PUBLIC DISCLOSURE

March 2, 2026

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

TRUNORTH BANK
RSSD # 161273

248 Andover Street
Peabody, MA 01960

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

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

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

The following table indicates the performance level of TruNorth Bank (TruNorth or the bank) with respect to the Lending, Investment, and Service Tests.

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

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

The major components supporting the ratings in the above reference table include:

Lending Test

- Good responsiveness to the credit needs in its assessment area, taking into account the number and amount of home mortgage and small business loans in the bank's assessment area.

- A substantial majority of its loans are made in the bank's assessment area.

- An excellent geographic distribution of loans, particularly to low- or moderate-income geographies, in the bank's assessment area.

- An excellent distribution, particularly in the bank's assessment area, of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.

- Extensive use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or geographies.

- An excellent record of serving the credit needs of highly economically disadvantaged areas in the bank's assessment area, low-income individuals, or businesses with gross annual revenues (GAR) of $1 million or less, consistent with safe and sound operations.

- The bank is a leader in making of community development loans.

Investment Test

- A significant level of qualified investments, particularly those that are not routinely provided by private investors, occasionally in a leadership position.

- Significant use of innovative or complex qualified investments.

- Good responsiveness to credit and community development needs.

Service Test

- The bank's service delivery systems are reasonably accessible to portions of its assessment area, particularly to low- or moderate-income geographies or to low- or moderate-income individuals.

- To the extent changes have been made, the bank's record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals.

- The bank's services (including, where appropriate, business hours) do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals.

- The bank provides a relatively high level of community development services.

DESCRIPTION OF INSTITUTION

TruNorth Bank, formerly North Shore Bank, is a state-chartered member bank (SMB) of the Federal Reserve System headquartered at 248 Andover Street in Peabody, Massachusetts (MA). TruNorth 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 bankHometown. Residential lending for all three SMBs is centralized through Hometown Mortgage, a division of bankESB.

The bank provides financial products and services to retail and business customers through 29 branches, located in Essex County, Middlesex County, Norfolk County and Plymouth County in MA and Rockingham County in southern New Hampshire (NH). All branches have automated teller machines (ATMs). The bank also maintains one remote ATM in Plaistow, NH.

TruNorth is the surviving bank from a merger between North Shore Bank and Abington Bank on September 20, 2024. As a result of the merger, TruNorth became a SMB and a wholly owned subsidiary of HFG. Additionally, in November 2025, HFG acquired CFSB Bancorp, Inc., the bank holding company for Colonial Federal Savings Bank. Colonial Federal Savings Bank will continue to operate as a division of TruNorth. TruNorth maintains 15 full-service branch offices located in: Beverly (3), Danvers, Merrimac, Middleton, Peabody (3), Reading, Salem (2), and Saugus (2) and one branch in Newton, NH. The aforementioned branches were TruNorth branches prior to the mergers and are located primarily in Essex County, with one office in Middlesex County and one in Rockingham County, NH. The bank acquired 10 locations following the Abington Bank merger located in the South Shore region in the towns of: Abington, Avon, Braintree, Cohasset (2), Holbrook, Marion, Randolph, and Stoughton (2). These offices are located in Norfolk and Plymouth counties. The bank added four additional locations following the Colonial Federal Savings Bank acquisition in Quincy (2), Holbrook, and Weymouth, all of which are located in Norfolk County.

The bank offers a traditional suite of deposit products for consumer and business customers. Products and services include personal and business checking accounts, savings accounts, certificates of deposit, money market accounts, and online banking. TruNorth offers overdraft lines of credit and collateral loans. Commercial loans offered by TruNorth consist of commercial real estate, business term loans, and working capital lines of credit. Information about the bank's products and services can be found at trunorthbank.com. Traditional residential and consumer open-end loan products are available to TruNorth customers through Hometown Mortgage, a division of bankESB. Consistent with the CRA regulation a bank may consider affiliate lending activity as part of their own CRA performance as long as multiple institutions do not seek credit for the same activity. Therefore, this evaluation will consider certain loans originated through Hometown Mortgage. These products include1-4 family conventional first-lien mortgages, conforming and nonconforming fixed- and adjustable-rate residential mortgage loans, home equity lines of credit, and home equity loans. Hometown Mortgage also offers loans through MassHousing, Fannie Mae and Freddie Mac.

As of December 31, 2025, the bank's assets total \$3.2 billion. This is a significant increase from the previous CRA examination conducted on July 25, 2022, when the bank's assets totaled \$1.7 billion. Asset ~~G~~growth can be primarily attributed to mergers and acquisitions. Deposits as of December 31, 2025, total \$2.6 billion, while loans total \$2.5 billion. 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 54.9 percent, and residential real estate, at 44.9 percent. The commercial loans in the table also include construction loans, which account for 6.4 percent of the portfolio. While the bank's loan portfolio includes agriculture, consumer, and other loans, these comprise a minimal portion of the portfolio.

Table 1 Loan Distribution as of Month 12/31/2025		
Loan Type	**Dollar Amount $(000)**	**Percent of Total Loans (%)**
Residential RE	1,111,104	44.9%
Commercial*	1,357,903	54.9%
Consumer	2,593	0.1%
Agriculture /Other	585	0.0%
Total Loans	**2,472,185**	**100.0**
Source: Call Report as of December 31, 2025 **May include construction, land development, and other land loans reported on the HMDA LAR*		

Additional analysis of the portfolio shows that the majority of the bank's loan portfolio (54.7 percent) is comprised of HMDA-reportable loans. Of this portion, residential real estate lending represents 40.4 percent, home equity lines of credit account for 4.5 percent, and multifamily loans represent 14.3 percent (in Table 1, multifamily loans are included in the commercial total). Commercial loan categories which may be considered as small business loans (commercial real estate and commercial and industrial) account for 34.2 percent of the portfolio.

Prior to becoming a state member bank, TruNorth's last CRA examination was conducted by the Federal Deposit Insurance Corporation Deposit (FDIC) and resulted in a Satisfactory rating.

Given the volume of depository institution branches within the assessment area, including community banks, national banks, and national mortgage companies, the bank operates in a highly competitive geographic area for residential and small business loans. In 2023, there were 616 institutions who originated or purchased a home mortgage loan in the bank's assessment area and TruNorth was ranked 94th based on reported originations. However, considering HMDA loans allocated to the bank from Hometown Mortgage in addition to originations, the bank would have ranked 35th. The top-ranking lenders were JPMorgan Chase Bank, N.A., Citizens Bank, N.A., Guaranteed Rate, Inc., and TD Bank, N.A. In 2024, 621 institutions reported home mortgage loan originations or purchases in the bank's assessment area. The top-ranking lenders in 2024 were Citizens Bank, Guaranteed Rate, Inc., Leader Bank, N.A., and Rocket Mortgage, LLC. TruNorth ranked 78th based on reported loans; however, accounting for allocated loans the bank would have ranked 36th.

Regarding small business lending, 206 lenders reported small business loans in the bank's assessment area, in 2023. The top-ranking institutions were large financial institutions with significant lending capacity including American Express, N.B., JPMorgan Chase Bank N.A., Bank of America, N.A., Citibank, N.A., and Capital One, N.A. TruNorth ranked 57th of the total reporters. In 2024, the same institutions comprised the top five lenders, with TruNorth ranked 56th of the 203 CRA reporters.

