PUBLIC DISCLOSURE

March 2, 2026

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

bankHometown
RSSD # 1004470

31 Sutton Avenue
Oxford, Massachusetts 01540

Federal Reserve Bank of Boston
600 Atlantic Avenue
Boston, Massachusetts 02210

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INSTITUTION'S CRA RATING: This institution is rated SATISFACTORY.

The Lending Test is rated: SATISFACTORY
The Community Development Test is rated: OUTSTANDING

bankHometown (or the bank) demonstrates an adequate responsiveness to the credit needs of its assessment area based on the following findings:

Lending Test

- The loan-to-deposit (LTD) ratio is reasonable (considering seasonal variations and taking into account lending-related activities) given the bank's size, financial condition, and assessment area credit needs.

- A majority of loans and other lending-related activities are in the bank's assessment areas.

- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.

- The distribution of borrowers reflects, given the demographics of the assessment areas, excellent penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.

- There have been no complaints regarding the bank's CRA performance since the last CRA examination.

Community Development Test

- The bank's community development performance demonstrates excellent responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment areas.

DESCRIPTION OF INSTITUTION

bankHometown is a state-chartered member bank (SMB) of the Federal Reserve System headquartered at 31 Sutton Avenue in Oxford, Massachusetts. bankHometown is wholly owned by Hometown Financial Group (HFG) under its top tier holding company Hometown Financial Group MHC. HFG holds two additional wholly owned SMB subsidiaries: bankESB and TruNorth Bank. Residential lending for all three SMBs is centralized through Hometown Mortgage, a division of bankESB.

In addition to its headquarters in Oxford, Massachusetts, the bank operates 14 full-service branches, of which nine are in Massachusetts and five are in Connecticut. The Massachusetts branches are in Athol, Auburn, Lancaster, Leominster, Millbury, Sturbridge, Webster, and Worcester (2). The Connecticut branches are in Brooklyn, Killingly, Putnam, Thompson, and Woodstock.

The bank offers personal products and services such as checking and savings accounts, online and mobile banking, mortgages and home equity loans. Business products and services include checking and savings accounts, cash management services, and commercial real estate loans. Information about the bank's products and services can be found at www.bankhometown.com.

As of December 31, 2025, bank assets totaled \$1.6 billion, loans totaled \$1.3 billion, and deposits totaled \$1.3 billion. Since the last evaluation, bank assets increased by 14.2 percent. This is primarily attributed to growth in residential real estate, which has increased 143.5 percent as the bank purchases residential loans from its affiliate Hometown Mortgage, a division of bankESB. Commercial loans have also increased by 28.9 percent over the same period.

Table 1 shows the bank's loan portfolio distribution by dollar, as of December 31, 2025. The loan portfolio is primarily comprised of commercial loans at 59.5 percent, followed by residential real estate at 36.0 percent. Agriculture, consumer, and other loans account for a nominal share of the bank's loan portfolio by dollar.

Table 1
Loan Distribution as of December 31, 2025

Loan Type	Dollar Amount $(000)	Percent of Total Loans (%)
Residential RE	462,143	36.0
Agriculture	277	0.0
Commercial*	765,084	59.5
Consumer	52,469	4.1
Other	5,231	0.4
Total Loans	1,285,204	**100.0**

Call Report as of December 31, 2025.
**May include construction, land development, and other land loans reported on the HMDA LAR*
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

Considering the bank's financial capacity, local economic conditions, assessment area demographics, and the competitive market in which it operates, the bank has demonstrated an ability to meet the credit needs in the assessment areas. There are no legal or financial impediments that would impact the bank's ability to meet the credit needs of the assessment areas in which it operates.

SCOPE OF EXAMINATION

bankHometown's CRA performance review was conducted using the Federal Financial Institutions Examination Council (FFIEC) Examination Procedures for Intermediate Small Institutions.[1] These procedures evaluate banks under two tests: the Lending Test and the Community Development Test. The Lending Test evaluates the bank's lending performance pursuant to the following criteria: LTD ratio, assessment area concentration of loans, geographic distribution of loans, loan distribution according to the income of the borrower, and response to CRA-related complaints. The Community Development Test measures the number and amount of community development loans; the number and amount of qualified investments; the extent to which the bank provides community development services; and the bank's responsiveness through such activities.

The bank received an overall institution rating for the Lending Test and Community Development Test, and state ratings for the Lending Test and Community Development Test for Massachusetts and Connecticut. The state rating for Massachusetts was weighted more than the state rating for Connecticut when arriving at the overall institution rating.

The bank's performance was evaluated in two assessment areas: the Massachusetts assessment area and the Connecticut assessment area. The Massachusetts assessment area is comprised of Worcester County, which is part of the Worcester, MA Metropolitan Statistical Area (MSA). The rating for Massachusetts was based on a full-scope examination of the Massachusetts assessment area and considered community development activities outside the assessment area but within the state of Massachusetts.

The Connecticut assessment area is comprised of the Northeastern Connecticut Planning Region (NECTPR) county-equivalent, which is in a non-MSA portion of the state. The rating for Connecticut was based on a full-scope examination of the Connecticut assessment area and considered community development activities outside the assessment area but within the state of Connecticut.

The Lending Test analyzed residential mortgage loans and small business loans originated from January 1, 2022, to December 31, 2024. Greater weight was given to years 2023 and 2024, and information for these years was included in tables unless otherwise noted. Residential mortgage loans were weighted more heavily than small business loans based on the number of originations within the assessment areas during the evaluation period. While both the number and dollar volume of the bank's loans were reviewed, the number of originations was weighted more heavily as the number of loans is more indicative of loan demand.

Analysis of the bank's residential mortgage lending was conducted utilizing loans reported under the Home Mortgage Disclosure Act (HMDA). Residential loans with a purpose of "other" and/or "not applicable" were excluded from the evaluation. The bank's residential lending activity was compared to the aggregate of all lenders operating within the assessment areas. Aggregate data was obtained from the Consumer Financial Protection Bureau and consists of lending information from all HMDA reporters that originated or purchased residential mortgage loans in

1 "Intermediate small institution" means a bank or savings association with assets of at least $412 million as of December 31 of both of the prior two calendar years and less than $1.649 billion as of December 31 of either of the prior two calendar years.

the assessment areas. The bank's residential mortgage lending performance was also compared to demographics from the 2020 U.S. Census (Census).

As the residential loan function for the HFG SMBs is centralized at Hometown Mortgage, bankESB collects and reports all residential HMDA transactions for the three banks. Due to this structure, bankESB's reported HMDA loans in 2023 and 2024 represent most of the combined residential loan activity of all three banks. As each bank is evaluated concurrently under the Community Reinvestment Act (CRA), utilizing HMDA data as it was reported would not accurately illustrate each bank's lending performance to their customers and within the assessment areas. To ensure that residential lending performance was reflective of each bank's customers and communities, this evaluation relied on an allocation of residential loans between the three banks based on an established geographic methodology.

Small business loans included commercial real estate loans and commercial and industrial loans with original loan amounts of $1 million or less. As an Intermediate Small Institution, the bank is not required to collect and report its small business loans under the CRA. Examiners validated bankHometown's internally maintained small business loan data for purposes of this evaluation. The bank's small business lending was compared to demographic information obtained from Dun & Bradstreet, Inc., Short Hills, NJ (D&B).

The Community Development Test included a review of community development loans, investments, and services for the period July 18, 2022, through March 2, 2026. The community development test is evaluated in the context of the community needs and the capacity of the bank.

The bank's last CRA examination was conducted by the Federal Reserve Bank of Boston on July 18, 2022, in accordance with the FFIEC Examination Procedures for Intermediate Small Institutions. The bank was rated Satisfactory.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

bankHometown's performance under the Lending Test is rated Satisfactory. The Lending Test is rated Satisfactory for Massachusetts and Satisfactory for Connecticut.

The following information further details the data compiled and reviewed, as well as conclusions on the bank's performance.

<u>Loan-to-Deposit Ratio</u>

This performance criterion determines the percentage of the bank's deposit base that is reinvested in the form of loans and evaluates its appropriateness. The bank's net LTD figures are calculated from the bank's quarterly FFIEC Call Reports. The ratio is based on total loans net of unearned income and net of the allowance for loan and lease losses as a percentage of total deposits.

The LTD ratio is reasonable (considering seasonal variations and taking into account lending-related activities) given the bank's size, financial condition, and assessment area credit needs. The LTD ratio has shown an increasing trend since the previous examination, which is primarily driven by growth in residential real estate loans. On June 30, 2022, the bank's LTD ratio was 69.2 percent and on December 31, 2025, the LTD ratio was 95.2 percent. The bank regularly purchases residential real estate loans from its affiliate Hometown Mortgage, a division of bankESB.

Table 2 provides a comparison of the bank's average LTD over the past 15 quarters under evaluation to similarly sized institutions operating within the assessment area.

