



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

September 25, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Rollstone Bank & Trust
Charter Number 707794

780 Main St
Fitchburg, MA 01420-3112

Office of the Comptroller of the Currency

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Suite 805
Boston, MA 02110

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, and should not 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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Overall CRA Rating

Institution's CRA Rating: This institution is rated **Satisfactory**.

The lending test is rated: Satisfactory.

The community development test is rated: Satisfactory.

The major factors that support this rating include:

- The Lending Test rating is based on Rollstone Bank & Trust's (RBT, or the bank) performance in meeting the credit needs of its full-scope (FS), Massachusetts (MA) based assessment area (AA) during the CRA lending test evaluation period of January 1, 2020, through December 31, 2022.
- The bank's average loan-to-deposit (LTD) ratio is reasonable based on the institution's size, financial condition, and credit needs of the AA.
- A majority of the bank's loans are in its AA.
- RBT exhibits a reasonable geographic distribution of loans in the AA and a reasonable distribution of loans to individuals of different income levels in the AA, given product lines offered by the institution.
- The bank was not subject to any CRA or Fair Lending related complaints during the evaluation period.
- The Community Development (CD) Test rating is based on RBT's adequate responsiveness to CD needs in the AA through CD loans, qualified investments, and CD services.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's LTD ratio is reasonable.

We assessed RBT's quarterly LTD data from January 1, 2020, to December 31, 2022, against five peer intermediate small banks (ISBs) located in Worcester County, MA. Peer banks ranged in total assets sizes from \$689.3 million to \$1.1 billion. Over the evaluation period RBT's quarterly LTD ratio averaged approximately 83.5 percent, ranging from a quarterly low of 74.6 percent and a high of 97.2 percent. This is comparable to peer banks who had an average LTD of approximately 84.7 percent, with a quarterly low of 73.4 percent and high of 92.3 percent. The quarterly LTD ratio decreased from 108.8 percent at the previous CRA performance evaluation (PE) due to significant deposit growth as a result of current market conditions and interest rate swaps executed by management.

Lending in Assessment Area

A majority of the bank's loans are inside its AA.

The bank originated 66.5 percent of its total loans by number inside its AA during the evaluation period. This analysis is performed at the bank, rather than the AA level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total#	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2020 - 2021	345	70.3	146	29.7	491	88,875	59.9	59,590	40.1	148,465
2022	50	48.5	53	51.5	103	14,660	27.8	38,165	72.2	52,825
Subtotal	395	66.5	199	33.5	594	103,535	51.4	97,755	48.6	201,290

Description of Institution

RBT is a federally chartered stock institution with operations centered in Worcester and Middlesex County, MA and its headquarters are based in Fitchburg, MA. RBT reported total assets of \$888.8 million as of December 31, 2022, which includes net loans of \$622.3 million, or 70.0 percent of total assets. Total deposits and net tier 1 capital equaled \$705.2 million and \$91.1 million, respectively, as of December 31, 2022. The bank is wholly owned by Rollstone Bancorp, MHC, a mutual holding company. RBT’s main office location in Fitchburg serves as a mortgage operations center, with an additional mortgage and loan center located in Leominster, MA. The bank also maintains seven full-service branch locations, with two operating in Fitchburg, two in Leominster, and one each in Harvard, Townsend, and Groton, MA. Additionally, RBT has a commercial lending and wealth management center located in Worcester, MA. All bank branches are located within the delineated FS MA-based AA.

Branch locations operate Monday through Saturday, with banking services generally offered from 9:00am to 4:00pm; although, extended hours occur on Thursday and Friday, and all locations close by noon on Saturdays. Most branch locations offer ATM, night depository, and safe deposit box services. The bank’s main office/operations center, mortgage and loan center, and commercial lending/wealth management center do not conduct branch services or offer monetary transactions. Customers may schedule appointments at these locations to engage in services relevant to the center’s respective operations. RBT offers a full array of traditional loan and deposit products. Retail lending includes home mortgages, equity lines of credit, and construction, as well as auto and personal loans. Commercial lending includes commercial real estate, Small Business Administration loans, and lines of credit. The bank has full trust powers and offers related services such as estate planning and trust administration, as well as a full suite of investment services that include retirement planning, insurance products, and investment advisement. The bank’s website www.rollstonebank.com includes more information regarding specific location hours and services offered.