The bank also operates in a highly competitive geographic area for deposits amongst numerous national, regional, and community banks. According to the June 30, 2025, FDIC Deposit Market Share Report, there were 105 institutions operating 1,319 branch offices within the assessment area and TruNorth ranks 20th with a deposit share of 0.5 percent.

Aside from competition, examiners did not identify any significant financial, legal, or other impediments that affect the bank's ability to meet the assessment area's needs.

The bank has one assessment area which includes the following full counties: Essex, Middlesex, Norfolk, Plymouth, Suffolk, MA and Rockingham, NH. The bank operates a branch office in each of the assessment area counties except for Suffolk County, which was added to the assessment area to create a contiguous geographic footprint that bridged the existing North Shore and South Shore markets. All counties are included within the Boston-Cambridge-Newton, MA-NH Metropolitan Statistical Area (MSA.) The assessment area is comprised of 1,104 census tracts, of which 110 (10.0 percent) are low-income, 198 (17.9 percent) are moderate-income, 396 (35.9 percent) are middle-income, 353 (32.0 percent) are upper-income, and 47 (4.3 percent) are unknown-income. The assessment area has expanded significantly from the previous examination as a result of the merger activity and expanded branch network.

Relevant demographic data for the assessment area is provided in Table 2.

Table 2 Assessment Area Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	110	10.0	90,931	8.0	19,753	21.7	256,133	22.5
Moderate	198	17.9	199,363	17.5	19,334	9.7	187,537	16.4
Middle	396	35.9	446,390	39.1	17,686	4.0	229,326	20.1
Upper	353	32.0	396,590	34.8	9,075	2.3	467,894	41.0
Unknown	47	4.3	7,616	0.7	897	11.8	0	0.0
Total AA	**1,104**	**100.0**	**1,140,890**	**100.0**	**66,745**	**5.9**	**1,140,890**	**100.0**
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	167,364	36,760	3.3	22.0	119,388	71.3	11,216	6.7
Moderate	358,813	160,740	14.5	44.8	176,115	49.1	21,958	6.1
Middle	743,596	471,939	42.5	63.5	227,197	30.6	44,460	6.0
Upper	627,985	434,917	39.2	69.3	157,820	25.1	35,248	5.6
Unknown	20,179	5,918	0.5	29.3	12,130	60.1	2,131	10.6
Total AA	**1,917,937**	**1,110,274**	**100.0**	**57.9**	**692,650**	**36.1**	**115,013**	**6.0**
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	13,824	6.0	12,635	6.0	1,112	5.6	77	4.8
Moderate	33,450	14.5	30,404	14.5	2,847	14.3	199	12.4
Middle	86,849	37.6	78,653	37.6	7,644	38.3	552	34.5
Upper	94,022	40.7	85,254	40.7	8,012	40.1	756	47.2
Unknown	2,648	1.1	2,279	1.1	352	1.8	17	1.1
Total AA	**230,793**	**100.0**	**209,225**	**100.0**	**19,967**	**100.0**	**1,601**	**100.0**
Percentage of Total Businesses:				**90.7**		**8.7**		**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.

While included within one MSA, the assessment area is geographically large and spans three metropolitan divisions (MDs). These include the Cambridge-Newton-Framingham, MA MD (Essex and Middlesex counties), which comprises 48.1 percent of the assessment area's census tracts and 51.8 percent of the families; the Boston MD (Norfolk, Plymouth, and Suffolk counties), which comprises 45.3 of the assessment area's census tracts, and 40.8 percent of assessment area families; and a portion of the Rockingham-Strafford County MD (Rockingham County) which comprises 6.6 percent of the assessment area's census tracts, and 7.4 percent of assessment area families. A significant concentration of the low- and moderate-income geographies are concentrated in the urban core of the assessment area which includes the city of Boston and surrounding municipalities. In fact, Suffolk County contains 48 of the 110 low-income census tracts in the assessment area. North of the city of Boston, the cities of Lawrence, Methuen, Lowell, and Haverhill have substantial concentrations of low- and moderate-income census tracts. The city of Framingham, west of the city, also contains a high concentration of low- and moderate-income geographies.

Housing

The assessment area contains 1,917,937 housing units, of which 1,110,274 or 57.9 percent, are owner occupied, 692,650 or 36.1 percent, are rental, and 115,013 or 6.0 percent, are vacant. Of the total owner-occupied units, 3.3 percent are in low-income census tracts, 14.5 percent are in moderate-income census tracts, 42.5 percent are in middle-income census, 39.2 percent are in upper-income census tracts, and 0.5 percent are in unknown-income census tracts. The low percentage of owner-occupied units in low-income census tracts and high percentage of rental units in those tracts, at 71.3 percent, limit the opportunities to extend home mortgage loans in those tracts.

Based on the U.S. Census (Census) data, the median home value in the assessment area is $468,490, which was above the median value in the Commonwealth of MA, at $398,800, and the State of NH, at $272,300. Within Rockingham County, NH homes were more affordable than the assessment area overall at $316,615. As discussed above, the majority of the assessment area's geographies and families are concentrated in MA. Table 3 illustrates more recent data on the median sales price of single-family homes and condos for each county in the MA portions of the bank's assessment area which are well above averages at the time of the Census.

Table 3 Median Home Sales Price		
County	**2023**	**2024**
Plymouth	$550,000	$595,000
Essex	$600,000	$650,000
Middlesex	$650,000	$699,900
Norfolk	$675,550	$715,000
Suffolk	$749,950	$775,000
Massachusetts	$550,000	$595,000
Source: The Warren Group, Boston, MA		

As shown in the table above, the MA counties comprising the assessment area, apart from Plymouth, have significantly higher home values than the State as a whole. The high median sales prices may make it challenging to originate home mortgage loans to low-income borrowers in the assessment area.

Population

The assessment area's population totals 4,810,743 individuals. Of the total population, 448,083 or 9.3 percent, reside in low-income census tracts, 893,367 or 18.6 percent, reside in moderate-income census tracts, 1,817,444 or 37.8 percent, reside in middle-income census tracts, 1,595,394 or 33.2~~1~~ percent, reside in upper-income census tracts, and 56,455 or 1.2 percent, reside in census tracts where the income is unavailable. Included in the population are 1,140,890 families. Of the total families in the assessment area, 90,931 or 8.0 percent, reside in low-income census tracts, 199,363 or 17.5 percent, reside in moderate-income census tracts, 446,390 or 39.1 percent, reside in middle-income census tracts, 396,590 or 34.8~~7~~ percent, reside in upper-income census tracts, and 7,616 or 0.7 percent, reside in census tracts where the income is unknown. Of the total families in the assessment area, 5.9 percent have incomes below the poverty level. That figure is exacerbated when isolated to low-income census tracts, where 21.7 percent of families have incomes below the poverty level, as compared to moderate-income census tracts, at 9.7 percent, middle-income census tracts, at 4.0 percent, upper-income census tracts, at 2.3 percent, and unknown-tracts, at 11.8 percent. Families with low-income levels and particularly with incomes below the poverty level face several challenges in obtaining home mortgage loans including insufficient income to afford a monthly mortgage loan payment, lack of ability to save for downpayment requirements and, often, higher debt-to-income ratios.

Business Characteristics

According to Dun & Bradstreet, Inc., Short Hills, NJ (D&B) data there are 230,793 businesses in the assessment area. Of the total, 13,824 or 6.0 percent, are located in low-income census tracts, 33,450 or 14.5 percent, are located in moderate-income census tracts, 86,849 or 37.6 percent, are located in middle-income census tracts, 94,022 or 40.7 percent, are located in upper-income census tracts, and 2,648 or 1.1~~2~~ percent, are located in census tracts where the income is unknown. Of the total businesses, the majority, 90.7 percent, have revenues under $1 million while 8.7 percent have incomes over $1 million and 0.7~~9~~ percent have unreported revenues.