Table 2
Loan-to-Deposit Ratio Comparison

Institutions	Total Assets* $(000)	Average LTD Ratio** (%)
Cornerstone Bank	1,819,829	101.3
Webster Five Cents Savings Bank	1,300,689	95.9
bankHometown	**1,568,009**	**88.0**
Fidelity Cooperative Bank	1,382,110	83.6

**Call Report as of December 31, 2025*
***Call Reports from June 30, 2022 to December 31, 2025*

bankHometown's average LTD ratio is in line with similarly sized institutions.

Assessment Area Concentration

This criterion evaluates the concentration of loans originated by the bank within its assessment areas. As shown below, a majority of loans and other lending-related activities are in the bank's assessment areas. In applying CRA guidance[2], affiliate lending is excluded in calculating the percentage of loans and, as appropriate, other lending-related activities located in an institution's assessment areas. Due to the data considerations in adherence to guidance regarding the calculation of lending inside and outside the bank's assessment areas, this performance criterion conclusion did not impact the bank's Lending Test rating.

Table 3 presents the bank's levels of lending inside and outside the assessment areas for the entire evaluation period.

2 Interagency Questions and Answers Regarding Community Reinvestment, 81 Fed. Reg. 48506, 48538 (July 25, 2016) (Q&A §__.22(b)(2) & (3)–3)

Table 3 Lending Inside and Outside the Assessment Areas												
Loan Type - Description	Inside				Outside				Total			
	#	%	$(000s)	%	#	%	$(000s)	%	#	%	$(000s)	%
Home Purchase - Conventional	103	23.6	34,196	17.0	333	76.4	167,015	83.0	436	100.0	201,211	100.0
Home Improvement	60	71.4	5,437	63.4	24	28.6	3,144	36.6	84	100.0	8,581	100.0
Multi-Family Housing	15	71.4	34,163	61.4	6	28.6	21,483	38.6	21	100.0	55,646	100.0
Refinancing	100	62.5	17,789	49.7	60	37.5	18,023	50.3	160	100.0	35,812	100.0
Total HMDA	**278**	**39.7**	**91,585**	**30.4**	**423**	**60.3**	**209,665**	**69.6**	**701**	**100.0**	**301,250**	**100.0**
Total Small Business	**197**	**91.6**	**38,062**	**89.1**	**18**	**8.4**	**4,643**	**10.9**	**215**	**100.0**	**42,705**	**100.0**
TOTAL LOANS	**475**	**51.9**	**129,647**	**37.7**	**441**	**48.1**	**214,308**	**62.3**	**916**	**100.0**	**343,955**	**100.0**

HMDA data from 2022 and 2023 (no reported data for 2024)
Small Business data from 2022-2024
Percentages may not total 100.0 percent due to rounding

Residential Lending

Of the 701 loans reported on bankHometown's HMDA LARs for 2022 and 2023, 278 loans, or 39.7 percent, were inside the bank's assessment areas. bankHometown did not report HMDA data for 2024.

Small Business Lending

The bank originated a total of 215 small business loans for years 2022, 2023 and 2024. Of this total, 197 loans, or 91.6 percent, were inside the assessment areas.

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of loans to census tracts of all income levels. The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. The bank demonstrated reasonable performance in both Massachusetts and Connecticut. There were no conspicuous gaps in the bank's residential and small business loan penetration in low- and moderate-income tracts during the evaluation period.

Borrower Profile

This criterion analyzes the distribution of loans to borrowers of different income levels as well as businesses with different revenues. The distribution of borrowers reflects, given the demographics of the assessment areas, excellent penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. The bank demonstrated excellent performance in both Massachusetts and Connecticut.

Response to Complaints

There have been no complaints regarding the bank's CRA performance since the previous CRA examination.

COMMUNITY DEVELOPMENT TEST

bankHometown's performance under the Community Development Test is rated Outstanding. The Community Development Test for Massachusetts is rated Outstanding, and the Community Development Test for Connecticut is rated Outstanding.

The bank's community development performance demonstrates excellent responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment areas.

Community Development Loans

During the evaluation period, the bank originated 51 community development loans, totaling $83.8 million. Of this total, 39 loans for $73.4 million were originated in Massachusetts, and 11 loans for $7.6 million were originated in Connecticut. One community development loan for $2.8 million was originated in Rhode Island and was qualified as the bank met the needs of its assessment areas. This community development loan in Rhode Island promoted affordable housing. Community development lending increased in number and dollar amount from the prior examination, when the bank extended 22 loans, totaling $61.7 million.

Qualified Investments

bankHometown's qualified investments totaled $8.2 million, and was comprised of $7.3 million in community development investments, and $886,594 in donations. Of this total, all community development investments and $716,359 of donations impacted Massachusetts, and $170,235 of donations impacted Connecticut. Total qualified investments slightly increased by dollar amount from the prior examination, when the bank's qualified investments totaled $7.8 million.

Community Development Services

Bank employees engaged in community development services by participating on boards and/or committees of community organizations, conducting financial literacy/first-time homebuyer seminars, and providing their financial/technical expertise to small businesses. A total of 46 employees provided community development services to 35 organizations. Of the organizations, 26 were based in Massachusetts, and nine were based in Connecticut.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

STATE OF MASSACHUSETTS

CRA RATING FOR Massachusetts: SATISFACTORY

The Lending Test is rated: SATISFACTORY
The Community Development Test is rated: OUTSTANDING

Lending Test

- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

- The distribution of borrowers reflects, given the demographics of the assessment area, excellent penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.

Community Development Test

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

SCOPE OF EXAMINATION

The Massachusetts assessment area was evaluated using full-scope examination procedures. The Massachusetts state rating aligned with the conclusions for the Massachusetts assessment area. The Lending Test rating for the state of Massachusetts considered the geographic distribution of loans and the distribution of loans among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. The Community Development Test rating for the state of Massachusetts considered community development activities in the assessment area and the statewide area that included the assessment area. Based on the level of deposits, lending, and other activities, the state of Massachusetts was given more weight compared to the state of Connecticut when arriving at overall ratings. The performance criteria, products analyzed, and reviews periods are consistent with the scope outlined at the beginning of this evaluation.

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN THE MASSACHUSETTS ASSESSMENT AREA

The Massachusetts assessment area consists of the entirety of Worcester County, which is part of the Worcester, MA MSA. Since the previous examination, the bank has changed this assessment area by removing the portion of the assessment area that was in adjacent Franklin County, a non-MSA area. Worcester County is in the central part of the state and contains the city of Worcester, the second largest city in Massachusetts after Boston.

In addition to its headquarters in Oxford, MA, the bank operates nine full-service branches in this assessment area. Each full-service branch has an ATM. In late 2025, the bank closed one branch located in a moderate-income tract in Webster, MA. There have been no branch openings or relocations since the last examination.

According to the Federal Deposit Insurance Corporation (FDIC) Summary of Deposits report as of June 30, 2025, branch deposits within the Massachusetts assessment area totaled $974.1 million, or 72.0 percent, of the bank's total deposits. There were 28 financial institutions offering deposit services through 193 branches within the assessment area. The bank ranked 9th with a deposit market share of 4.1 percent. The banks with the largest market share included national banks such as Bank of America, N.A., TD Bank, N.A., and Santander Bank, N.A., as well as regional and community banks such as UniBank for Savings, Berkshire Bank, and Cornerstone Bank.

The bank faces competition for residential lending from financial institutions and nationwide mortgage companies in the Massachusetts assessment area. Top HMDA lenders in the area include Rocket Mortgage LLC, United Wholesale Mortgage LLC, Digital Federal Credit Union, and Citizens Bank, N.A.

Table 4 provides relevant demographic information for the Massachusetts assessment area.