The table below is for informational purposes only and provides a summary of the loan mix by dollar amount outstanding as of December 31, 2022:

Loan Portfolio Summary by Loan Product December 31, 2022	
Loan Category	Percent Of Gross Loans and Leases
1-4 Family Residential Mortgages – Closed End	23.8
Non-farm Non-residential Real Estate	63.5
Commercial and Industrial	4.2
Multifamily	2.4
Home Equity	2.1
Construction & Development	1.9
Obligations of States and Political Subdivisions	2.0
Consumer	<1
Total	100.0

Data obtained from the FFIEC Call Report, Schedule RC-C Part I - Loans and Leases, for the quarter ending December 31, 2022.

The bank has no ongoing or pending litigation impacting its ability in meeting the credit needs of the AA. The bank was rated ‘Outstanding’ using ISB procedures during the previous CRA PE dated May 4, 2020.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The bank was evaluated using ISB procedures, which assesses the bank’s performance according to CRA under components of both a Lending Test and CD Test. The evaluation period for the lending and CD test was from January 1, 2020, through December 31, 2022. The Lending Test evaluates the bank’s record of meeting the credit needs of its AA through primary lending activities. The CD Test includes an assessment of CD loans, qualified investments, donations, and CD services. The bank’s lending performance was assessed using Home Mortgage Disclosure Act (HMDA) reportable loans originated during the evaluation period as home mortgage loans accounted for approximately 64.8 percent of all originations by number during the evaluation period.

Due to updates made to demographic information during the evaluation period stemming from the 2020 U.S. Census, the bank’s lending activity from January 1, 2020, to December 31, 2021, was assessed separately from lending activity occurring from January 1, 2022, to December 31, 2022. Between the two periods, consideration was first assigned to the bank’s lending activity during 2020 and 2021, as these two years contained the majority of bank lending when compared to 2022. For the geographic and borrower distribution analyses, loans originated during the 2020 and 2021 evaluation years were compared to the 2015 American Community Survey (ACS) Census while loans originated during the 2022 evaluation year were compared to the 2020 U.S. Census.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA) are combined and evaluated as a single AA. Refer to the “Scope” section under the State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full-scope AAs.

Ratings

The bank’s overall rating is based on its lending performance in the State of MA. Refer to the “Scope” section under the State Rating section for details regarding how the area was weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) in determining a national bank’s or federal savings association’s (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank’s lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable. The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution’s next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Massachusetts

CRA rating for the State of Massachusetts: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

- The bank exhibits a reasonable geographic distribution of loans in the state.
- The bank exhibits a reasonable distribution of loans to individuals of different income levels in the state, given product lines offered by the institution.
- The bank was not subject to any CRA related complaints during the evaluation period.
- The bank exhibits adequate responsiveness to the credit needs of its AA through CD activities.

Description of Institution's Operations in Massachusetts

The state of MA represents RBT's primary area of operations. RBT's FS MA-based AA is comprised of a single rating area that includes adjacent MA geographies within both the Boston-Cambridge-Newton, MA-NH MSA (#14460) and the Worcester, MA-CT MSA (#49340). The FS MA-based AA consists of a total of 45 census tracts, including five low-, 11 moderate-, 20 middle, and 9 upper income census tracts. The bank operates seven full-service branches within the FS MA-based AA as of the end of our evaluation period, with five located in Worcester County (#27) and the remaining two located in Middlesex County (#17).

We reviewed FDIC Deposit Market Share data as of June 30, 2022, where RBT ranked 29th among 64 financial institutions in the market area with less than one percent deposit market share representing \$723.1 million in deposits. This positioning highlights the significant competitive pressures present within the bank's FS MA-based AA, where the top lenders consist of larger institutions that have a national or regional presence. These top lenders include Bank of America, National Association (23.2 percent market share), Citizens Bank, National Association (9.6 percent), and TD Bank, National Association (7.3 percent). Furthermore, the top six lenders within this space account for approximately 53.1 percent of all deposits, while all lenders outside of the top six individually maintain less than four percent deposit market share.