Income

The Federal Financial Institutions Examination Council (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. The following table displays the MFI used to classify borrowers within the MD portions of the assessment area.

Table 4
Median Family Income

MSA/ MD	**2023**	**2024**
Boston, MA MD	$136,900	$136,200
Cambridge-Newton-Framingham, MA MD	$146,200	$146,600
Rockingham County-Stafford County, NH MD	$135,200	$138,600
Source: FFIEC median family income estimates		

As displayed in Table 4, the median family income in the Boston, MA MD decreased slightly between 2023 and 2024, while the Cambridge-Newton-Framingham, MA MD and Rockingham County-Stafford County, NH MD both experienced moderate increases. Affordability in the assessment area presents a challenge to low- and moderate-income borrowers given the median home values noted above. For example, a low-income borrower in Middlesex County in 2024 would earn $73,300 or below, making a home of $699,990 financially burdensome. In Suffolk County, the median family income decreased over the two-year period, whereby a low-income borrower would make under $68,100 in 2024, and a moderate-income earner would make $108,960. The median home value, shown above, increased during the same period from $749,950 to $775,000.

Employment Statistics

According to data released by the U.S. Bureau of Labor Statistics, unemployment rates during the review period were lowest in Rockingham County, NH. All counties were relatively low in 2023, but experienced increases in 2024. Refer to Table 5 below for unemployment rates by county in 2023 and 2024.

Table 5
Unemployment Statistics

MSA/ MD	2023 (%)	2024 (%)
Essex County, MA	3.5	4.1
Middlesex County, MA	3.0	3.6
Norfolk County, MA	3.1	3.7
Plymouth County, MA	3.7	4.1
Suffolk County, MA	3.4	3.9
Rockingham County, NH	2.4	2.8
Source: Bureau of Labor Statistics		

SCOPE OF EXAMINATION

TruNorth’s CRA performance review was conducted using the FFIEC Examination Procedures for Large Institutions.[1] These procedures evaluate banks under three tests: the Lending Test, the Investment Test, and the Service Test.

The bank’s rating was based on performance conclusions within the assessment area under the Lending, Investment, and Service tests as well as community development activities outside the assessment area but within the broader statewide or regional area.

The Lending Test evaluates the bank’s lending performance pursuant to the following criteria: lending activity, assessment area concentration of loans, geographic distribution of loans, borrower’s profile, responsiveness of credit needs, community development lending activity, and product innovation. The Investment Test evaluates the bank’s performance pursuant to the following criteria: investment and grant activity, responsiveness to credit and community development needs, and community development initiatives. The Service Test evaluates the bank’s performance pursuant to the following criteria: accessibility of delivery systems, changes in branch locations, reasonableness of business hours and services, and community development services.

The Lending Test considered residential, small business, and community development lending. The evaluation included small business and HMDA-reportable loans originated by the bank from January 1, 2022, through December 31, 2024. After the completion of the 2024 merger, TruNorth's lending department was absorbed into bankESB. As the residential loan function for HFG is centralized at Hometown Mortgage, a division of bankESB, 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

1 “Large institutions” are banks or savings associations with assets of at least $1.649 billion as of December 31 of both of the prior two calendar years.

of all three banks. As each bank is evaluated concurrently under the CRA, utilizing HMDA data as it is 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, for the purpose of this evaluation, include non-farm, non-residential real estate, and commercial and industrial loans with original loan amounts of $1 million or less. Small business loan data was obtained from the small business loan registers produced and maintained by the bank as required for large banks under the CRA.

To evaluate performance, the bank's residential and small business loan data were compared to applicable aggregate and market data. The aggregate data for residential lending was obtained from the Consumer Financial Protection Bureau (CFPB). Aggregate data for small business lending was obtained from the FFIEC's CRA small business register. Residential and small business market and demographic data were derived from the 2015 American Community Survey (ACS) and D&B, respectively.

For both residential and small business lending, the bank's lending performance for 2023 and 2024 is included in the data tables unless otherwise noted. Any relevant information from 2022 will be discussed as applicable. While both the number and dollar volume of the bank's residential and small business lending were reviewed, the number of originations was weighted more heavily than the dollar volume to reduce the potential distorting effects of larger-dollar loans. Finally, greater weight was given to home mortgage lending as it comprises a larger portion of the bank's loan portfolio.

Community development activities are not evaluated using a separate test, but are included as a component of the Lending, Investment, or Service Test, depending on the nature of the activity. The bank's community development lending, qualified investments, and services were reviewed for the period of July 26, 2022, through March 2, 2026.

Community Contacts

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.

Two community contacts were conducted and referenced in this evaluation. One was with an organization that focuses on developing affordable housing, promoting economic development, and providing community services to low- and moderate-income residents within the Greater Boston metropolitan area. The contact felt that one of the greatest challenges is affordability, noting the high cost of housing in the area. The contact highlighted the challenges low- and moderate-income borrowers face in sourcing a downpayment. This results in private mortgage insurance requirements, which, coupled with high interest rates, make it extremely difficult to purchase a home. Flexible options such downpayment assistance and MassHousing loans were also noted as critical products to offer.

A second contact was conducted with a non-profit organization based in Haverhill, MA, which serves all of Essex County. This contact also stated that affordable housing is one of the greatest needs, particularly home-ownership opportunities for low- and moderate-income individuals. The contact mentioned that market rate apartments without affordable units do not serve community needs. In addition, the contact noted that food security was a concern in the community and a need exists for small business classes.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

TruNorth's performance under the Lending Test is rated Outstanding.

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

Lending Activity

The bank demonstrates good responsiveness to the credit needs in its assessment area, taking into account the number and amount of home mortgage, small business, small farm, and consumer loans, if applicable, in its assessment area.

Residential Lending

Lending activity includes both historic TruNorth loans as well as those allocated to the bank through its affiliation with bankESB, which would have resulted in the bank being ranked 35th of 616 institutions who originated or purchased a home mortgage loan in the bank's assessment area in 2023. In 2024, with the inclusion of allocated loans, 527 loans were made in the assessment area, which would have earned the bank a market rank of 36th of 621 institutions.

Small Business Lending

In terms of small business lending, the bank made 98 loans in the assessment area in 2023, and was ranked 57th in small business lending, and 91 loans in the assessment area in 2024, resulting in a market rank of 56th.

Distribution of Lending within the Assessment Area

This criterion evaluates the concentration of loans originated by the bank within its assessment area. Per 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 area. Therefore, this performance criterion conclusion considers only loans reported on the bank's LARs prior to the merger. Table 6 demonstrates a substantial majority of its loans are made in its assessment area. The following table presents TruNorth's reported lending inside and outside the assessment area for 2023 and 2024.

