout the assessment area. Country Bank's qualified investments included several that helped organizations within the Worcester MSA. Overall, these investments reflect adequate responsiveness to community development needs, although they were not innovative or complex.

During the evaluation period, qualified community development investments within the Worcester, MA-CT MSA totaled approximately \$5.1 million. None of the bank's qualified equity investments solely benefited the Worcester, MA-CT MSA. However, as stated previously, the \$4.0 million purchase and the \$785,818 book value of retained SBIC bonds benefited businesses throughout the entire assessment area. Country Bank's qualified donations benefiting the Worcester, MA-CT MSA portion, but not the Springfield, MA MSA portion totaled 50 donations for \$242,000. These donations represent 33.8 percent by number and 42.5 percent by dollar amount of total qualified donations. The following table shows the bank's investments by year and CRA qualifying activity for the Worcester portion of the assessment area.

Table 29 – Qualified Investments – Worcester MSA

Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	2	786	0	0	0	0	2	786
2012*	0	0	0	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	2	3,000	0	0	0	0	2	3,000
2014	0	0	0	0	0	0	0	0	0	0	0	0
2015**	0	0	0	0	1	1,000	0	0	0	0	1	1,000
Subtotal	0	0	0	0	5	4,786	0	0	0	0	5	4,786
Qualified Grants & Donations	1	2	45	85	4	155	0	0	0	0	50	242
Total	1	2	45	85	9	4,941	0	0	0	0	55	5,028

Source: Bank Records - *From July 25, 2012 through December 31, 2012. **From January 1, 2015 through November 16, 2015.

Country Bank's 50 CRA qualified Worcester MSA donations for \$242,000 consisted of 14 donations totaling \$71,000 for the period from July 25, 2012, to December 31, 2012; 17 donations totaling \$85,000 in 2013; 6 donations totaling \$56,000 in 2014; and 13 donations totaling \$30,000 for the period from January 1, 2015, through November 16, 2015.

Country Bank donated to organizations that provide services for homeless individuals, individuals with mental health problems, victims of domestic violence, and individuals unable to pay for fuel or medical expenses. The bank also supports organizations that work to help small businesses with economic needs. Following are details of significant qualified donations that the bank made within the Worcester MSA.

Quaboag Valley Community Development Corporation (Quaboag Valley CDC): Country Bank has donated more than \$155,000 to the Quaboag Valley CDC during the evaluation period. The Quaboag Valley CDC works to improve economic and environmental conditions and address residents' social needs. It does this within Quaboag Valley by making loans to new, small businesses, to businesses that intend to create jobs in blighted commercial areas for redevelopment, and for job creation for unemployed and underemployed individuals.

Food Pantries: Country Bank has annually donated to area food pantries and homeless shelters. Within the Worcester MSA, these include Chip-in Food Pantry in Charlton, Leicester Food Pantry, Sharing Cupboard Food Pantry in West Brookfield, Saint John's Food for The Poor Program in Worcester, Saint John's Food Pantry in North Brookfield, and Tri-Parish Community Church Food Pantry in Gilbertville

Responsiveness to Credit and Community Development Needs

Country Bank's qualified investments provide good responsiveness to community development needs. The bank's qualified investments have community development purposes that benefit communities throughout the Worcester MSA portion of the assessment area.

Community Development Initiatives

Country Bank's community development investment initiatives have focused on areas where community services are needed. A community contact made for this examination stated that Country Bank provides much needed financial support to the area.

SERVICE TEST

Country Bank's Service Test performance in this metropolitan area is consistent with its overall Service Test performance.

Accessibility of Delivery Systems

Country Bank's delivery systems within the Worcester, MA-CT MSA portion are reasonably accessible to essentially all portions of the assessment area.

Country Bank has six full-service branches within the Worcester, MA-CT MSA. One of these branches is located in a low-income census tract and none are located in a moderate-income census tract. The bank has two branches in middle-income census tracts and three branches in upper-income tracts. In addition, the bank's limited-service branch at a senior citizens center is located in a middle-income census tract. The following table shows the bank's branch structure and ATM network by census tract.

Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	8	22.2	29,683	19.4	1	14.4	1	9.1
Moderate	5	13.9	19,576	12.8	0	0.0	0	0.0
Middle	18	50.0	78,662	51.4	3	42.8	6	54.5
Upper	4	11.1	23,983	15.7	3	42.8	4	36.4
NA	1	2.8	1,111	0.7	0	0.0	0	0.0
Total	36	100.0	153,015	100.0	7	100.0	11	100.0

Source: 2010 U.S. Census and Bank Records

Changes in Branch Locations

Country Bank's only branch location change is the addition of a branch in Worcester on August 3, 2015. As stated previously, the bank improved the accessibility of its delivery systems to low- and moderate-income geographies and individuals with the addition of this branch. Country Bank did not close any branches during the evaluation period.

Reasonableness of Business Hours and Services

The bank's business hours and services within the Worcester, MA-CT MSA are consistent with the hours and services at its other branches. They do not vary in a way that would inconvenience individuals and businesses, particularly from low- and moderate-income geographies and to low- and moderate-income individuals.

Community Development Services

Financial Expertise/Technical Assistance

As previously stated, there were 36 qualified instances where bank employees utilized their financial expertise or technical assistance to help community development-related organizations. Of these 36 instances, 8 specifically benefited the Worcester MSA and 7 benefited both the Worcester and the Springfield MSAs. Within the Worcester MSA, three different community development-related organizations were impacted. The following table shows the bank's volume of community development services by year and purpose for within the Worcester MSA.