As part of performance context for both segmented periods, when evaluating the bank's lending, we considered the disparity between the median income of families within the FS MA-based AA compared to the median cost of housing and its overall impact to homeownership. Within the bank's AA for 2021, 9.2 percent of families were below the poverty level and 41.5 percent of households were low- or moderate-income. In 2021, the medium housing value was \$246,342 compared to the median family income of \$100,380 in the Cambridge-Newton-Framingham, MA MSA and \$81,137 in the Worcester, MA-CT MSA. In 2022, the medium housing value was

\$283,810 compared to the median family income of \$121,481 in the Cambridge-Newton-Framingham, MA MSA and \$96,860 in the Worcester, MA-CT MSA. The table also indicates that 5.9 percent of families were below the poverty level and 42.1 percent of households were low-or moderate-income in 2022. The increase in home prices in the Worcester MA-CT MSA limits the availability of affordable housing to low-and moderate-income individuals, as the housing market appreciated during the evaluation period. The median housing values for 2022 remain high based off the 2020 U.S. Census and 2022 Dun & Bradstreet (D&B) data for the Worcester, MA-CT MSA. The 2022 median family income reported for low-income families of \$53,950 may find it challenging to qualify for a mortgage loan with a median housing value of \$283,810.

According to a Moody's Analytics report dated September 2021, Worcester's economy was outperforming its MA and Northeast peers but remained behind the nation. Employment was approximately five percent below its pre-pandemic peak. The resumption of full-time in-person learning led to an uptick in higher education employment as schools brought back jobs that were eliminated during the shift to remote learning. However, the severity of losses including the closure of schools means the full recovery will take longer. Worcester depends more on manufacturing jobs than other New England metro areas due to the sizeable presence of semiconductor, pharmaceutical, and plastics producers. Manufacturing, higher education, and consumer industries will add back jobs, but consumer industries will slow as commuters returning to work will spend less of their income. Longer term, Worcester will match the Northeast in net hiring because of its proximity to the Greater Boston area.

Full-scope MA AA 2021

Table A – Demographic Information of the Assessment Area						
Full-scope MA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	41	9.8	29.3	36.6	24.4	0.0
Population by Geography	199,836	6.2	28.2	36.8	28.8	0.0
Housing Units by Geography	81,042	7.5	29.2	37.2	26.1	0.0
Owner-Occupied Units by Geography	49,144	2.5	24.0	38.5	35.0	0.0
Occupied Rental Units by Geography	25,100	15.1	37.3	38.4	9.2	0.0
Vacant Units by Geography	6,798	16.0	36.5	23.7	23.8	0.0
Businesses by Geography	14,883	6.1	25.9	35.8	32.2	0.0
Farms by Geography	541	1.7	15.7	34.4	48.2	0.0
Family Distribution by Income Level	50,339	23.6	17.7	21.5	37.1	0.0
Household Distribution by Income Level	74,244	26.6	14.9	17.9	40.6	0.0
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		\$100,380	Median Housing Value			\$246,342
Median Family Income MSA - 49340 Worcester, MA-CT MSA		\$81,137	Median Gross Rent			\$904
			Families Below Poverty Level			9.2%
<i>Source: 2015 ACS and 2021 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Full-scope MA AA 2022

Table A – Demographic Information of the Assessment Area						
Full-scope MA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	45	11.1	24.4	44.4	20.0	0.0
Population by Geography	207,751	8.1	20.4	47.8	23.6	0.0
Housing Units by Geography	82,726	8.8	22.5	46.5	22.2	0.0
Owner-Occupied Units by Geography	53,971	3.3	17.5	51.0	28.3	0.0
Occupied Rental Units by Geography	23,709	19.9	32.0	40.2	7.9	0.0
Vacant Units by Geography	5,046	15.0	32.1	28.6	24.3	0.0
Businesses by Geography	16,194	7.3	17.6	48.2	26.9	0.0
Farms by Geography	581	2.8	9.3	47.7	40.3	0.0
Family Distribution by Income Level	51,768	23.6	19.1	20.5	36.8	0.0
Household Distribution by Income Level	77,680	25.3	16.8	18.1	39.9	0.0
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		\$121,481	Median Housing Value			\$283,810
Median Family Income MSA - 49340 Worcester, MA-CT MSA		\$96,860	Median Gross Rent			\$1,013
			Families Below Poverty Level			5.9%
<i>Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