Table 6
Lending Inside and Outside the Assessment Area

Loan Type - Description	***Inside***				***Outside***			
	#	**%**	**$(000s)**	**%**	**#**	**%**	**$(000s)**	**%**
Home Purchase	154	84.2	96,814	89.9	29	15.8	10,935	10.1
Home Improvement	62	95.4	12,159	95.0	3	4.6	641	5.0
Multi-Family Housing	27	96.4	122,833	99.2	1	3.6	1,031	0.8
Refinancing	63	96.9	25,575	96.8	2	3.1	835	3.2
Residential Total	**306**	**89.7**	**257,381**	**95.0**	**35**	**10.3**	**13,442**	**5.0**
Total Small Busisness	**204**	**91.9**	**66,403**	**93.0**	**18**	**8.1**	**4,989**	**7.0**
TOTAL LOANS	**510**	**90.6**	**323,784**	**94.6**	**53**	**9.4**	**18,431**	**5.4**

Source: HMDA and small business for 2023 and 2024.
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

Residential Lending

A majority of reported loans were extended within the assessment area during the review period. The bank reported 130 originations inside the assessment area in 2023 which accounted for 87.2 percent of loans in that year. In 2024, the bank made 176 loans within the assessment area, which represented 91.7 percent of originations.

Small Business Lending

As shown in the table above, a substantial majority of small business loans, at 91.9 percent, were originated in the bank's assessment area. There were no fluctuations between years.

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of loans to census tracts of all income levels. The bank demonstrates an excellent geographic distribution of loans, particularly to low- or moderate-income geographies, in its assessment area. The bank's performance is particularly noteworthy as Suffolk County, which includes nearly half the low- and moderate-income

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

geographies, was only recently incorporated into the bank's assessment area and the bank had no historical operations or branch presence. The bank's ability to meet or exceed demographic and/or aggregate indicators in residential lending is considered excellent. The bank was further able to substantially outperform the aggregate in extending small business loans in low- and moderate-income geographies.

Residential Lending

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

Table 7 Distribution of Home Mortgage Lending By Income Level of Geography													
Geographic Income Level	2023 Bank And Aggregate Loans						2024 Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000)	$%	$%	#	#%	#%	$(000)	$%	$%	
	Home Purchase Loans												
Low	13	3.7	5.3	6,051	3.1	4.4	11	3.7	5.0	4,139	2.3	4.2	3.3
Moderate	43	12.1	16.2	19,418	10.1	12.5	46	15.5	16.7	19,464	11.0	13.1	14.5
Middle	170	48.0	38.6	83,287	43.2	30.9	114	38.4	41.6	56,834	32.3	35.3	42.5
Upper	125	35.3	38.9	82,657	42.9	51.2	123	41.4	35.9	91,151	51.7	46.7	39.2
Unknown	3	0.8	1.0	1,303	0.7	1.1	3	1.0	0.8	4,595	2.6	0.7	0.5
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	354	100.0	100.0	192,716	100.0	100.0	297	100.0	100.0	176,183	100.0	100.0	100.0
	Refinance Loans												
Low	1	1.4	4.8	225	0.8	4.8	0	0.0	4.1	0	0.0	4.5	3.3
Moderate	16	22.5	13.9	6,765	23.0	10.3	12	13.5	14.4	3,197	12.8	12.3	14.5
Middle	31	43.7	38.0	10,833	36.8	27.2	47	52.8	43.3	10,517	42.2	36.0	42.5
Upper	23	32.4	42.7	11,584	39.4	56.9	30	33.7	37.7	11,184	44.9	46.6	39.2
Unknown	0	0.0	0.7	0	0.0	0.8	0	0.0	0.4	0	0.0	0.7	0.5
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	71	100.0	100.0	29,407	100.0	100.0	89	100.0	100.0	24,898	100.0	100.0	100.0
	Home Improvement Loans												
Low	0	0.0	2.9	0	0.0	2.7	2	1.7	3.0	309	1.6	2.9	3.3
Moderate	3	11.1	11.5	568	11.7	8.0	15	13.0	12.9	2,208	11.5	9.6	14.5
Middle	18	66.7	44.0	2,893	59.6	33.6	69	60.0	45.0	9,283	48.3	35.5	42.5
Upper	6	22.2	41.2	1,395	28.7	55.1	29	25.2	38.7	7,434	38.7	51.6	39.2
Unknown	0	0.0	0.3	0	0.0	0.6	0	0.0	0.3	0	0.0	0.4	0.5
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	27	100.0	100.0	4,856	100.0	100.0	115	100.0	100.0	19,234	100.0	100.0	100.0
	Multifamily Loans												Multi-family Units %
Low	7	21.9	24.5	15,054	22.2	16.4	4	15.4	26.6	9,615	10.7	18.5	14.1
Moderate	11	34.4	27.4	23,356	34.4	18.4	12	46.2	28.5	27,023	30.2	26.0	22.3
Middle	6	18.8	30.5	7,107	10.5	39.2	5	19.2	27.7	7,119	7.9	31.9	33.3
Upper	7	21.9	15.6	21,163	31.2	20.7	4	15.4	15.0	35,295	39.4	20.8	28.1
Unknown	1	3.1	2.0	1,248	1.8	5.3	1	3.8	2.3	10,500	11.7	2.8	2.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	32	100.0	100.0	67,928	100.0	100.0	26	100.0	100.0	89,552	100.0	100.0	100.0
	Total Home Mortgage Loans												Owner Occupied Units %
Low	21	4.3	4.8	21,330	7.2	5.0	17	3.2	4.5	14,063	4.5	5.1	3.3
Moderate	73	15.1	14.5	50,107	17.0	11.8	85	16.1	15.4	51,892	16.7	13.5	14.5
Middle	225	46.5	39.1	104,120	35.3	30.2	235	44.6	42.7	83,753	27.0	35.2	42.5
Upper	161	33.3	40.8	116,799	39.6	51.7	186	35.3	36.8	145,064	46.8	45.4	39.2
Unknown	4	0.8	0.9	2,551	0.9	1.3	4	0.8	0.6	15,095	4.9	0.9	0.5
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	484	100.0	100.0	294,907	100.0	100.0	527	100.0	100.0	309,867	100.0	100.0	100.0

Source: 2023 and 2024 FFIEC Census Data U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

As displayed in the table above, the bank extended 21 loans, or 4.3 percent within the assessment area's low-income census tracts in 2023. The bank's percentage exceeded the percentage of owner-occupied units in those tracts, was in line with the percentage achieved by the aggregate by number, and exceeded the aggregate based on dollar volume. The bank's ability to proximate the aggregate is noteworthy given the competitive market. Within the assessment area's low-income census tracts alone, 283 institutions originated or purchased a home mortgage loan in 2023. The top ten lenders, representing just 3.5 percent of all lenders, collectively captured 46.1 percent of the residential market share and ranked among the most significant mortgage originators in New England, many with a substantial national presence. The bank extended an additional 17 loans, or 3.2 percent, in low-income census tracts in 2024, which was in line with the percentage of owner-occupied units in those tracts, at 3.3 percent, but slightly below the 4.5 percent of loans made by the aggregate. As previously discussed, the assessment area's low-income census tracts have a higher concentration of rental housing and fewer owner-occupied properties which limit mortgage origination opportunities in low-income tracts. TruNorth's performance given these limitations coupled with strong competition merits recognition.

The bank achieved excellent penetration within moderate-income census tracts with an increasing trend in performance. In 2023, the bank extended 73 home mortgage loans, or 15.1 percent of total loans, in the assessment area's moderate-income census tracts. The bank's percentage exceeded both the aggregate percentage and the percentage of owner-occupied units in those tracts, both at 14.5 percent. In 2023, 433 institutions originated or purchased a home mortgage loan in the assessment area's moderate-income geographies. The top ten lenders were again comprised of dominant regional and national institutions, which collectively captured 37.9 percent of the mortgage market. Attaining a higher percentage of lending within moderate-income census tracts given the competitive landscape is excellent. The bank's performance improved in 2024; the bank extended an additional 85 loans accounting for 16.1 percent of loans within moderate income geographies. In that year 431 institutions originated or purchased a home mortgage loan, with 35.9 percent of the market share concentrated among ten institutions. The bank again exceeded both the percentage of the aggregate and percentage of owner-occupied units, demonstrating an excellent commitment to meeting the credit needs in moderate-income geographies. Although not displayed in the table, the bank's 2022 was evaluated and demonstrated that the bank was able to outperform the aggregate in extending loans in both low- and moderate-income census tracts.