Table 4 Massachusetts Assessment Area Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	23	12.0	15,336	7.5	3,935	25.7	46,622	22.7
Moderate	33	17.3	30,721	15.0	3,515	11.4	34,520	16.8
Middle	85	44.5	93,614	45.6	4,087	4.4	41,841	20.4
Upper	47	24.6	65,269	31.8	1,461	2.2	82,491	40.1
Unknown	3	1.6	534	0.3	230	43.1	0	0.0
Total AA	**191**	**100.0**	**205,474**	**100.0**	**13,228**	**6.4**	**205,474**	**100.0**
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	36,254	5,978	2.9	16.5	26,503	73.1	3,773	10.4
Moderate	56,616	25,562	12.4	45.1	26,394	46.6	4,660	8.2
Middle	149,336	101,395	49.1	67.9	38,668	25.9	9,273	6.2
Upper	92,728	73,270	35.5	79.0	14,845	16.0	4,613	5.0
Unknown	1,599	138	0.1	8.6	1,328	83.1	133	8.3
Total AA	**336,533**	**206,343**	**100.0**	**61.3**	**107,738**	**32.0**	**22,452**	**6.7**
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	3,390	10.5	3,019	10.3	346	13.3	25	10.5
Moderate	4,645	14.4	4,204	14.3	419	16.0	22	9.2
Middle	13,984	43.4	12,771	43.4	1,100	42.1	113	47.3
Upper	10,027	31.1	9,234	31.4	715	27.4	78	32.6
Unknown	204	0.6	172	0.6	31	1.2	1	0.4
Total AA	**32,250**	**100.0**	**29,400**	**100.0**	**2,611**	**100.0**	**239**	**100.0**
Percentage of Total Businesses:				**91.2**		**8.1**		**0.7**

Source: 2024 FFIEC Census Data
2024 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Composition

The assessment area consists of 191 census tracts, of which 23 tracts, or 12.0 percent, are low-income; 33 tracts, or 17.3 percent, are moderate-income; 85 tracts, or 44.5 percent, are middle-income; 47 tracts, or 24.6 percent, are upper-income; and 3 tracts, or 1.6 percent, are unknown-income. The low- and moderate-income tracts are predominantly located in urban centers in the assessment area, with the largest cluster in the city of Worcester. Low- and/or moderate-income tracts are also located in Leominster, Fitchburg, Gardner, Athol, Southbridge, Millbury, Milford, and Webster. The three unknown-income tracts are all located in Worcester, and encompass the College of the Holy Cross, Clark University, and a non-residential business district.

Housing

The assessment area contains 336,533 housing units, of which 61.3 percent are owner-occupied, 32.0 percent are rental units, and 6.7 percent are vacant. According to The Warren Group, Peabody, MA, the median home sales price in the assessment area has been increasing over the evaluation period. The median sales price was $395,000 in 2022, $420,000 in 2023, and $450,000 in 2024.

Population

The assessment area has a population of 862,111 individuals. The population is comprised of 314,081 households, of which 205,474 are families. The highest portion of families, at 40.1 percent, are upper-income. Middle-income families represent 20.4 percent, and moderate- and low-income families represent 16.8 percent and 22.7 percent, respectively. Approximately 6.4 percent of families are below the poverty level.

Business Characteristics

According to D&B data, there are 32,250 businesses operating within the assessment area, with 10.5 percent located in low-income tracts, 14.4 percent moderate-income tracts, 43.4 percent in middle-income tracts, and 31.1 percent in upper-income tracts. Of the total businesses, 29,400 or 91.2 percent have gross annual revenues (GARs) of $1 million or less. Top industries and employers in the area are those that engage in healthcare, biotechnology, pharmaceuticals, manufacturing, educational services, and retail trade/transportation.

Income

The FFIEC adjusts the median family income (MFI) of metropolitan areas annually, based on estimates. The MFI for low-income is defined as family income less than 50 percent of the area median income; moderate-income is defined as income of at least 50 percent and less than 80 percent of median income; middle-income is defined as income of at least 80 percent but less than 120 percent of median income; and upper-income is defined as 120 percent of median income and above. Table 5 displays the MFI used to classify borrowers within the Worcester, MA MSA.

Table 5
Median Family Income
Massachusetts Assessment Area

MSA/MD	2022	2023	2024
Worcester, MA MSA	$107,900	$115,600	$114,100

FFIEC median family income estimates

The MFI for the Worcester, MA MSA increased from 2022 to 2023, before leveling off in 2024. However, The Warren Group data shows that home sales prices continue to increase in the area even as incomes stagnate, leading to worsening affordability.

Employment Statistics

Employment within the Massachusetts assessment area was generally stable during the evaluation period, following statewide trends. Unemployment rates recovered from 2020 highs which were due to the COVID-19 pandemic. Table 6 shows unemployment rates for each year in Worcester County and in the state of Massachusetts.

Table 6
Unemployment Rates
Massachusetts Assessment Area

Geography	2022	2023	2024
Worcester County, MA	3.8%	3.6%	4.1%
State of Massachusetts	3.6%	3.5%	4.0%

Bureau of Labor Statistics (BLS) local unemployment rates

Community Contact

As part of the evaluation process, third parties that are active in community affairs are contacted to assist in assessing the housing and credit needs in the bank's assessment area. Relevant information from this practice assists in determining whether local financial institutions are responsive to the credit needs of the community, and whether additional opportunities are available.

Examiners met with an organization that conducts economic development activities in the city of Worcester. The contact described how the area is experiencing strong economic and population growth. This has led to low vacancies and strained housing affordability, especially for low- and moderate-income individuals. Furthermore, the housing stock in the area is old and requires further investment to rehabilitate and update aging properties. The contact stated that the area needs to attract more developers to increase the supply of affordable housing, especially those that are experienced working with low-income housing tax credit or historic tax credit projects. Banks can get involved by providing creative financing for affordable housing developments that have complex sources of funding including tax credits, community development financial institutions (CDFI) or community development corporation (CDC) loan pools, loan participations, grants, and subsidies.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE MASSACHUSETTS ASSESSMENT AREA

LENDING TEST

The bank's performance under the Lending Test in Massachusetts is rated Satisfactory.

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of loans to census tracts of all income levels. The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

There were no conspicuous gaps in the bank's residential and small business loan penetration in low- and moderate-income tracts during the evaluation period.

Residential Lending

Table 7 provides a comparison of the bank's residential lending by census tract income level to the aggregate lending data and demographics of the assessment area. The bank's geographic distribution of residential loans is reasonable.

Table 7
Distribution of 2023 and 2024 Home Mortgage Lending By Income Level of Geography
Assessment Area: Massachusetts Assessment Area

Geographic Income Level	2023 Bank #	2023 Bank #%	2023 Agg #%	2023 Bank $(000)	2023 Bank $%	2023 Agg $%	2024 Bank #	2024 Bank #%	2024 Agg #%	2024 Bank $(000)	2024 Bank $%	2024 Agg $%	Owner Occupied Units %
Home Purchase Loans													
Low	4	5.1	5.4	1,238	4.2	5.0	5	5.4	5.9	2,023	5.7	5.6	2.9
Moderate	7	8.9	15.3	2,442	8.4	12.9	9	9.8	16.4	2,397	6.8	13.9	12.4
Middle	29	36.7	47.2	9,550	32.8	43.7	37	40.2	47.4	13,445	37.9	44.2	49.1
Upper	39	49.4	31.8	15,921	54.6	38.0	41	44.6	30.0	17,644	49.7	36.1	35.5
Unknown	0	0.0	0.3	0	0.0	0.3	0	0.0	0.2	0	0.0	0.2	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	79	100.0	100.0	29,151	100.0	100.0	92	100.0	100.0	35,509	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	3.9	0	0.0	4.2	0	0.0	3.8	0	0.0	4.3	2.9
Moderate	5	23.8	12.8	525	15.8	11.6	3	6.8	15.2	540	6.7	13.3	12.4
Middle	7	33.3	45.7	774	23.3	43.0	23	52.3	46.5	3,323	41.4	43.9	49.1
Upper	9	42.9	37.4	2,025	60.9	40.9	18	40.9	34.2	4,171	51.9	38.2	35.5
Unknown	0	0.0	0.2	0	0.0	0.2	0	0.0	0.2	0	0.0	0.3	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	21	100.0	100.0	3,324	100.0	100.0	44	100.0	100.0	8,034	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	1.9	0	0.0	1.9	1	1.9	2.5	50	0.8	2.0	2.9
Moderate	6	31.6	10.6	349	25.6	8.1	6	11.3	12.3	510	7.9	10.4	12.4
Middle	10	52.6	43.6	862	63.3	37.6	29	54.7	46.4	2,996	46.2	41.6	49.1
Upper	3	15.8	43.8	151	11.1	52.2	17	32.1	38.8	2,931	45.2	46.0	35.5
Unknown	0	0.0	0.1	0	0.0	0.1	0	0.0	0.1	0	0.0	0.1	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	19	100.0	100.0	1,362	100.0	100.0	53	100.0	100.0	6,487	100.0	100.0	100.0
Multifamily Loans													**Multi-family Units %**
Low	0	0.0	26.3	0	0.0	15.6	0	0.0	30.5	0	0.0	24.9	26.5
Moderate	1	50.0	35.6	638	52.3	33.8	0	0.0	26.4	0	0.0	17.7	23.5
Middle	1	50.0	30.0	581	47.7	34.4	0	0.0	36.2	0	0.0	50.9	34.1
Upper	0	0.0	8.1	0	0.0	16.2	0	0.0	6.9	0	0.0	6.5	14.4
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	1.5
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	2	100.0	100.0	1,219	100.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans													**Owner Occupied Units %**
Low	4	3.3	4.5	1,238	3.5	5.2	6	3.2	5.0	2,073	4.1	6.2	2.9
Moderate	19	15.7	13.9	3,954	11.3	13.4	18	9.5	15.1	3,447	6.9	13.7	12.4
Middle	47	38.8	46.1	11,767	33.6	42.8	89	47.1	47.0	19,764	39.5	44.3	49.1
Upper	51	42.1	35.3	18,097	51.6	38.3	76	40.2	32.7	24,746	49.5	35.7	35.5
Unknown	0	0.0	0.2	0	0.0	0.3	0	0.0	0.2	0	0.0	0.2	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	121	100.0	100.0	35,056	100.0	100.0	189	100.0	100.0	50,030	100.0	100.0	100.0

Source: 2024 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

In 2023, the bank originated four loans, or 3.3 percent, in low-income tracts, which was above the percentage of owner-occupied housing units at 2.9 percent, but below the aggregate at 4.5 percent. In the same year, the bank originated 19 loans, or 15.7 percent, in moderate-income tracts, which was above the percentage of owner-occupied housing units at 12.4 percent, and above the aggregate at 13.9 percent.