Table 31 – Community Development Services – Worcester, MA-CT MSA						
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Neighborhood Stabilization	Totals
	#	#	#	#	#	#
2012*	0	2	0	0	0	2
2013	0	2	2	0	0	4
2014	0	2	2	0	0	4
2015**	0	2	3	0	0	5
Total	0	8	7	0	0	15
<i>Source: Bank Records - *From July 25, 2012 through December 31, 2012. **From January 1, 2015 through November 16, 2015.</i>						

Educational Seminars

Out of the ten different types of qualified educational seminars that Country Bank sponsored or participated in, three specifically benefited the Worcester, MA-CT MSA and one benefited both metropolitan areas. These four seminars pertained to the MassHousing Program, the First-Time Homebuyer Class, the NeighborWorks First-Time Homebuyer Class, and the WRAR First-Time Homebuyer Class.

Loan Modifications

Out of the 12 hardship residential loan modifications that Country Bank made and that are qualified for this evaluation, 2 were made within the Worcester, MA-CT MSA.

APPENDIX A

Fair Lending Policies and Procedures

The Division of Banks provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106.

The bank has a written Fair Lending Policy. The bank proactively and affirmatively supports the fair lending process through fair, but flexible lending policies.

The bank provides annual fair lending to all lending personnel and the Board of Trustees.

The bank employs a second review process. The review is also used to identify underwriting trends which may be inconsistent with the bank's policies and procedures.

The bank makes exceptions to the loan policy.

MINORITY APPLICATION FLOW

The bank's HMDA LARs for 2014 and YTD 2015 were reviewed to determine if the application flow from the different racial groups within the bank's assessment area was reflective of the assessment area's demographics.

According to the 2010 U.S. Census Data, the bank's assessment area contained a total population of 241,486 individuals of which 19.4 percent are minorities. The assessment areas minority and ethnic population is 4.1 percent Black/African American, 3.3 percent Asian, 0.2 percent American Indian, 0.0 percent Hawaiian/Pacific Islander, 9.8 percent Hispanic or Latino and 2.0 percent other.

In 2014, the bank received 354 HMDA reportable loan applications from within its assessment area. Of these applications, 5 or 1.4 percent were received from minority applicants, of which 5 or 100.0 percent resulted in originations. The aggregate received 7,230 HMDA reportable loan applications of which 438 or 6.1 percent were received from minority applicants and 247 or 56.4 percent were originated. For the same time period, the bank also received 7 or 1.9 percent of applications from ethnic groups of Hispanic origin within its assessment area of which 5 or 71.4 percent were originated versus the aggregate that received 355 applications or 4.9 percent of which 191 or 5.4 percent were originated.

For YTD 2015, the bank received 224 HMDA reportable loan applications from within its assessment area. Of these applications, 9 or 4.0 percent were received from minority applicants, of which 6 or 66.7 percent resulted in originations. For the same time period, the bank received 3 or 1.4 percent of applications from ethnic groups of Hispanic origin within its assessment area of which 2 or 66.7 percent were originated.

The bank's level of lending was compared with that of the aggregate's lending performance level for the most recent year that data was available, the year 2014. 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 Table 32 for information on the bank's minority application flow as well as the aggregate lenders (excluding the bank) in the bank's assessment area.

Table 32 - MINORITY APPLICATION FLOW					
RACE	Bank 2014		2014 Aggregate Data	Bank YTD2015	
	#	%	%	#	%
American Indian/ Alaska Native	1	0.3	0.3	1	0.5
Asian	1	0.3	2.6	0	0.0
Black/ African American	0	0.0	2.2	3	1.3
Hawaiian/Pacific Islander	0	0.0	0.1	0	0.0
2 or more Minority	0	0.0	0.0	0	0.0
Joint Race (White/Minority)	3	0.8	0.9	5	2.2
Total Minority	5	1.4	6.1	9	4.0
White	305	86.2	74.1	191	85.3
Race Not Available	44	12.4	19.8	24	10.7
Total	354	100.0	100.0	224	100.0
ETHNICITY					
Hispanic or Latino	3	0.8	3.8	2	0.9
Not Hispanic or Latino	301	85.1	75.3	195	87.0
Joint (Hisp/Lat /Not Hisp/Lat)	4	1.1	1.1	1	0.5
Ethnicity Not Available	46	13.0	19.8	26	11.6
Total	354	100.0	100.0	224	100.0

Source: US Census 2010, HMDA LAR Data 2014 and YTD2015, HMDA Aggregate Data 2014

The bank's minority application flow, when compared to the aggregate's lending performance levels and the assessment area demographics, is adequate for the aggregate lending and the demographics of the assessment area.

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 non-metropolitan 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. Census tract boundaries normally follow visible features, but they may follow governmental unit boundaries and other non-visible features in some instances. They always nest within counties. Census tracts average about 4,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogenous for population characteristics, economic status, and living conditions to allow for statistical comparisons.

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 non-metropolitan middle-income geographies; or
- (5) Enable or facilitate projects or activities that address needs regarding foreclosed or abandoned residential properties in designated target areas.

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

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

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

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

Community Development Loan: A loan that

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

Community Development Service: A service that

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

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

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

- (1) an unemployment rate of at least 1.5 times the national average;
- (2) a poverty rate of 20 percent or more; or,

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

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

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

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and non-metropolitan 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: Performance under the applicable tests is analyzed considering performance context, quantitative factors (geographic loan distribution, borrower profile loan distribution, and total number and dollar amount of investments), and qualitative factors (innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

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

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

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

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

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

Limited-Scope Review: Performance under the applicable tests is analyzed using only quantitative factors (for example, geographic loan distribution, borrower profile loan distribution, 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.

Non-metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan 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 non-metropolitan 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 more than 120 percent of the area median income, or a median family income that is more than 120 percent 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 and the Federal Deposit Insurance Corporation at 75 Main Street, Ware, MA 01082

- 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.