The bank was able to extend loans throughout its assessment area; there were no conspicuous gaps in loans in low- or moderate-income tracts unexplained by performance context. The bank's ability to make loans throughout the assessment area, including recently integrated highly saturated markets, is considered particularly noteworthy.

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 excellent.

Table 8
Distribution of Small Business Lending By Income Level of Geography

Geographic Income Level	2023 Bank And Aggregate Loans						2024 Bank And Aggregate Loans						Total Businesses
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000)	$%	$%	#	#%	#%	$(000)	$%	$%	%
Low	19	16.8	6.0	4,893	13.2	5.3	9	9.9	6.0	2,155	7.4	5.2	6.0
Moderate	29	25.7	16.1	5,933	16.0	14.9	29	31.9	16.2	9,493	32.4	15.4	14.5
Middle	47	41.6	37.7	19,494	52.6	38.8	42	46.2	37.2	13,419	45.8	37.7	37.6
Upper	17	15.0	38.6	6,518	17.6	39.3	11	12.1	39.2	4,248	14.5	40.2	40.7
Unknown	1	0.9	1.2	250	0.7	1.6	0	0.0	1.2	0	0.0	1.4	1.1
Tract-Unk	0	0.0	0.4	0	0.0	0.1	0	0.0	0.3	0	0.0	0.1	0.0
Total	113	100.0	100.0	37,088	100.0	100.0	91	100.0	100.0	29,315	100.0	100.0	100.0

Source: 2023 and 2024 FFIEC Census Data, 2024 Dun & Bradstreet Data, U.S. Census Bureau: American Community Survey.
Note: Percentages may not total 100.0 percent due to rounding.

As shown in the table above, the bank significantly exceeded the aggregate in extending small business loans within low-income census tracts, where the bank made 19 loans, or 16.8 percent, of its small business loans in those tracts in 2023, compared to the aggregate's 6.0 percent. The bank made an additional 29 loans, or 25.7 percent, within moderate-income geographies in 2023, which was also well above the 16.1 percent extended by the aggregate. The bank's percentage was also well above the percentage of businesses in those tracts, at 6.0 percent and 14.5 percent, respectively. Further, the bank outperformed the aggregate in lending in low- and moderate-income tracts in 2024. The bank extended 9 loans, or 9.9 percent, in low-income census tracts, exceeding the aggregate's 6.0 percent and the percentage of businesses in those tracts, at 6.0 percent. The bank again made 29 loans in moderate-income geographies in 2024, representing 31.9 percent of its loans which was well above the aggregate's 16.2 percent, and the percentage of business in those tracts, at 14.5 percent. The bank's lending performance was consistently strong in 2022. There were no conspicuous gaps in lending unexplained by performance context.

Borrowers' Profile

This criterion analyzes the distribution of loans to borrowers of different income levels as well as businesses with different revenues. The bank demonstrates an excellent distribution, particularly in its assessment area, of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.

Residential Lending

Table 9 provides a comparison of the bank's 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 Home Mortgage Lending By Borrower Income Level

Borrower Income Level	2023 Bank And Aggregate Loans						2024 Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000)	$%	$%	#	#%	#%	$(000)	$%	$%	
Home Purchase Loans													
Low	12	3.4	3.9	2,864	1.5	1.3	8	2.7	3.3	1,777	1.0	1.2	22.5
Moderate	65	18.4	14.3	22,372	11.6	8.1	49	16.5	14.0	17,371	9.9	7.9	16.4
Middle	104	29.4	21.4	49,283	25.6	16.5	80	26.9	22.9	37,169	21.1	18.2	20.1
Upper	161	45.5	37.6	109,394	56.8	45.8	142	47.8	41.0	98,162	55.7	50.5	41.0
Unknown	12	3.4	22.8	8,803	4.6	28.3	18	6.1	18.8	21,704	12.3	22.2	0.0
Total	354	100.0	100.0	192,716	100.0	100.0	297	100.0	100.0	176,183	100.0	100.0	100.0
Refinance Loans													
Low	4	5.6	8.7	816	2.8	3.8	8	9.0	7.4	600	2.4	3.2	22.5
Moderate	12	16.9	16.1	3,151	10.7	8.6	22	24.7	17.3	3,466	13.9	10.3	16.4
Middle	15	21.1	19.3	4,903	16.7	12.5	16	18.0	21.2	3,910	15.7	16.2	20.1
Upper	35	49.3	29.9	14,958	50.9	29.7	42	47.2	38.3	16,434	66.0	46.1	41.0
Unknown	5	7.0	26.0	5,579	19.0	45.4	1	1.1	15.8	488	2.0	24.2	0.0
Total	71	100.0	100.0	29,407	100.0	100.0	89	100.0	100.0	24,898	100.0	100.0	100.0
Home Improvement Loans													
Low	1	3.7	7.2	30	0.6	3.5	9	7.8	6.8	620	3.2	3.1	22.5
Moderate	2	7.4	18.4	70	1.4	10.3	19	16.5	18.2	1,935	10.1	10.4	16.4
Middle	12	44.4	25.7	2,263	46.6	18.1	35	30.4	25.7	3,794	19.7	18.3	20.1
Upper	10	37.0	42.4	1,843	38.0	48.5	51	44.3	45.0	12,108	63.0	52.7	41.0
Unknown	2	7.4	6.2	650	13.4	19.7	1	0.9	4.3	777	4.0	15.6	0.0
Total	27	100.0	100.0	4,856	100.0	100.0	115	100.0	100.0	19,234	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	17	3.8	5.6	3,710	1.6	1.9	25	5.0	5.1	2,997	1.4	1.8	22.5
Moderate	79	17.5	15.4	25,593	11.3	8.1	90	18.0	15.7	22,772	10.3	8.6	16.4
Middle	131	29.0	21.3	56,449	24.9	15.3	131	26.1	23.1	44,873	20.4	17.8	20.1
Upper	206	45.6	36.0	126,195	55.6	42.0	235	46.9	41.0	126,704	57.5	50.0	41.0
Unknown	19	4.2	21.6	15,032	6.6	32.6	20	4.0	15.0	22,969	10.4	21.8	0.0
Total	452	100.0	100.0	226,979	100.0	100.0	501	100.0	100.0	220,315	100.0	100.0	100.0

Source: 2023 and 2024 FFIEC Census Data U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

As displayed in Table 9, the bank extended 17 loans, or 3.8 percent, to low-income borrowers in 2023, trailing the aggregate's 5.6 percent. Both the bank and the aggregate were well below the percentage of low-income families, highlighting the challenges to homeownership for low-income families as discussed previously. What was notable during this review outside of the raw numbers were efforts made by the bank in response to an expanded assessment area and the increase in the number of loans to low- and moderate-income individuals. For example, the bank offers affordable fixed-rate and affordable adjustable-rate mortgage programs up to 100 percent of the area median family income, with down payments as low as 3.0 percent to help address the affordability challenges in the assessment area. In 2023, the bank also added FHA lending to better serve borrowers. While the percentage of lending to low-income borrowers was commendable, these initiatives supported particularly strong performance in lending to moderate-income borrowers. Nevertheless, it should be noted that while affordability and qualifying constraints continued to limit low-income borrowers' ability to afford a home in the bank's assessment area, the bank's lending actually trended upward in 2024, where the bank was able to extend 25 loans, or 5.0 percent, to low-income borrowers, meeting the aggregate's performance. Lending to moderate-income borrowers was above both the aggregate's percentage and the percentage of moderate-income families in 2023. In 2024, the bank increased lending to moderate-income borrowers, significantly exceeding the percentage achieved by the aggregate and exceeding the percentage of moderate-income families. Although not displayed in the table, the bank's 2022 was evaluated and the bank was able to outperform the aggregate in extending loans to both low- and moderate-income borrowers in that year.

