

**PUBLIC DISCLOSURE**

DECEMBER 20, 2005

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

ATHOL-CLINTON CO-OPERATIVE BANK

90 EXCHANGE STREET  
ATHOL, MA 01331

DIVISION OF BANKS  
ONE SOUTH STATION  
BOSTON, MA 02110

**NOTE:** This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.

## GENERAL INFORMATION

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

This document is an evaluation of the CRA performance of **ATHOL-CLINTON CO-OPERATIVE BANK (or the "Bank")** prepared by the Division, the institution's supervisory agency, as of **DECEMBER 20, 2005**. The Division rates the CRA performance of an institution consistent with the provisions set forth in 209 CMR 46.00.

### **INSTITUTION'S CRA RATING: This institution is rated "High Satisfactory"**

Based on the five criteria specified for institutions with assets under \$250 million, Athol-Clinton Co-operative Bank's overall CRA performance is considered Satisfactory. The Bank's loan-to-deposit ratio stood at 129.0 percent as of September 30, 2005, and has averaged 108.1 percent over the last 8 quarters. These figures reflect good performance levels that exceed the standards for satisfactory performance based on the Bank's size, customers' credit needs, and the market in which it operates.

Mortgage loan data for calendar years 2004 and year-to-date December 8, 2005, indicates that Athol-Clinton Co-operative Bank originates the majority of its residential mortgages within the Athol assessment area. The Bank meets the standards for satisfactory performance in this category also.

Low- and moderate-income families represent more than 47.9 percent of total family households. The Bank's performance in lending to borrowers of different income levels exceeds the standards for satisfactory performance when compared to the distribution of loans among low- and moderate-income borrowers by other lenders within the assessment area.

Based on the analysis of the geographic distribution of loans within each locality, the Bank's performance is considered to be good. Finally, based upon a review of the Bank's CRA-related complaint file and fair lending policies and practices, no evidence of any discriminatory practices was indicated. An overall rating of "High Satisfactory" is assigned.

## **PERFORMANCE CONTEXT**

### **Description of Institution**

Athol-Clinton Co-operative Bank is a mutually-owned, state chartered institution with its main office located within a moderate-income census tract at 90 Exchange Street in Athol, Massachusetts. The Bank operates a full-service branch office located within a middle-income census tract at 131 Main Street in South Lancaster. Both offices provide drive-up teller service. In addition, the Bank operates a loan office at 251 Exchange Street in Athol.

The Bank does not have Automated Teller Machine ("ATM") service but provides customers with a debit card that is part of the NYCE and Cirrus networks. The Bank's card allows customers the first 5 transactions free of charge per month. The debit card can also be use at any ATM that participates in the SUM alliance of surcharge free ATMs. This service allows the Bank's customers to withdraw funds surcharge-free from any member institution's ATM that bears the SUM logo. Hours of operation at all locations are from 8:30 a.m. to 4:00 p.m. weekdays with extended hours at both full service bank offices to 6:00 p.m. on Thursday. Drive-up teller service at the two branches extends to 4:30 p.m. weekdays and 6:00 p.m. on Thursday. In July 2005, the Bank extended its business hours to include Saturday from 8:30 to noon.

As of September 30, 2005, the Bank's assets totaled \$90.6 million of which \$75.5 million, or 83.4 percent, represented total loans. The Bank is primarily a real estate lender with 91.2 percent of its loan portfolio consisting of residential real estate loans. Construction and land development loans are next with 5.0 percent. The remaining portfolio consists of nonfarm nonresidential and consumer loans, which combined represent less than 5 percent of the total portfolio. Additional information regarding the comparison of the Bank's loan portfolio is summarized below.