As a part of this evaluation, to obtain a better understanding of AA credit needs, we leveraged community contacts made between a local community organization and from the city of Fitchburg-Leominster during the evaluation period. The contacts we leveraged included a local non-profit community organization who conducted a community needs assessment to identify where critical gaps in service exist and where the organization should consider investing donations. The review indicates that there are significant needs as wages are not keeping pace with the cost of housing, childcare, public transportation, and basic needs like food and utilities. The second contact we leveraged was from the city of Fitchburg. This contact noted its strategic plan is to focus on affordable housing creation, homeownership, and economic development.

Scope of Evaluation in Massachusetts

We completed a full-scope review of the bank's delineated MA-based AA. Refer to Appendix A for additional information on the AA under review. RBT's AA consists of wholly contiguous political subdivisions, contains all branch locations, and does not arbitrarily exclude any low- or moderate-income census tracts.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MASSACHUSETTS

LENDING TEST

The bank's performance under the Lending Test in the state of MA is rated Satisfactory.

Conclusions for Area Receiving a Full Scope Review

Based on a full-scope review, the bank's performance in the AA is adequate.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the state.

Home Mortgage Loans

Refer to Table O in the state of MA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations.

2020-2021

The geographic distribution of home mortgage loans is considered reasonable.

The percentage of home mortgage loans in low-income census tracts exceeds the percentage of owner-occupied units in the AA and is somewhat lower than aggregate lending in the AA. The percentage of home mortgage loans in moderate-income census tracts is somewhat lower than both the percentage of owner-occupied units and aggregate lending in the AA.

2022

The geographic distribution of home mortgage loans is considered reasonable.

The percentage of home mortgage loans in low-income census tracts is somewhat lower than the percentage of owner-occupied units in the AA and lower than the percentage of aggregate lending in the AA. The percentage of home mortgage loans in moderate-income census tracts exceeds both the percentage of owner-occupied units and aggregate lending in the AA.

Lending Gap Analysis

We reviewed demographic summary data and mapping reports to identify any gaps in the geographic distribution of the bank's home mortgage loans in the AA during the evaluation period. The analysis did not identify any unexplained or conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels, given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in the state of MA section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations.

2020-2021

The borrower distribution of home mortgage loans is considered reasonable given performance context.

The percentage of home mortgage loans to low-income borrowers was lower than the percentage of low-income families and somewhat lower than aggregate lending in the AA. The percentage of home mortgage loans to moderate-income borrowers exceeds the percentage of moderate-income families and is somewhat lower than aggregate lending in the AA.

The assessment of performance considered the affordability for low-and moderate-income borrowers and competition amongst lenders in the AA. Based on the 2021 median family income (MFI) of \$81,137, low-income families with maximum income of \$48,350 and moderate-income families with maximum income of \$77,360 may find it challenging to qualify for a mortgage loan given the \$246,342 median housing value.

2022

The borrower distribution of home mortgage loans is considered reasonable given performance context.

The percentage of home mortgage loans to low-income borrowers was significantly lower than the percentage of low-income families in the AA and exceeds aggregate lending in the AA. The percentage of home mortgage loans to moderate-income borrowers exceeds both the percentage of moderate-income families and aggregate lending in the AA.

The assessment of performance considered the affordability for low-and moderate-income borrowers and competition amongst lenders in the AA. Based on the 2022 MFI of \$96,860, low-income families with maximum income of \$53,950 and moderate-income families with maximum income of \$86,320 may find it challenging to qualify for a mortgage loan given the \$283,810 median housing value.