Historically, North Shore Bank provided a strong product offering to help meet the credit needs of low- and moderate-income borrowers. With the merger and the bank transitioning its residential lending function to HFG, enhanced expertise and resources have driven continued improvement. HFG has been building out its product suite focused on serving the credit needs of low- and moderate-income borrowers. The bank's excellent distribution of loans was bolstered by the bank's extensive use of innovative and/or flexible loan programs to help meet the credit needs of low- and moderate-income borrowers. As previously mentioned, flexible programs with down payment assistance, MassHousing loans in particular, were products identified as essential by a community contact to assist borrowers facing challenging affordability conditions. The following is a description of innovative and/ or flexible lending programs offered by the bank.

- *Hometown Mortgage First-time Homebuyer* – The bank offers an in-house loan program to first-time homebuyers featuring a 7/6 adjustable-rate or fixed-rate mortgage and requires as little as 3.0 percent down and reduced interest rate and closing costs. During the review period, the bank originated 71 loans, totaling $26.5 million, under this program.

- *Historic North Shore Bank First-Time Homebuyer* – Previously, the bank offered its own first-time homebuyer program offering both fixed- and adjustable-rate mortgage loans with reduced closing costs, downpayment assistance, and higher loan-to-value ratios for low- and moderate-income first-time homebuyers. The bank originated 21 loans through the program during the review period, totaling approximately $9.6 million.

- *Federal Housing Administration (FHA)* – FHA loans are government insured and offered by approved lenders. These loans allow lower down payment minimums and lower credit scores than traditional lenders. During the review period, the bank originated 12 loans, totaling approximately $6.5 million.

- *MassHousing* – MassHousing mortgages are designed to help low- and moderate-income borrowers in Massachusetts by providing mortgage loans with lower down payment requirements, grants and down payment assistance. The bank extended three loans through the program during the review period, totaling $551,050. Of note, the bank has been increasing its ability to offer these loans through additional expertise gained and the bank was able to extend 92 loans, totaling $19.1 million, in 2025.

- *Freddie Mac Home Possible* – This mortgage program offers low- and moderate-income borrowers credit options through a low-down payment and flexible funding sources for the purchase of a single-family, manufactured, and energy-efficient properties. During the review period, the bank originated two loans, for approximately $787,350.

- *Fannie Mae HomeReady* - This program also offers flexible underwriting features for low- and moderate-income borrowers to purchase and refinance first lien mortgages. The maximum loan-to-value is 97 percent and there is no requirement that a portion of the down payment must be from the borrower's own funds. Historically? North Shore Bank originated one loan through the program, totaling $299,250.

- *Hometown Mortgage Grant Programs* – The bank offers two in-house grant programs to support low- and moderate-income borrowers:

  - *LMI Credit Program* – This program provides a lender credit to either a low- or moderate-income borrower of if the property is located in a low- or moderate-income census tracts. The credit can be used toward closing costs for the purchase of a one-to-four family primary residence. During the review period, the bank provided 58 lender credits, totaling $43,500.

- *Federal Home Loan Bank of Boston (FHLBB)* – The bank offers multiple grants to borrowers through programs offered by the FHLBB.

  - *Housing Our Workforce* – This program provides grants up to $25,000 for down payments and closing costs to eligible homebuyers earning between 80.0 percent and 120.0 percent of the area median income. The focus of the program is to reduce transportation barriers to enable workers to reside in the communities in which they work. During the review period, the bank provided 13 grants, totaling $250,010.

  - *Lift Up Homeownership* – This program offers down payment and closing cost assistance to income-eligible first-generation homebuyers. During the review period, the bank provided five grants, totaling $245,000.

  - *Equity Builder* – This program provides up to $25,000 in grants to income-eligible, first-time homebuyers for down payments, closing costs, and rehabilitation. During the review period, the bank provided two grants, totaling $61,612.

Given performance context considerations, the bank’s overall distribution of loans to borrowers of different income levels reflects excellent penetration.

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 excellent.

Table 10 Distribution of Small Business Lending By Revenue Size of Businesses													
	2023 Bank And Aggregate Loans						2024 Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000)	$%	$%	#	#%	#%	$(000)	$%	$%	
By Revenue													
$1 Million or Less	52	46.0	51.9	17,202	46.4	31.3	48	52.7	51.7	14,748	50.3	31.5	90.5
Over $1 Million	53	46.9		17,419	47.0		43	47.3		14,567	49.7		8.8
Revenue Unknown	8	7.1		2,467	6.7		0	0.0		0	0.0		0.7
Total	113	100.0		37,088	100.0		91	100.0		29,315	100.0		100.0

Source: 2023 and 2024 FFIEC Census Data, 2023 Dun & Bradstreet Data, U.S. Census Bureau: American Community Survey.
Note: Percentages may not total 100.0 percent due to rounding.

As shown in Table 10, the bank originated 46.0 percent of all loans to business with GAR of $1 million and below in 2023, trailing the aggregate's 51.9 percent. In 2024, the bank was able to outperform the aggregate, where the bank extended 52.7 percent of its loans to businesses with GAR under $1 million compared to the aggregate's 51.7 percent. Given the competition the bank faces from larger institutions, this trend and the bank's ability to outperform the aggregate is noteworthy. Similar to above, outside of the numbers, the bank demonstrated notable and resolute efforts to support its strategy of focusing on serving the needs of small businesses in its assessment area, and to that end, partners with the Small Business Administration (SBA) to offer products to support business development and job creation. During the review period the bank made 14 SBA 504 loans totaling $11.6 million. In addition, the bank made 15 SBA 7(a) express loans, totaling $4.1 million.

Overall, the bank demonstrates an excellent record of serving the credit needs of highly economically disadvantaged areas in the bank's assessment area, low-income individuals, or businesses with GAR of $1 million or less, consistent with safe and sound operations.

Community Development Lending Activities

The institution's community development lending activities are evaluated pursuant to the following criteria: 1) The number and amount of community development loans in the institution's assessment area; 2) the extent to which community development lending opportunities have been made available to the institution; 3) the responsiveness to the opportunities for community development lending; 4) the extent of leadership the institution has demonstrated in community development lending; and 5) the innovativeness or complexity involved.

The bank demonstrates it is a leader in making community development loans. The bank originated 91 qualified community development loans, totaling $115.8 million. Of those, 86 loans, totaling $112.1 million, provided direct benefit to the bank's assessment area. The majority of the bank's community development lending activity was focused on affordable housing, a need identified by the bank and community contacts. The bank participated in numerous projects that resulted in the creation and preservation of affordable rental housing in the assessment area. Given the cost of housing in the assessment area, expanding the availability of affordable rental units is a responsive way to serve the housing needs of low-income families facing mortgage barriers.