<b>Loan Distribution as of September 30, 2005</b>		
<b>Loan Type</b>	<b>Dollar Amount \$(000)</b>	<b>Percent (%)</b>
Secured by:		
Construction and Land Development	3,797	5.0
1-4 Family Residential Properties	68,554	90.8
Multi Family (5 or more) Residential Properties	323	0.4
Nonfarm Nonresidential Properties	1,725	2.3
Consumer Loans	1,156	1.5
Less: Unearned Income	-37	0.0
<b>Total</b>	<b>75,518</b>	<b>100.0</b>

Source: Report of Condition

Other than the Bank's relatively small asset size and limited staff, there appears to be no significant financial or legal impediments which would limit the Bank's ability to help meet the various credit needs of its assessment area.

The Bank is a participant in the secondary mortgage market and sells all of its fixed rate mortgages with terms in excess of 15 years to Fannie Mae. During calendar year 2004, the Bank sold 10 loans totaling \$1,479,600. As of October 2005, the Bank sold 17 loans totaling \$2,921,397.

## **PERFORMANCE CONTEXT (CONTINUED)**

The Bank operates in a very competitive market. Local competitors include but are not limited to Athol Savings Bank, Workers Credit Union, and BankNorth as well as regional and national mortgage companies.

The Bank was last examined for compliance with the CRA by the Federal Deposit Insurance Corporation ("FDIC") on January 24, 2004, resulting in a CRA rating of Satisfactory. The Division's last examination was conducted on October 19, 1998, and resulted in a CRA rating of Outstanding.

The CRA requires financial institutions to define an assessment area within which its lending efforts are focused. The Division evaluates the institution's CRA performance based upon the defined assessment area.

Athol-Clinton Co-operative Bank has defined two assessment areas based on its branch locations. Assessment Area 1 is comprised of the Town of Athol, the location of the Bank's Main office and nearby loan center and the contiguous Towns of Petersham, Phillipston, and Royalston, which are located in the Worcester Metropolitan Statistical Area ("MSA") and the Towns of Orange and New Salem, which are located in the Springfield MSA. Assessment Area 2 is comprised of The Town of Lancaster, where the Bank operates a full-service branch office and the contiguous Towns of Bolton and Clinton, all of which are located in the Worcester MSA. The Bank's assessment area contains 12 census tracts. Of the total tracts, 3 are designated as moderate-income, 7 are designated as middle-income, and 2 are designated as upper-income. There are no low-income census tracts within the defined assessment area. The 3 moderate-income tracts are all located in the Town of Athol. Of the 7 middle-income tracts 3 are located in Clinton and the 4 Towns of Lancaster, Orange, Petersham and Royalston each have one middle-income tract. The 2 Upper-income tracts are located in the Towns of Bolton and New Salem. Due to the sparse demographic nature of New Salem, Royalston and Petersham they share the same census tract with other sparsely populated towns. New Salem's census tract is shared with Leverett and Shutesbury. Petersham's census tract is shared with Phillipston, and Royalston's census tract is shared with Winchendon.

Based on the 2000 U.S. Census data, HUD median family incomes for the Worcester and Springfield MSAs were \$53,100 and \$47,500, respectively. Subsequently, HUD makes annual adjustments of MSA median family income figures. The adjusted median family incomes for the Worcester MSA for 2004 and 2005 were \$69,300 and \$70,400, respectively. The adjusted median family incomes for the Springfield MSA for 2004 and 2005 were \$59,400 and \$61,800, respectively.

## **PERFORMANCE CONTEXT (CONTINUED)**

### ***Assessment Area 1 (Athol Area)***

The following table provides demographic and economic information pertaining to the Bank's Assessment Area 1. Based on census data for 2000, the assessment area is comprised of 7 census tracts. The breakdown classification of the tracts in 2004 is as follows: 3 moderate-income, 3 middle-income and 1 percent Upper-income tract.