Responses to Complaints

The bank was not subject to any CRA related complaints during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the CD Test in the State of Massachusetts is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank exhibits adequate responsiveness, to CD needs in the state of MA through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AA.

Number and Amount of Community Development Loans

The level of CD lending demonstrates adequate responsiveness. The CD Loans table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending.

During the evaluation period, RBT made 21 qualified CD loans totaling \$4.8 million or 5.3 percent of tier 1 capital as of December 31, 2022. The loans benefited the Worcester and Middlesex counties. The CD loans made by RBT provided financing to organizations located in low- and moderate-income geographies that offered affordable housing, promoted economic development, and provided services targeted to low- and moderate-income individuals.

Highlights of the bank's CD loans are as follows:

- A \$1.6 million loan to refinance a retail building for economic development and job retention. This building is in a low- to moderate-income area.
- Approximately \$1.2 million in loans to a local business who retained 22 employees from the local community during the pandemic. This business is based out of Gardner, MA, which includes four low- and moderate-income census tracts.
- Approximately \$417,107 in funding amongst seven loans to a local community organization where funds were used to purchase and update equipment to transport disabled residents. Majority of the disabled residents are low- to moderate-income individuals.

The CD loans table does not contain data pertaining to the bank's participation in the Small Business Administration's Payment Protection Plan (PPP) program as part of the national response to economic pressures imposed by the Covid-19 pandemic. The bank made approximately 358 instances of PPP lending totaling approximately \$51.2 million during the 2020 and 2021 program years. In 2020, the bank originated 264 PPP loans totaling approximately \$38.1 million, and in 2021, the bank originated 93 PPP loans in the AA totaling approximately \$13.1 million.

Outside the AAs – Broader Statewide Area

Statewide, the bank demonstrates good responsiveness to identified credit and CD needs by participating in CRA-qualified loans that provide benefits in a large, regional scope which includes the bank's delineated AA. The bank originated three loans totaling \$6.4 million in the broader statewide area. The bank originated one loan totaling \$5.1 million to a human services organization that benefits low- and moderate-income geographies. The bank funded another loan

for \$1.0 million to a local business to purchase buses and hire drivers to create new positions for low- and moderate-income individuals to transport students to and from school. The third loan totaled \$270,029, and proceeds benefitted a group home for residents that are low income.

Refer to the CD Loans table below for the facts and data used to evaluate the bank’s level of CD lending. The table includes all qualifying CD loans.

<i>CD Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
FS MA AA	21	87.5	\$4,789,513	43.0
Statewide/Regional	3	12.5	\$6,359,629	57.0
Total	24	100	\$11,149,143	100

Number and Amount of Qualified Investments

RBT demonstrated poor responsiveness based on the level of CD investments and donations. Qualified CD donations and prior period investments totaled \$1.3 million or 1.4 percent of tier 1 capital. RBT did not make any new investments during the evaluation period. The two investments totaled \$1.0 million in general purpose investment bonds for the cities of Fitchburg and Lowell, MA. Qualified donations totaled \$255,617 and benefitted 75 local community organizations that provide needed services to individuals with disabilities, assist families that are experiencing hardship, and provide additional services to low- to moderate-income individuals.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Investments	2	\$1,044,100	0	0	2	2.6	\$1,044,100	80.3	0	0
Donations	NA	NA	75	\$255,617	75	97.4	\$255,617	19.7	0	0
Total	2	\$1,044,100	75	\$255,617	77	100	\$1,299,717	100	0	0

* Prior Period Investments means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments means legally binding investment commitments that are tracked and recorded by the institution’s financial reporting system.

The Qualified Investment table, shown above, sets forth the information and data used to evaluate the bank’s level of qualified CD investments. These tables include all CD investments, including prior period investments that remain outstanding as of the examination date.

Highlights of the bank's CD donations/grants are as follows:

- \$47,666 in donations to a local organization whose primary focus is to assist homeless families with the most critical basic needs, housing, and support services. Services are also provided to help families overcome challenges to transition to long-term stable housing.
- \$10,000 annual donation to a local organization to benefit small businesses as they re-open after the pandemic. The organization also offers an eviction prevention program to allow tenants and homeowners to not lose their homes.
- \$18,263 in donations to an organization dedicated to improving the everyday living needs of the less fortunate. This organization offers food for low- and moderate-income individuals.