Table 11 provides a summary of the bank's community development lending in the assessment area.

Table 11 Community Development Loans by Purpose												
Community Development Category	**7/26/2022-12/31/2022**		**2023**		**2024**		**2025**		**1/1/2026 - 3/2/2026**		**Total**	
	#	**$ (000s)**	**#**	**$**	**#**	**$**	**#**	**$**	**#**	**$**	**#**	**$**
Affordable Housing	5	$8,713	15	$19,556	17	$28,472	15	$20,373	3	$2,625	55	$79,739
Community Services	1	$1,340	4	$2,385	1	$350	3	$7,093	0	$0	9	$11,168
Economic Development	5	847	10	$9,742	3	$1,427	8	$9,809	0	$0	26	$21,825
Revitalization/Stabilization	0	$0	1	$3,064	0	$0	0	$0	0	$0	1	$3,064
Total	**11**	**$10,900**	**30**	**$34,747**	**21**	**$30,249**	**26**	**$37,275**	**3**	**$2,625**	**91**	**$115,796**
Bank provided community development loans												

A sample of the bank's community development lending activity during the evaluation period is provided below.

- In August 2019, the bank entered into an agreement with the Massachusetts Housing Partnership Fund. The fund's mission is to increase the affordable housing supply throughout Massachusetts. The bank has provided three~~3~~ loans to the fund during the review period, totaling over $3.1 million, which supported the creation of 78 units of affordable housing.

- In September 2022, the bank made a $5.2 million loan to create 44 units of affordable housing for low- and moderate-income seniors in Gloucester, MA.

- In September 2023, the bank made a $2.0 million loan to a community health center serving low- and moderate-income patients through locations in Salem, Gloucester and Peabody, MA.

- In May 2024, the bank made a $16.0 million loan to support the construction of a 49-unit apartment building located in a moderate-income census tract in Roslindale, MA. Seven units, or 14.3 percent, are reserved to provide affordable housing to low- and moderate-income individuals and families; therefore, the bank received community development loan credit for a pro-rata portion of the loan, totaling $2.3 million.

- In October 2024, the bank extended a $29.5 million construction loan to finance the acquisition and conversion of a property in Boston, MA into a 77-unit residential apartment building. Fifteen units, or 19.5 percent, are set aside as affordable for low- and moderate-income individuals and families. The bank's pro-rata consideration for community development credit is $5.7 million.

- The bank extended a $3.5 million SBA 504 loan to acquire an industrial property in a moderate-income census tract in Lowell, MA. Loans to businesses in an amount greater than $1 million when made as part of the SBA's 504 Certified Development Company program are qualified community development loans.

- In April 2025, the bank extended a $6.0 million construction loan to a non-profit child welfare organization serving at-risk youth. The loan supported the building and renovation of a residential facility in Salem, MA.

INVESTMENT TEST[3]

TruNorth's performance under the Investment Test is rated High Satisfactory.

The Investment Test evaluates the institution's record of meeting the credit needs of its assessment area through its use of qualified investments[4] that benefit the assessment area or a broader statewide or regional area that includes the institution's assessment area. The institution's investment performance is evaluated pursuant to the following criteria: 1) the number and dollar amount of qualified investments; 2) the innovativeness or complexity of qualified investments; 3) the responsiveness of qualified investments to credit and community development needs; 4) the degree to which the qualified investments are not routinely provided by private investors.

The bank demonstrates a significant level of qualified investments, particularly those that are not routinely provided by private investors, occasionally in a leadership position. The bank made a total of $12.9 million in qualified investments, which was compromised of $1.5 million in donations and $11.5 million in equity investments. Compared to the prior examinations, when combining North Shore Bank and Abington Bank's performances, donations increased by $698,386 and equity investments increased by $5.1 million.

Qualified Investments

The bank's overall equity investments totaled $11.5 million, including a $2 million new equity investment and $9.5 million in prior period equity investments.

<u>New Investment</u>

The bank made one new qualified equity investment during the evaluation period. In 2025, TruNorth made a $2 million investment in a low-income housing tax credit (LIHTC) to support the purchase and renovation of 50 affordable housing units within Brookline, MA which will be rented to low-income households. LIHTCs are the government's primary tool for encouraging investment in affordable rental housing, which is a critical need in the bank's assessment area. These investments are considered more complex requiring specialized expertise.

<u>Prior Period Investments</u>

During the evaluation period TruNorth continued to invest in four Freddie Mac mortgage-backed security (MBS) pools with a combined book value of $5 million, a municipal bond with a book value of $1.4 million, and two small business investment company (SBIC) funds with a book value of $3.1 million. The MBS pools are secured by loans to low-and moderate-income individuals in the assessment area and support the affordable housing need in the assessment area, as noted by the community contacts. The municipal bond supports community services

[3] As a result of the September 2024 merger between Abington Bank and Northshore Bank, equity investments and donations are inclusive of CD activity for both banks pre-merger, and for TruNorth Bank post-merger.
[4] A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

through the renovation and expansion of a dedicated children's educational program space to an organization that supports low- and moderate-income youth through before- and after-school and summer programs. The two SBIC funds promote economic development by financing small businesses through the SBA. While one fund is comprised of loans in the Northeast, Southeast/Mid-Atlantic, and Midwest, and the other fund is comprised of loans nationwide, loans within both funds are located in the bank's broader regional area.

The bank demonstrates significant use of innovative or complex qualified investments. While the majority of the bank's qualified investments were predominantly in the form of prior period investments in loan pools secured by individual loans to low- or moderate-income borrowers, a municipal bond, and SBIC investments, the bank made a complex and impactful LIHTC investment during the current evaluation period. Both community contacts noted the need for affordable housing for both renters and buyers within the bank's assessment area.

The bank demonstrated a good responsiveness to credit and community development needs. Of note, 22 percent of the total dollar amount of donations made were to support affordable housing, a need in the assessment area as noted by both community contacts. Additionally, the bank continued to provide free office space at the Danvers branch to Habitat for Humanity, an organization that provides affordable housing to low- and moderate-income families. The bank's donations primarily provided support services to low- and moderate-income individuals, and these contributions are particularly impactful in the market where the bank operates given the number of low- and moderate-income tracts and individuals.

Grants and Donations

Table 12 displays qualified grants and donations by year and community development purpose.

Table 12
Qualified Donations by Purpose

Community Development Category	7/26/2022 - 12/31/2022		2023		2024		2025		1/1/2026 – 3/2/2026		Total	
	#	$	#	$	#	$	#	$	#	$	#	$
Affordable Housing	4	41,250	7	60,300	8	112,750	8	107,000	0	0	27	321,300
Community Services	15	28,900	92	392,615	125	293,700	121	390,336	2	11,000	355	1,116,551
Revitalization/ Stabilization	0	0	0	0	2	30,000	1	5,000	0	0	3	35,000
Total	**19**	**70,150**	**99**	**452,915**	**135**	**436,450**	**130**	**502,336**	**2**	**11,000**	**385**	**1,472,851**

Bank provided qualified investment data.

Current period qualified donations total $1,472,851; a 90.2 percent increase from the total of $774,465 at the prior evaluations, when combining North Shore Bank and Abington Bank's qualified donations. While the bank's donations were concentrated in community services, community development categories can often overlap. Many organizations that provide community services to low- and-moderate-income individuals also promote affordable housing, economic development, and local revitalization efforts. An area the bank has targeted for donations is food insecurity, which was also a need noted by a community contact.