<b><i>Selected Housing Characteristics by Income Category of the Geography</i></b>							
<b><i>Geographic Income Category</i></b>	<b><i>Percentage</i></b>						<b><i>Median Home Value</i></b>
	<b><i>Census Tracts</i></b>	<b><i>House- holds</i></b>	<b><i>Housing Units</i></b>	<b><i>Owner- Occupied</i></b>	<b><i>Rental Units</i></b>	<b><i>Vacant Units</i></b>	
<b>Moderate</b>	42.9	39.6	38.9	37.9	44.6	31.2	87,383
<b>Middle</b>	42.9	45.5	45.9	45.4	46.0	49.9	101,570
<b>Upper</b>	14.2	14.9	15.2	16.7	9.4	18.9	161,200
<b>Total of Median</b>	<b>100.00</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>105,275</b>

Source: 2000 U.S. Census

Demographic data obtained from the CRA WIZ indicate that Assessment Area 1 contains a total population of 29,110 individuals. There are 12,391 housing units within this assessment area, of which 67.2 percent are owner-occupied, 24.1 percent are rental occupied, and 8.7 percent is vacant units. Households living below the poverty level represent 8 percent of total households.

The area has historically higher than average unemployment rates, with unemployment rates surpassing those for Massachusetts and the U.S. The communities that comprise the Athol Assessment Area are influenced primarily by the manufacturing and service industries. The leading manufacturer and major employer in the area is Starrett Tools, whose product lines are concentrated in the manufacture of precision hand measuring tools and precision instruments. The company employs over 2,800 individuals worldwide, 50 percent of which are based in the Athol plant. Thus, the strength of the local economy is heavily dependent on the success of Starrett Tools. Other key employers include the Athol Memorial Hospital, which serves the North Quabbin region including Athol, New Salem, Orange, Petersham, Phillipston, Royalston and 3 other towns.

## **PERFORMANCE CONTEXT (CONTINUED)**

### ***Assessment Area 2 (South Lancaster Area)***

The following table provides demographic and economic information pertaining to the Bank's Assessment Area 2. Based on census data for 2000, Assessment Area 2 is comprised of 5 census tracts. The breakdown classification of the tracts is as follows: 4 middle-income and 1 upper-income tract.

<b><i>Selected Housing Characteristics by Income Category of the Geography</i></b>							
<b><i>Geographic Income Category</i></b>	<b><i>Percentage</i></b>						<b><i>Median Home Value</i></b>
	<b><i>Census Tracts</i></b>	<b><i>House- holds</i></b>	<b><i>Housing Units</i></b>	<b><i>Owner- Occupied</i></b>	<b><i>Rental Units</i></b>	<b><i>Vacant Units</i></b>	
<b>Middle</b>	80.0	84.3	84.4	77.8	97.0	86.7	153,941
<b>Upper</b>	20.0	15.7	15.6	22.2	3.0	13.3	345,300
<b>Total of Median</b>	<b>100.00</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>198,452</b>

Source: 2000 U.S. Census

Demographic data obtained from the CRA WIZ indicate that Assessment Area 2 contains a total population of 24,963 individuals. There are 9,461 housing units within this assessment area, of which 63.2 percent are owner-occupied, 32.6 percent are rental occupied, and 4.1 percent is vacant units. Households living below the poverty level represent 7 percent of total households.