In 2024, the bank originated six loans, or 3.2 percent, in low-income tracts, which was above the percentage of owner-occupied housing units at 2.9 percent, and below the aggregate at 5.0 percent. For the same year, the bank originated 18 loans, or 9.5 percent, in moderate-income tracts, which was below the percentage of owner-occupied housing units at 12.4 percent, and below the aggregate at 15.1 percent.

The bank's home mortgage lending performance in 2022 was similar to the years shown in the tables above.

Small Business Lending

Table 8 represents the distribution of small business loans by census tract income level. The bank's geographic distribution of small business loans is reasonable.

Table 8
Distribution of 2023 and 2024 Small Business Lending By Income Level of Geography
Assessment Area: Massachusetts Assessment Area

Geographic Income Level	Bank Loans By Year								Total Businesses %
	2023				2024				
	#	#%	$(000)	$%	#	#%	$(000)	$%	
Low	3	5.7	440	4.3	3	8.1	1,075	13.5	10.5
Moderate	12	22.6	3,017	29.7	3	8.1	500	6.3	14.4
Middle	24	45.3	4,022	39.6	17	45.9	4,226	52.9	43.4
Upper	14	26.4	2,667	26.3	14	37.8	2,182	27.3	31.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0	0.6
Tract-Unk	0	0.0	0	0.0	0	0.0	0	0.0	
Total	53	100.0	10,146	100.0	37	100.0	7,983	100.0	100.0

Source: 2024 FFIEC Census Data
2024 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

In 2023, the bank originated three loans, or 5.7 percent, in low-income tracts which was below the share of total businesses in low-income tracts at 10.5 percent. For the same year, the bank originated 12 loans, or 22.6 percent, in moderate-income tracts, which was above the share of total businesses in moderate-income tracts at 14.4 percent.

In 2024, the bank originated three loans, or 8.1 percent, in low-income tracts, which was below the share of total businesses in low-income tracts at 10.5 percent. For the same year, the bank originated three loans, or 8.1 percent, in moderate-income tracts, which was below the share of total businesses in moderate-income tracts at 14.4 percent.

The bank's small business lending performance in 2022 was similar to the years shown in the tables above.

Borrower Profile

This criterion analyzes the distribution of loans to borrowers of different income levels as well as businesses with different revenues. The distribution of borrowers reflects, given the demographics of the assessment area, excellent penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.

Residential Lending

Table 9 provides a comparison of the bank's home mortgage lending by income level of the borrower to the income distribution of families in the assessment area and demographic data. The table further outlines the bank's performance by loan type in comparison to the aggregate group. The bank's performance in lending to individuals of different income levels, including low- and moderate-income borrowers, is excellent.

Table 9 Distribution of 2023 and 2024 Home Mortgage Lending By Borrower Income Level Assessment Area: Massachusetts Assessment Area													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2023						2024						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000)	$%	$%	#	#%	#%	$(000)	$%	$%	
Home Purchase Loans													
Low	6	7.6	4.0	977	3.4	1.8	5	5.4	2.7	775	2.2	1.1	22.7
Moderate	15	19.0	19.4	3,862	13.2	13.7	10	10.9	16.3	2,687	7.6	10.8	16.8
Middle	19	24.1	26.1	6,956	23.9	24.2	23	25.0	24.9	6,832	19.2	21.8	20.4
Upper	35	44.3	34.7	16,087	55.2	43.8	53	57.6	36.6	24,915	70.2	45.5	40.1
Unknown	4	5.1	15.9	1,269	4.4	16.6	1	1.1	19.7	300	0.8	20.8	0.0
Total	79	100.0	100.0	29,151	100.0	100.0	92	100.0	100.0	35,509	100.0	100.0	100.0
Refinance Loans													
Low	2	9.5	9.0	75	2.3	5.1	9	20.5	6.7	766	9.5	3.3	22.7
Moderate	6	28.6	23.5	740	22.3	19.7	8	18.2	17.5	896	11.2	12.1	16.8
Middle	3	14.3	25.2	315	9.5	23.5	8	18.2	21.5	1,636	20.4	18.4	20.4
Upper	10	47.6	32.1	2,194	66.0	37.5	18	40.9	35.1	4,536	56.5	40.1	40.1
Unknown	0	0.0	10.2	0	0.0	14.1	1	2.3	19.3	200	2.5	26.2	0.0
Total	21	100.0	100.0	3,324	100.0	100.0	44	100.0	100.0	8,034	100.0	100.0	100.0
Home Improvement Loans													
Low	2	10.5	7.4	55	4.0	4.5	4	7.5	5.9	225	3.5	3.0	22.7
Moderate	7	36.8	21.6	377	27.7	14.7	6	11.3	18.2	342	5.3	12.2	16.8
Middle	7	36.8	26.6	430	31.6	22.4	12	22.6	27.7	1,221	18.8	22.2	20.4
Upper	2	10.5	41.9	95	7.0	53.8	30	56.6	44.8	4,624	71.3	56.2	40.1
Unknown	1	5.3	2.5	405	29.7	4.6	1	1.9	3.4	75	1.2	6.4	0.0
Total	19	100.0	100.0	1,362	100.0	100.0	53	100.0	100.0	6,487	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	10	8.4	5.7	1,107	3.3	2.5	18	9.5	4.4	1,766	3.5	1.8	22.7
Moderate	28	23.5	20.6	4,979	14.7	14.6	24	12.7	16.9	3,925	7.8	11.1	16.8
Middle	29	24.4	26.1	7,701	22.8	23.9	43	22.8	24.6	9,689	19.4	21.1	20.4
Upper	47	39.5	35.6	18,376	54.3	43.6	101	53.4	37.8	34,075	68.1	45.2	40.1
Unknown	5	4.2	12.0	1,674	4.9	15.4	3	1.6	16.2	575	1.1	20.8	0.0
Total	119	100.0	100.0	33,837	100.0	100.0	189	100.0	100.0	50,030	100.0	100.0	100.0

Source: 2024 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.
Multifamily loans are not included in the borrower distribution analysis.

In 2023, the bank originated 10 home mortgage loans, or 8.4 percent, to low-income borrowers, which was below the percentage of low-income families in the assessment area at 22.7 percent, and above the aggregate at 5.7 percent. Given the financial challenges for some low-income families to obtain a home mortgage loan, it is not expected that the bank's lending percentage aligns with the percentage of low-income families in the assessment area. For the same year, the bank originated 28 home mortgage loans, or 23.5 percent, to moderate-income borrowers, which was above the percentage of moderate-income families in the assessment area at 16.8 percent, and above the aggregate at 20.6 percent.

In 2024, the bank originated 18 home mortgage loans, or 9.5 percent, to low-income borrowers, which was below the percentage of low-income families in the assessment area and above the aggregate at 4.4 percent. For the same year, the bank originated 24 home mortgage loans, or 12.7 percent, to moderate-income borrowers, which was below the percentage of moderate-income families in the assessment area and below the aggregate at 16.9 percent.

The bank's home mortgage lending performance in 2022 was similar to the years shown in the tables above.

Small Business Lending

The bank's small business loans originated within the assessment area were analyzed to determine the distribution among businesses of various sizes. Table 10 details the bank's lending to small businesses according to revenue size. The bank's performance in lending to businesses with GARs of $1 million or less is reasonable.