Extent to Which the Bank Provides Community Development Services

The bank provides an excellent level of CD services in the AA. During the evaluation period, 28 bank members provided approximately 2,023 CD service hours. Services provided demonstrated leadership roles, and support in economic activities benefiting small businesses and individuals in low- and moderate-income geographies. The remainder of hours helped facilitate community services primarily benefitting low-and moderate-income individuals which included financial literacy programs, food donations, and clothing and school supply donations to low- and moderate-income populations.

Highlights of the bank's CD services are as follows:

- Employees provided financial expertise during a community event for the at-risk youth and provided tools to succeed, discussed the importance of education, critical life skills, work and career readiness, and entrepreneurship.
- Several employees served the community by providing meals to individuals in need, specifically to elderly and at-risk children.
- An employee serves on the board as an advisor to a group that guides women through college by improving their development skills related to professionalism, inclusiveness, and lifelong learning skills. A majority of the women are low-and moderate-income individuals.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review designated by the term “full-scope” and those that received a less comprehensive review designated by the term “limited-scope”.

Time Period Reviewed:	(01/01/2020 to 12/31/22)	
Bank Products Reviewed:	Home mortgage loans, community development loans, qualified investments, community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
<i>None</i>		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Massachusetts		
FS MA AA	Full-scope	<ul style="list-style-type: none"> • Boston-Worcester-Providence, MA, RI, NH, CT CSA • Boston-Cambridge-Newton, MA-NH MSA • Cambridge-Newton-Framingham, MA MSA • Portions of Middlesex Count • Ashby, Ayer, Groton, Pepperell, Shirley, and Townsend • Worcester, MA CT MSA • Portions of Worcester County • Ashburnham, Fitchburg, Gardner, Harvard, Lancaster, Leominster, Lunenburg, Sterling, and Westminster

Appendix B: Summary of MMSA and State Ratings

RATINGS Rollstone Bank & Trust			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall State Rating
Rollstone Bank & Trust	Satisfactory	Satisfactory	Satisfactory
State:			
Massachusetts	Satisfactory	Satisfactory	Satisfactory

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, 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 that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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

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: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5

million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 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.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2020-21
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
2020-2021 FS MA AA	345	88,875	100.0	11,912	2.5	3.2	3.8	24.0	16.5	24.0	38.5	45.5	38.4	35.0	34.8	33.7	0.0	0.0	0.0
Total	345	88,875	100.0	11,912	2.5	3.2	3.8	24.0	16.5	24.0	38.5	45.5	38.4	35.0	34.8	33.7	0.0	0.0	0.0

Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2022
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
2022 FS MA AA	50	14,660	100.0	6,940	3.3	2.0	5.4	17.5	26.0	20.5	51.0	36.0	48.0	28.3	36.0	26.1	0.0	0.0	0.0
Total	50	14,660	100.0	6,940	3.3	2.0	5.4	17.5	26.0	20.5	51.0	36.0	48.0	28.3	36.0	26.1	0.0	0.0	0.0

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2020-21**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
2020-2021 FS MA AA	345	88,875	100.0	11,912	23.6	5.2	7.2	17.7	19.7	22.8	21.5	26.1	25.4	37.1	45.5	28.7	0.0	3.5	15.8
Total	345	88,875	100.0	11,912	23.6	5.2	7.2	17.7	19.7	22.8	21.5	26.1	25.4	37.1	45.5	28.7	0.0	3.5	15.8

*Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2022**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
2022 FS MA AA	50	14,660	100.0	6,940	23.6	12.0	9.2	19.1	32.0	26.5	20.5	22.0	26.1	36.8	30.0	25.6	0.0	4.0	12.6
Total	50	14,660	100.0	6,940	23.6	12.0	9.2	19.1	32.0	26.5	20.5	22.0	26.1	36.8	30.0	25.6	0.0	4.0	12.6

*Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