The following is a sample of the organizations that benefited from the bank's contributions:

- *NeighborWorks Housing Solutions* – This organization promotes finding and maintaining affordable housing through rental assistance, shelter and homelessness prevention, first-time homebuyer education and counseling, foreclosure prevention, and the construction and management of affordable rental housing across southern MA.

- *Self Help Inc* – This organization is a nonprofit Community Action Agency created to help southern MA families and individuals stabilize their lives through education and strategic assistance. Programs include home energy assistance to help low- and moderate-income families and individuals pay for and lower heating costs, SNAP application assistance, lead paint abatement program for low-income families with young children, and a preschool program for children experiencing homelessness, children in foster care, and low-income families.

- *Father Bill's & MainSpring (FBMS)* – This organization in southern MA provides emergency housing that includes access to three meals a day, health care clinics, laundry facilities, showers, and essentials such as clothing and toiletries. FBMS also includes homelessness prevention programs including court-based tenancy preservation work, emergency financial assistance, and a family diversion program to assist in obtaining stable housing. The organization assists those within its programs achieve self-sufficiency by obtaining skills, jobs, housing, and supportive services.

- *Citizen's Inn* – Citizen's Inn works to support North Shore families and individuals experiencing a housing crisis or food insecurity. Programs include transitional sober housing for families, emergency housing for families experiencing homelessness, case management to support the transition from homeless shelters to stable permanent housing through a portfolio of affordable rental units, a network of landlords and affordable housing programs, and food resources including a food pantry and four-day a week community-meal dinner.

- *Harborlight Homes* – This organization is focused on creating access to affordable housing in the North Shore area. Harborlight Homes constructs and manages large housing projects that primarily benefit low-and moderate-income individuals through affordable rental properties and helping individuals in need move toward homeownership through homebuyer education in addition to working as an administrator for the Cape Ann Community Land Trust Program to create permanently deeded affordable housing.

- *Neighbors Helping Neighbors Program* – TruNorth 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 greater Boston area. During the evaluation period, the bank donated $181,600 to a myriad of food pantries in the assessment area.

SERVICE TEST

TruNorth's performance under the Service Test is rated High Satisfactory.

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

Retail Banking Services

Retail banking services evaluates the availability and effectiveness of an institution's systems for delivering retail banking services, pursuant to the following criteria: 1) the current distribution of the institution's branches among low-, moderate-, middle-, and upper-income geographies; 2) in the context of its current distribution of branches, the record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals; 3) the availability and effectiveness of alternative systems for delivering retail banking services in low- and moderate-income geographies and to low- and moderate-income individuals; and 4) the range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

Table 13 displays the distribution of the bank's current branch network compared to the percentage of census tracts within the assessment area as well as the percentage of the population that resides in those tracts.

Table 13
Distribution of Branch Offices by Income Category

Census Tract Income Category	Assessment Area Demographics		Bank Offices by Tract Location	
	Total Census Tracts	Total Population		
	% of #	% of #	#	%
Low	10.0	9.3	2	6.9
Moderate	17.9	18.6	7	24.1
Middle	35.9	37.8	16	55.2
Upper	32.0	33.2	4	13.8
Unkown	4.3	1.2	0	0.0
Total	**100.0**	**100.0**	**29**	**100.0**

Source: 2015 ACS
Note: Total percentages shown may vary by 0.1 percent due to automated rounding differences.

The bank demonstrates its service delivery systems are reasonably accessible to portions of its assessment areas, particularly to low- or moderate-income geographies or to low- or moderate-income individuals. The bank's current branch network reflects mergers with institutions that operated primarily north and south of Suffolk County. Therefore, there are currently no branches located within Suffolk County. Of the bank's 29 branches in the assessment area, two or 6.9 percent, are located in low-income census tracts which is below the percentage of low-income census tracts in the assessment area and the percentage of the population residing in those tracts. The low-income branches are located in Beverely and Salem, MA. With seven branches, or 24.1 percent, located in moderate-income tracts, the bank's branch distribution exceeds the percentage of moderate-income tracts in the assessment area, at 17.9 percent, and the percentage of the population living in those tracts, at 18.6 percent. The moderate-income branches are located in Beverely, Peabody, Quincy, Salem, Stoughton, and Weymouth, MA.

To the extent changes have been made, the bank's record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. Through mergers, the bank has acquired 14 branch offices since the previous examination, including four in moderate-income census tracts. Services (including business hours) do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals.

Community Development Services[5]

Community development services are evaluated pursuant to the following criteria: 1) The extent to which the institution provides community development services; and 2) the innovativeness and responsiveness of community development services.

The bank demonstrates it provides a relatively high level of community development services. While the bank's community development services are not particularly innovative, the relatively high level of community development services is reflected through the extent and degree to which they serve low- and moderate-income areas, and their responsiveness to available opportunities through board memberships and financial literacy events.

Employee Services

During the evaluation period, 60 employees provided community development services to 49 organizations which benefited the assessment area. Bank employees served on boards of organizations focused on health services for low- and moderate-income families, education for low- and moderate-income students, affordable housing, and economic development for small businesses in low- and moderate-income areas.

The following details examples of involvement in community development activities:

- *Brockton Housing Partnership* – Brockton Housing Partnership is a non-profit organization in a low-income tract that promotes affordable housing and financial literacy in the community of Brockton. A bank senior vice president was an executive committee member for three years of the evaluation period.

- *Newhall Fields Community Farm* – Newhall Fields Community Farm provides organically and sustainably-grown fresh, healthy produce and herbs to North Shore families facing food scarcity, where 70 percent of grown produce is delivered to hunger-relief organizations on the North Shore. A branch officer was a board member during the evaluation period.

- *Boys and Girls Club of Lower Merrimack Valley* – The Boys and Girls Club of Lower Merrimack Valley is a non-profit organization located in a moderate-income tract

[5] As a result of the September 2024 merger between Abington Bank and Northshore Bank, community development services are inclusive of employee services and financial literacy education for both banks pre-merger, and for TruNorth Bank post-merger.

offering a multitude of services, including after school and summer childcare for primarily low- and moderate-income families. A bank senior vice president served on the board during the evaluation period.

- *Rochester Affordable Housing, Inc (RAHI).* – RAHI is a non-profit organization focused on assisting Rochester, MA area seniors and disabled veterans with handicap accessible affordable housing. Three bank employees provided their administrative skills to assist RAHI during the evaluation period.

Financial Literacy Education

During the evaluation period, 32 employees participated in approximately 12 financial literacy events with 10 organizations in the assessment area. The primary focus of the financial literacy events was aimed at educating low- and moderate-income students, small business financial planning, and first-time homebuyer (FTHB) education.

- *Financial Literacy Events* – The bank participated in a multitude of financial literary events aimed at low- and moderate-income students at The Boys and Girls Club of Greater Salem, Brockton High School, Holbrook High School, Randolph High School, Rockland High School, and Stoughton High School. Additionally, the bank participated in a community event to educate individuals regarding workplace programs such as direct deposit and Health Savings Accounts.

- *Small Business Financial Planning* – The bank participated in a financial literacy event for small businesses regarding financial planning. Small business seminars were a need noted by a community contact.

- *FTHB Seminars* – The bank participated in two first-time homebuyer classes and provided information on affordable mortgage programs, downpayment assistance, and general first-time homebuyer frequently asked questions.

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.

APPENDIX

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. 228.12