Table 10
Distribution of 2023 and 2024 Small Business Lending By Revenue Size of Businesses
Assessment Area: Massachusetts Assessment Area

	Bank Loans By Year								Total Businesses %
	2023				2024				
	#	#%	$(000)	$%	#	#%	$(000)	$%	
By Revenue									
$1 Million or Less	25	47.2	3,930	38.7	20	54.1	2,528	31.7	91.2
Over $1 Million	28	52.8	6,216	61.3	17	45.9	5,455	68.3	8.1
Revenue Unknown	0	0.0	0	0.0	0	0.0	0	0.0	0.7
Total	53	100.0	10,146	100.0	37	100.0	7,983	100.0	100.0
By Loan Size									
$100,000 or Less	25	47.2	1,163	11.5	16	43.2	809	10.1	
$100,001 - $250,000	15	28.3	2,453	24.2	10	27.0	1,916	24.0	
$250,001 - $1 Million	13	24.5	6,530	64.4	11	29.7	5,258	65.9	
Total	53	100.0	10,146	100.0	37	100.0	7,983	100.0	
By Loan Size and Revenue $1 Million or Less									
$100,000 or Less	16	64.0	749	19.1	13	65.0	650	25.7	
$100,001 - $250,000	3	12.0	423	10.8	4	20.0	773	30.6	
$250,001 - $1 Million	6	24.0	2,758	70.2	3	15.0	1,105	43.7	
Total	25	100.0	3,930	100.0	20	100.0	2,528	100.0	

Source: 2024 FFIEC Census Data
2024 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

In 2023, the bank originated 25 loans, or 47.2 percent, to businesses with GARs of $1 million or less, which was below the share of total businesses with GARs of $1 million or less in the assessment area at 91.2 percent. In 2024, the bank originated 20 loans, or 54.1 percent, to businesses with GARs of $1 million or less, which was below the share of businesses with GARs of $1 million or less in the assessment area.

The bank's small business lending performance in 2022 was similar to the years shown in the tables above.

COMMUNITY DEVELOPMENT TEST

bankHometown's performance under the Community Development Test is rated Outstanding. The bank's community development performance demonstrates excellent responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area.

Community Development Loans

During the evaluation period, the bank originated 39 community development loans totaling $73.4 million in Massachusetts. This included 33 loans, totaling $45.1 million, which impacted the Massachusetts assessment area, and six loans, totaling $28.3 million, that impacted the greater statewide area.

Table 11 provides a summary of the bank's community development lending in the Massachusetts assessment area. The bank's loans primarily promote affordable housing by dollar amount, which is considered a key community development need in the area as described by the community contact.

Table 11
Community Development Loans by Purpose
Massachusetts Assessment Area

Community Development Category	7/18/2022 - 12/31/2022		2023		2024		2025		1/1/2026 – 3/2/2026		Total	
	#	$(000s)	#	$(000s)	#	$(000s)	#	$(000s)	#	$(000s)	#	$(000s)
Affordable Housing	1	3,760	3	10,908	0	0	4	12,653	0	0	8	27,321
Community Services	0	0	0	0	0	0	0	0	0	0	0	0
Economic Development	2	405	4	2,952	1	900	11	7,543	0	0	18	11,800
Revitalization/ Stabilization	2	4,813	0	0	4	762	1	400	0	0	7	5,975
Total	**5**	**8,978**	**7**	**13,860**	**5**	**1,662**	**16**	**20,596**	**0**	**0**	**33**	**45,096**

Source: Bank provided community development loans

The following is a summary of some of the more responsive and impactful community development loans qualified in the assessment area:

- The bank originated 16 Small Business Administration 504 loans, totaling approximately $10.0 million, during the evaluation period in the assessment area. The 504 program is designed for fixed asset purchases such as real estate and major equipment for business expansion and job creation. Under this program, the bank partners with a CDC to finance the small business. These loans promote economic development.

- The bank participated in multiple rounds of financing for the development of a 324-unit affordable housing development in Auburn, MA. Approximately 25.0 percent of total units are set aside as affordable housing for low- and moderate-income households as per the requirements of Massachusetts Chapter 40B, a state statute that seeks to improve the supply of affordable housing. The qualified amount of the bank's financing totaled $6.4 million, considering the pro-rated share of affordable units.

- The bank originated a $3.8 million dollar loan for working capital for the development of a new mobile home park in Sturbridge, MA. The development will help increase the supply of affordable housing and provide an alternative housing option for low- and moderate-income individuals.

- The bank originated a $3.6 million loan for the purchase of a two-unit medical services building in a moderate-income census tract in Worcester. The borrower's stated loan purpose is to expand their medical business within the partially vacant building. The loan helps revitalize and stabilize the moderate-income tract by expanding medical services within the tract.

Qualified Investments

The bank made a total of $8.0 million in qualified investments that impacted the state of Massachusetts, of which $7.2 million in qualified investments impacted the assessment area. Qualified investments in Massachusetts consisted of both community development investments and qualified donations.

The following is a summary of the bank's community development investments.

- During the evaluation period, the bank purchased one new multifamily mortgage-backed security for $2.0 million that helped promote multifamily affordable housing in Worcester. A substantial majority of units are restricted to low-income individuals or families earning less than 50.0 percent of the area median income.

- The bank maintains five prior period mortgage-backed securities with current book values of $5.2 million. These securities are backed by mortgages to low- and moderate-income individuals and help promote affordable housing. Four of the mortgage-backed securities with current book values of $4.4 million impact the assessment area. One of the mortgage-backed securities with a current book value of $742,142 impacts the greater statewide area.

- The bank maintains one prior period investment with a current book value of $100,000 in the Worcester Community Housing Resources community loan fund. The loan fund assists in developing affordable housing throughout Worcester County.

Table 12 displays the bank's donations which impacted the Massachusetts assessment area by year and community development purpose.

Table 12 Qualified Donations by Purpose Massachusetts Assessment Area												
Community Development Category	**7/18/2022 - 12/31/2022**		**2023**		**2024**		**2025**		**1/1/2026 – 3/2/2026**		**Total**	
	#	**$**	**#**	**$**	**#**	**$**	**#**	**$**	**#**	**$**	**#**	**$**
Affordable Housing	2	12,500	2	6,000	2	10,000	5	14,250	0	0	11	42,750
Community Services	26	54,250	52	125,125	48	86,122	51	98,682	11	18,070	188	382,249
Economic Development	2	6,000	7	39,050	13	65,550	12	69,910	1	825	35	181,335
Revitalization/ Stabilization	1	250	5	26,700	7	27,475	3	31,500	0	0	16	85,925
Total	**31**	**73,000**	**66**	**196,875**	**70**	**189,147**	**71**	**214,342**	**12**	**18,895**	**250**	**692,259**
Source: Bank provided qualified donations												

As shown in the table, a significant percentage of donations supported community services to low- and moderate-income individuals.

The following is a sample of the organizations that benefited from the bank's donations.

- *Neighbors Helping Neighbors Program* –The bank coordinates an annual appeal inviting bank customers, employees, and community members to help fight food insecurity. The bank matches donations dollar-for-dollar and divides the total across food pantries in Massachusetts. Food pantries impacted include Athol Salvation Army Food Pantry, Auburn Youth and Family Services Inc., CARE Food Pantry, Friendly House Inc., Ginny's Helping Hand Inc., Oxford Ecumenical Food Shelf, and Southbridge Food Share.

- *United Way of Massachusetts Chapters* - The bank donated to various chapters of the United Way including the United Way of Central MA, United Way of North-Central MA, and United Way of South-Central MA. In general, the United Way works in partnership with local communities to identify and address pressing challenges and provide equitable access to the tools and resources to support basic needs. Areas of focus include youth wellbeing and mental health; food insecurity; children, youth, and families; and economic security.

- *Worcester Regional Strategic Opportunities Foundation, Inc*. - This organization supports the education and workforce development initiatives of the Worcester Chamber of Commerce, as well as business recruitment and economic development efforts. The foundation focuses its economic development efforts in underserved areas and to small businesses.

- *Gladys E. Kelly Public Library* - The bank has donated to revitalize a community library in a moderate-income tract in Webster, MA. The library is a non-profit organization that provides access to free resources and important community services for low- and moderate-income individuals.

- *Energy Assistance Programs* - The bank has donated to the town of Sutton, town of Millbury, and the Worcester Community Action Council to provide fuel and energy assistance to low- and moderate-income households that cannot afford to heat their homes during the winter.

Community Development Services

During the evaluation period, 30 employees provided community development services to 26 organizations which benefited the assessment area. The following are examples of service activities:

- *NewVue Communities* - This CDC supports community development through increasing homeownership, small business development, affordable housing development, asset management, and community organizing. Programs include first-time homebuyer education, eviction and foreclosure prevention, financial coaching, and small business technical assistance. A bank vice president serves on this organization's board.

- *North Central Massachusetts Development Corporation* - This organization promotes economic development through small business lending and financing, technical assistance, and other small business resources. The organization is governed by the North Central Massachusetts Economic Development Council, which includes business and community leaders, chamber of commerce representatives, planning and development organizations, and elected officials. A bank vice president serves on the organization's board and loan committee.

- *Worcester Community Housing Resources, Inc.* - This organization creates and preserves affordable housing opportunities for low- and moderate-income households and supports neighborhood revitalization throughout Worcester County. A bank senior vice president serves on the organization's loan committee, and another bank senior vice president serves on the organization's board as treasurer.

- *Worcester Business Development Corporation* - This organization, which is a public-private partnership, seeks to create a healthy economy in the Worcester area by assisting small businesses, fostering growth of entrepreneurs, and promoting employment opportunities. The bank president & CEO serves on the organization's board as an executive committee member.

Financial Literacy Education

During the evaluation period, bank employees participated in classes and events aimed at supporting financial literacy for students, educating homebuyers, and promoting workforce development to small businesses and their employees. The following are examples of these activities:

- *First-Time Homebuyer Classes* - During the evaluation period, bank employees participated in first-time homebuyer classes in conjunction with local community development organizations that primarily serve low- and moderate-income individuals such as Habitat for Humanity and NewVue Communities. In addition, the bank hosted first-time homebuyer classes at one of its branches located in a moderate-income census tract.

- *Workforce Development Events* - During the evaluation period, bank employees participated in workforce development activities through its Bank at Work program which provides local businesses, including small businesses, with financial literacy and wellness programs for their employees. In addition, bank employees participated in events with the organization Entrepreneurship for All to provide technical assistance to small business owners.

- *Financial Literacy Classes* - Bank employees participated in financial literacy classes in conjunction with community development organizations such as the United Way of Central MA and Wendell Good Neighbors, Inc.

STATE OF CONNECTICUT

CRA RATING FOR Connecticut: SATISFACTORY

The Lending Test is rated: SATISFACTORY
The Community Development Test is rated: OUTSTANDING

Lending Test

- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

- The distribution of borrowers reflects, given the demographics of the assessment area, excellent penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.

Community Development Test

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

SCOPE OF EXAMINATION

The Connecticut assessment area was evaluated using full-scope examination procedures. The Connecticut state rating aligned with the conclusions for the Connecticut assessment area. The Lending Test rating for the state of Connecticut considered the geographic distribution of loans and the distribution of loans among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. The Community Development Test rating for the state of Connecticut considered community development activities in the assessment area and the statewide area that included the assessment area. Based on the level of deposits, lending, and other activities, the state of Connecticut was given less weight compared to the state of Massachusetts when arriving at overall ratings. The performance criteria, products analyzed, and reviews periods are consistent with the scope outlined at the beginning of this evaluation.

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN THE CONNECTICUT ASSESSMENT AREA

The Connecticut assessment area consists of the entirety of the NECTPR, which is in a non-MSA portion of the state. This is a change from the prior examination, as the bank had previously delineated a portion of Windham County as its assessment area. Since the previous examination, the state of Connecticut has replaced its counties with planning regions for federal and state reporting purposes as well as for planning, regional services, and census data. The NECTPR has replaced Windham County, incorporating most of the towns located in that county as well as certain adjacent census tracts from Tolland and New London Counties. The NECTPR is in the northeastern portion of the state and is bound by Massachusetts to the north and Rhode Island to the east.

The bank operates five full-service branches in this assessment area. Each full-service branch has an ATM. The bank has not opened, closed, or relocated any branches in this area since the last examination. In 2024, the bank closed its standalone ATM located in the Day Kimball Hospital in Putnam, CT.

According to the FDIC Summary of Deposits report as of June 30, 2025, branch deposits within the Connecticut assessment area totaled $378.1 million, or 28.0 percent of the bank's total deposits. There were seven financial institutions offering deposit services through 20 branches within this area. The bank ranked first, with a deposit market share of 25.9 percent, followed by Centreville Bank and Berkshire Bank.

The bank faces competition for residential lending from financial institutions and nationwide mortgage companies in the Connecticut assessment area. Top HMDA lenders in the area include Charter Oak Federal Credit Union, Citizens Bank, N.A., United Wholesale Mortgage, LLC, PennyMac Loan Services, LLC, Guaranteed Rate, Inc., and Rocket Mortgage, LLC.

Table 13 provides relevant demographic information for the Connecticut assessment area.

Table 13
Connecticut Assessment Area Demographics

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	4,708	18.0
Moderate	4	15.4	4,798	18.3	533	11.1	5,868	22.4
Middle	18	69.2	17,559	67.1	784	4.5	6,295	24.0
Upper	4	15.4	3,822	14.6	84	2.2	9,308	35.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	**26**	**100.0**	**26,179**	**100.0**	**1,401**	**5.4**	**26,179**	**100.0**

	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	7,326	3,874	13.7	52.9	2,825	38.6	627	8.6
Middle	28,152	20,040	70.6	71.2	5,858	20.8	2,254	8.0
Upper	6,250	4,457	15.7	71.3	1,099	17.6	694	11.1
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	**41,728**	**28,371**	**100.0**	**68.0**	**9,782**	**23.4**	**3,575**	**8.6**

	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	656	18.1	598	17.9	47	21.3	11	16.7
Middle	2,468	67.9	2,261	67.6	159	71.9	48	72.7
Upper	509	14.0	487	14.6	15	6.8	7	10.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	**3,633**	**100.0**	**3,346**	**100.0**	**221**	**100.0**	**66**	**100.0**
Percentage of Total Businesses:				**92.1**		**6.1**		**1.8**

Source: 2024 FFIEC Census Data
2024 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Composition

The Connecticut assessment area consists of 26 census tracts, of which four tracts, or 15.4 percent, are moderate-income; 18 tracts, or 69.2 percent, are middle-income; and four tracts, or 15.4 percent, are upper-income. There are no low-income tracts in the assessment area. The moderate-income tracts are located in the municipalities of Putnam, Killingly, Brooklyn, and

Plainfield.

Housing

The assessment area contains 41,728 housing units, of which 68.0 percent are owner-occupied, 23.4 percent are rental units, and 8.6 percent are vacant. According to The Warren Group, the median home sales price in the area has been increasing over the evaluation period. The median sales price was $260,000 in 2022, $275,000 in 2023, and $310,000 in 2024.

Population

The assessment area has a population of 95,348 individuals. The population is comprised of 38,153 households, of which 26,179 are families. The highest portion of families, at 35.6 percent, are upper-income. Middle-income families represent 24.0 percent, and moderate- and low-income families represent 22.4 percent and 18.0 percent, respectively. Approximately 5.4 percent of families are below the poverty level.

Business Characteristics

According to D&B data, there are 3,633 businesses operating within the assessment area, with 18.1 percent located in moderate-income tracts, 67.9 percent in middle-income tracts, and 14.0 percent in upper-income tracts. Of the total businesses, 3,346 or 92.1 percent have GARs of $1 million or less. Top industries and employers in the area are those that engage in manufacturing, healthcare, and educational services.

Income

The FFIEC adjusts the MFI of metropolitan areas annually, based on estimates. The MFI for low-income is defined as family income less than 50 percent of the area median income; moderate-income is defined as income of at least 50 percent and less than 80 percent of median income; middle-income is defined as income of at least 80 percent but less than 120 percent of median income; and upper-income is defined as 120 percent of median income and above. Table 14 displays the MFI used to classify borrowers within the non-MSA portion of Connecticut. The NECTPR is located in a non-MSA portion of the state.

Table 14 Median Family Income Connecticut Assessment Area			
MSA/MD	**2022**	**2023**	**2024**
Connecticut non-MSA	$112,600	$114,700	$105,400
FFIEC median family income estimates			

As shown in the table above, the MFI for the non-MSA portion of Connecticut was slightly increasing before decreasing in 2024. This was primarily a result of Connecticut replacing its historic counties with planning regions, as well as the release of the Office of Management and Budget (OMB) Bulletin No. 23-01: Revised Federal Statistical Area Delineations in July 2023, which impacted the composition of MSA and non-MSA areas in the state. The rise in median home sales prices coupled with stagnant incomes has increased housing affordability challenges in the area.

Employment Statistics

Unemployment rates showed a decreasing trend within the assessment area during the evaluation period, following statewide trends. Unemployment rates recovered from 2020 highs that resulted due to the COVID-19 pandemic. Table 15 shows unemployment rates for each year in the NECTPR and in the state of Connecticut.

Table 15 Unemployment Rates Connecticut Assessment Area			
Geography	**2022**	**2023**	**2024**
Northeastern CT Planning Region, CT	4.1%	3.3%	3.1%
State of Connecticut	4.1%	3.2%	3.2%
Bureau of Labor Statistics (BLS) local unemployment rates			

Community Contact

As part of the evaluation process, third parties that are active in community affairs are contacted to assist in assessing the housing, business and credit needs in the bank's assessment area. Relevant information from this practice assists in determining whether local financial institutions are responsive to the credit needs of the community, and whether additional opportunities are available.

A community contact was conducted with a representative from a CDFI that focuses on small business lending to businesses that may not qualify for traditional financing throughout Connecticut, including the NECTPR. The contact identified several needs related to economic development of small businesses. Small business owners may not have the financial or technical expertise to obtain financing, raise capital, or navigate growth. The contact stated that banks could be more involved in small business financial literacy seminars and workshops to meet this need. In addition, low- and moderate-income business owners often do not qualify for traditional business financing from banks. In these cases, banks should show initiative in actively referring these individuals to CDFIs and other community development-related lenders that may be able to extend credit to these customers.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE CONNECTICUT ASSESSMENT AREA

LENDING TEST

The bank's performance under the Lending Test in Connecticut is rated Satisfactory.

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of loans to census tracts of all income levels. The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

There were no conspicuous gaps in the bank's residential and small business loan penetration in moderate-income tracts during the evaluation period. The assessment area does not contain any low-income tracts.

Residential Lending

Table 16 provides a comparison of the bank's home mortgage lending by census tract income level to the aggregate lending data and demographics of the assessment area. The bank's geographic distribution of loans is reasonable.

Table 16
Distribution of 2023 and 2024 Home Mortgage Lending By Income Level of Geography
Assessment Area: Connecticut Assessment Area

Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2023						2024						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000)	$%	$%	#	#%	#%	$(000)	$%	$%	
Home Purchase Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	3	33.3	26.5	943	37.0	25.0	1	9.1	19.5	114	3.4	18.1	13.7
Middle	5	55.6	66.2	1,442	56.5	67.3	9	81.8	66.3	3,173	94.8	66.6	70.6
Upper	1	11.1	7.3	166	6.5	7.8	1	9.1	14.2	60	1.8	15.3	15.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	9	100.0	100.0	2,551	100.0	100.0	11	100.0	100.0	3,347	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	18.6	0	0.0	17.9	2	16.7	17.5	370	20.3	17.7	13.7
Middle	7	87.5	74.1	611	81.5	75.1	6	50.0	70.2	859	47.1	70.9	70.6
Upper	1	12.5	7.3	139	18.5	7.1	4	33.3	12.3	595	32.6	11.3	15.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	8	100.0	100.0	750	100.0	100.0	12	100.0	100.0	1,824	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	2	20.0	16.8	34	2.7	14.1	6	18.2	12.9	451	13.2	10.1	13.7
Middle	8	80.0	75.1	1,244	97.3	76.8	25	75.8	74.2	2,391	70.1	77.2	70.6
Upper	0	0.0	8.1	0	0.0	9.1	2	6.1	12.9	568	16.7	12.7	15.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	10	100.0	100.0	1,278	100.0	100.0	33	100.0	100.0	3,410	100.0	100.0	100.0
Multifamily Loans													**Multi-family Units %**
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	1	50.0	35.7	2,560	78.5	14.1	0	0.0	46.2	0	0.0	26.3	33.6
Middle	1	50.0	28.6	700	21.5	8.7	0	0.0	53.8	0	0.0	73.7	54.7
Upper	0	0.0	35.7	0	0.0	77.2	0	0.0	0.0	0	0.0	0.0	11.8
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	2	100.0	100.0	3,260	100.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans													**Owner Occupied Units %**
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	6	20.7	23.0	3,537	45.1	22.5	9	16.1	17.9	935	10.9	17.6	13.7
Middle	21	72.4	69.6	3,997	51.0	66.2	40	71.4	68.2	6,423	74.9	68.1	70.6
Upper	2	6.9	7.5	305	3.9	11.4	7	12.5	13.9	1,223	14.3	14.3	15.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	29	100.0	100.0	7,839	100.0	100.0	56	100.0	100.0	8,581	100.0	100.0	100.0

Source: 2024 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

In 2023, the bank originated six loans, or 20.7 percent, in moderate-income tracts, which was above the percentage of owner-occupied housing units at 13.7 percent, but below the aggregate at 23.0 percent.

In 2024, the bank originated nine loans, or 16.1 percent, in moderate-income tracts, which was above the percentage of owner-occupied housing units and below the aggregate at 17.9 percent.

The bank's home mortgage lending performance in 2022 was similar to the years shown in the tables above.

Small Business Lending

Table 17 represents the distribution of small business loans by census tract income level. The bank's geographic distribution of small business loans is reasonable.

Table 17
Distribution of 2023 and 2024 Small Business Lending By Income Level of Geography
Assessment Area: Connecticut Assessment Area

Geographic Income Level	Bank Loans By Year								Total Businesses %
	2023				2024				
	#	#%	$(000)	$%	#	#%	$(000)	$%	
Low	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Moderate	2	13.3	300	15.5	2	25.0	315	19.1	18.1
Middle	12	80.0	935	48.3	6	75.0	1,335	80.9	67.9
Upper	1	6.7	700	36.2	0	0.0	0	0.0	14.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	0	0.0	0	0.0	
Total	15	100.0	1,935	100.0	8	100.0	1,650	100.0	100.0

Source: 2024 FFIEC Census Data
2024 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

In 2023, the bank originated two loans, or 13.3 percent, in moderate-income tracts, which was below the share of total businesses in moderate-income tracts at 18.1 percent.

In 2024, the bank originated two loans, or 25.0 percent, in moderate-income tracts, which was above the share of total businesses in moderate-income tracts.

The bank's small business lending performance in 2022 was similar to the years shown in the tables above.

Borrower Profile

This criterion analyzes the distribution of loans to borrowers of different income levels as well as businesses with different revenues. The distribution of borrowers reflects, given the demographics of the assessment area, excellent penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.

Residential Lending

Table 18 provides a comparison of the bank's residential lending by income level of the borrower to the income distribution of families in the assessment area and demographic data. The table further outlines the bank's performance by loan type in comparison to the aggregate group. The bank's performance in lending to individuals of different income levels, including low- and moderate-income borrowers, is excellent.

Table 18
Distribution of 2023 and 2024 Home Mortgage Lending By Borrower Income Level
Assessment Area: Connecticut Assessment Area

Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2023						2024						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000)	$%	$%	#	#%	#%	$(000)	$%	$%	
Home Purchase Loans													
Low	1	11.1	7.5	166	6.5	4.2	1	9.1	2.9	143	4.3	1.6	18.0
Moderate	2	22.2	30.1	403	15.8	26.0	2	18.2	19.7	192	5.7	15.6	22.4
Middle	2	22.2	23.4	509	20.0	24.9	3	27.3	28.3	692	20.7	27.2	24.0
Upper	3	33.3	18.6	1,153	45.2	23.7	5	45.5	22.8	2,320	69.3	29.0	35.6
Unknown	1	11.1	20.4	320	12.5	21.2	0	0.0	26.4	0	0.0	26.6	0.0
Total	9	100.0	100.0	2,551	100.0	100.0	11	100.0	100.0	3,347	100.0	100.0	100.0
Refinance Loans													
Low	2	25.0	15.6	201	26.8	9.0	2	16.7	7.6	180	9.9	3.9	18.0
Moderate	3	37.5	28.8	218	29.1	27.1	1	8.3	20.4	50	2.7	15.6	22.4
Middle	2	25.0	26.8	132	17.6	26.0	4	33.3	25.2	646	35.4	22.9	24.0
Upper	1	12.5	17.7	199	26.5	22.7	5	41.7	22.4	948	52.0	23.6	35.6
Unknown	0	0.0	11.1	0	0.0	15.2	0	0.0	24.5	0	0.0	33.9	0.0
Total	8	100.0	100.0	750	100.0	100.0	12	100.0	100.0	1,824	100.0	100.0	100.0
Home Improvement Loans													
Low	2	20.0	15.1	65	5.1	9.5	3	9.1	8.0	225	6.6	5.0	18.0
Moderate	4	40.0	28.7	248	19.4	24.6	10	30.3	23.1	769	22.6	17.0	22.4
Middle	3	30.0	30.1	275	21.5	28.3	10	30.3	32.0	925	27.1	27.9	24.0
Upper	1	10.0	22.3	690	54.0	33.1	10	30.3	35.4	1,491	43.7	47.6	35.6
Unknown	0	0.0	3.8	0	0.0	4.5	0	0.0	1.5	0	0.0	2.5	0.0
Total	10	100.0	100.0	1,278	100.0	100.0	33	100.0	100.0	3,410	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	5	18.5	11.2	432	9.4	5.7	6	10.7	4.7	548	6.4	2.3	18.0
Moderate	9	33.3	29.3	869	19.0	26.0	13	23.2	20.9	1,011	11.8	15.8	22.4
Middle	7	25.9	25.7	916	20.0	25.5	17	30.4	28.2	2,263	26.4	26.5	24.0
Upper	5	18.5	19.3	2,042	44.6	24.2	20	35.7	25.5	4,759	55.5	29.1	35.6
Unknown	1	3.7	14.4	320	7.0	18.6	0	0.0	20.7	0	0.0	26.3	0.0
Total	27	100.0	100.0	4,579	100.0	100.0	56	100.0	100.0	8,581	100.0	100.0	100.0

Source: 2024 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.
Multifamily loans are not included in the borrower distribution analysis.

In 2023, the bank originated five home mortgage loans, or 18.5 percent, to low-income borrowers, which was above the percentage of low-income families in the assessment area at 18.0 percent and above the aggregate at 11.2 percent. This is notable given the financial challenges for low-income families to obtain a home mortgage loan in the area given the median home sales prices. For the same year, the bank originated nine home mortgage loans, or 33.3 percent, to moderate-income borrowers, which was above the percentage of moderate-income families in the assessment area at 22.4 percent and above the aggregate at 29.3 percent.

In 2024, the bank originated six home mortgage loans, or 10.7 percent, to low-income borrowers, which was below the percentage of low-income families in the assessment area and above the aggregate at 4.7 percent. For the same year, the bank originated 13 home mortgage loans, or 23.2 percent, to moderate-income borrowers, which was above the percentage of moderate-income families in the assessment area and above the aggregate at 20.9 percent.

The bank's home mortgage lending performance in 2022 was similar to the years shown in the tables above.

Small Business Lending

The bank's small business loans originated within the assessment area were analyzed to determine the distribution among businesses of various sizes. Table 19 details the bank's lending to small businesses according to revenue size. The bank's performance in lending to businesses with GARs of $1 million or less is reasonable.

Table 19 Distribution of 2023 and 2024 Small Business Lending By Revenue Size of Businesses Assessment Area: Connecticut Assessment Area									
	Bank Loans By Year								Total Businesses %
	2023				2024				
	#	#%	$(000)	$%	#	#%	$(000)	$%	
By Revenue									
$1 Million or Less	8	53.3	991	51.2	3	37.5	430	26.1	92.1
Over $1 Million	7	46.7	944	48.8	5	62.5	1,220	73.9	6.1
Revenue Unknown	0	0.0	0	0.0	0	0.0	0	0.0	1.8
Total	15	100.0	1,935	100.0	8	100.0	1,650	100.0	100.0
By Loan Size									
$100,000 or Less	10	66.7	429	22.2	4	50.0	205	12.4	
$100,001 - $250,000	4	26.7	806	41.7	1	12.5	202	12.2	
$250,001 - $1 Million	1	6.7	700	36.2	3	37.5	1,243	75.3	
Total	15	100.0	1,935	100.0	8	100.0	1,650	100.0	
By Loan Size and Revenue $1 Million or Less									
$100,000 or Less	7	87.5	291	29.4	2	66.7	150	34.9	
$100,001 - $250,000	0	0.0	0	0.0	0	0.0	0	0.0	
$250,001 - $1 Million	1	12.5	700	70.6	1	33.3	280	65.1	
Total	8	100.0	991	100.0	3	100.0	430	100.0	

Source: 2024 FFIEC Census Data
2024 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

In 2023, the bank originated eight loans, or 53.3 percent, to businesses with GARs of $1 million or less, which was below the share of total businesses with GARs of $1 million or less in the assessment area at 92.1 percent. In 2024, the bank originated three loans, or 37.5 percent, to businesses with GARs of $1 million or less, which was below the share of businesses with GARs of $1 million or less in the assessment area.

The bank's small business lending performance in 2022 was similar to the years shown in the tables above.

COMMUNITY DEVELOPMENT TEST

bankHometown's performance under the Community Development Test is rated Outstanding. The bank's community development performance demonstrates excellent responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area.

Community Development Loans

During the evaluation period, the bank originated 11 community development loans totaling $7.6 million in the Connecticut assessment area. These loans primarily promote affordable housing. Table 20 provides a summary of the bank's community development lending in the Connecticut assessment area.

Table 20 Community Development Loans by Purpose Connecticut Assessment Area												
Community Development Category	**7/18/2022 - 12/31/2022**		**2023**		**2024**		**2025**		**1/1/2026 – 3/2/2026**		**Total**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Affordable Housing	4	1,103	3	4,355	0	0	1	32	0	0	8	5,490
Community Services	0	0	0	0	0	0	1	343	0	0	1	343
Economic Development	0	0	1	25	1	1,700	0	0	0	0	2	1,725
Total	**4**	**1,103**	**4**	**4,380**	**1**	**1,700**	**2**	**375**	**0**	**0**	**11**	**7,558**
Source: Bank provided community development loans												

The following is a summary of some of the more responsive and impactful community development loans qualified in the assessment area:

- In 2023, the bank originated a $700,000 loan to a regional housing organization to rehabilitate and improve a 43-unit multifamily building in Killingly, CT. All units are allocated to low- and moderate-income individuals who must meet age and income-eligibility requirements.

- During the evaluation period, the bank made two loans, totaling $62,000, to a public housing authority that provides affordable housing to low- and moderate-income individuals in Danielson, CT. These loans were for the purchases of work vehicles for the housing authority.

- In 2023, the bank originated a $25,000 loan to a startup small business. The loan is part of the bank's partnership with a local municipality's revolving loan fund initiative to revitalize and attract new businesses to the downtown area.

Qualified Investments

The bank made a total of $170,235 in qualified investments that impacted the state of Connecticut. This includes $164,735 in qualified investments which impacted the assessment area and $5,500 which impacted the greater statewide area. Qualified investments in Connecticut consisted solely of donations.

Table 21 below displays the qualified donations that impacted the assessment area by year and community development purpose.

Table 21 Qualified Donations by Purpose Connecticut Assessment Area												
Community Development Category	7/18/2022 - 12/31/2022		2023		2024		2025		1/1/2026 – 3/2/2026		Total	
	#	$	#	$	#	$	#	$	#	$	#	$
Affordable Housing	0	0	1	1,000	1	1,000	0	0	0	0	2	2,000
Community Services	13	25,800	24	43,265	19	41,040	22	47,650	1	1,980	79	159,735
Economic Development	1	500	1	500	1	1,500	0	0	0	0	3	2,500
Revitalization/ Stabilization	0	0	1	500	0	0	0	0	0	0	1	500
Total	**14**	**26,300**	**27**	**45,265**	**21**	**43,540**	**22**	**47,650**	**1**	**1,980**	**85**	**164,735**
Source: Bank provided qualified donations												

As shown in the table, a significant percentage of donations supported community services to low- and moderate-income individuals.

The following is a sample of the organizations that benefited from the bank's donations.

- *Neighbors Helping Neighbors Program* – The bank coordinates an annual appeal inviting bank customers, employees, and community members to help fight food insecurity. The bank matches donations dollar-for-dollar and divides the total across food pantries in the Connecticut assessment area. Food pantries impacted include Brooklyn Cares Community Center, Community Kitchens of Northeastern CT, Daily Bread, Friends of Assisi, and Thompson Ecumenical Empowerment Group Inc.

- *Quinebaug Valley Community College Foundation, Inc.* - This organization supports low- and moderate-income students through need-based scholarships, financial aid grants, and emergency assistance.

- *Thompson Ecumenical Empowerment Group, Inc.* - This organization provides early childhood and community education, youth services, senior services, and other income-qualified programs to low- and moderate-income individuals and families. In addition, this organization is a recipient of funds through the bank's Neighbor Helping Neighbors Program.

Community Development Services

During the evaluation period, 16 employees provided community development services to nine organizations which benefited the assessment area. The following are examples of service activities:

- *Community Kitchens of Northeastern Connecticut, Inc.* - This organization provides free meals to low- and moderate-income individuals and families throughout northeastern Connecticut. A bank assistant branch manager served on the organization's board and as treasurer during the evaluation period.

- *Killingly Business Association* - This organization promotes economic development by providing marketing/advertising campaigns, networking events, and financial workshops to small businesses located in Killingly, CT. A bank assistant branch manager served on the organization's executive committee.

- *Northeast Opportunities for Wellness, Inc.* - This nonprofit organization provides physical, social and emotional wellness programs to children and families, regardless of their ability to pay. A majority of individuals served by the organization are low- or moderate-income. A bank vice president served as treasurer for the organization.

Financial Literacy Education

During the evaluation period, bank employees participated in financial literacy education aimed at supporting financial literacy for students and for promoting workforce development. These activities were considered responsive to community development needs as described by the community contact. The following are examples of these activities:

- *EASTCONN* - This organization provides affordable education programs to the region's smaller and under-resourced schools. Programs include adult education, employment and training, and financial literacy. Bank employees participated in various classes in conjunction with this organization during the evaluation period.

- *ReadyCT*- This organization promotes career and workforce development to underserved students facing homelessness, food insecurity, and generational poverty. Bank employees participated in various classes in conjunction with this organization during the evaluation period.

APPENDIX A: SUMMARY OF STATE RATINGS

Area	Lending Test Rating	Community Development Test Rating	Overall CRA Rating
Massachusetts	Satisfactory	Outstanding	Satisfactory
Connecticut	Satisfactory	Outstanding	Satisfactory

APPENDIX B: 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.

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending on population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; or, activities that revitalize or stabilize low or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency (OCC), and the FDIC have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize:

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, the FDIC, and the OCC, based on:
    - a. Rates of poverty, unemployment, and population loss; or
    - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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.

Demographics: The statistical characteristics of human populations (such as age, race, sex, income, etc.) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan 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 nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which 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).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders who 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 applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Is calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower 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.

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 family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

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

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

Qualified investment: A qualified investment is defined as any 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.

Small businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were $1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are secured by either nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

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

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

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

For additional information, please see the Definitions section of Regulation BB at 12 C.F.R.

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