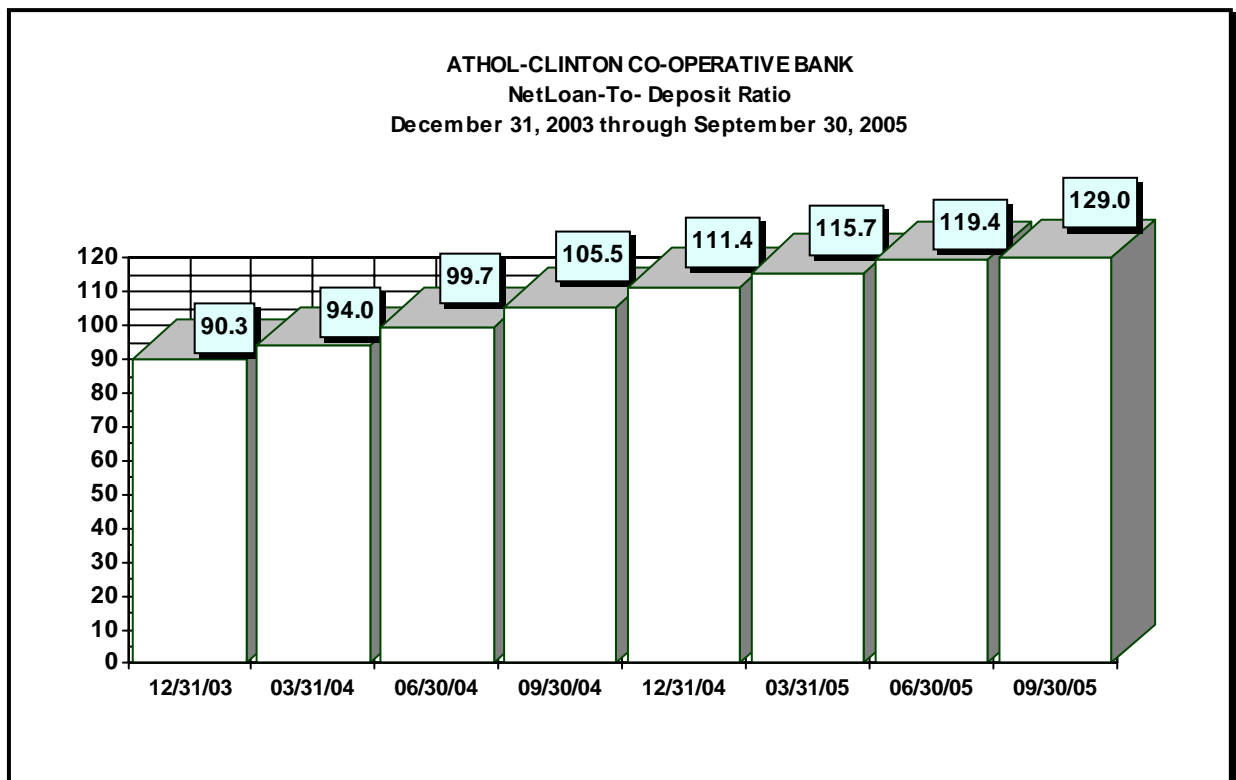
Although the communities that comprise the South Lancaster assessment area have experienced increased unemployment rates in recent years the level is generally better than the Athol Assessment Area. The rates of the more affluent Towns of Bolton and Clinton are lower than the U.S. and Massachusetts unemployment rates.

## PERFORMANCE CRITERIA

### 1. LOAN TO DEPOSIT ANALYSIS

Based upon the Bank's asset size, its capacity to lend, and the credit needs of its customers, the institution's net loan-to-deposit ratio exceeds the standards for satisfactory performance.

An analysis of Athol-Clinton Co-operative Bank's net loan-to-deposit ("LTD") ratio was performed during the examination. The analysis utilized the last eight quarters of the Federal Financial Institutions Examination Council ("FFIEC") Call Report data for this institution. The Bank's net loans to total deposits as reported to the FFIEC were reviewed for the quarters ending December 31, 2003, through September 30, 2005. The following chart indicates that for the period reviewed, the Bank's net LTD increased from a low of 90.3 percent as of December 31, 2003, to a high of 129.0 percent as of September 30, 2005. The average LTD ratio for this period was 108.1 percent.



The Bank's net loan-to-deposit ratio for third quarter 2005 is indicated below and is compared to six other institutions that operate within the Bank's assessment area. The Bank's efforts in stimulating loan growth by bringing rates more in line with the competition is limited due to its size, resources, product offerings, and strong competition for loans by larger institutions. The rising increase in net loans-to-deposits is due in large part to the continuing decline in total deposits. For the period reviewed, the Bank's total deposits declined by more than 12 percent while total loans increased more than 25 percent funded, in large part, by Federal Home Loan Bank advances.

## **PERFORMANCE CRITERIA (CONTINUED)**

The comparison to two other similarly situated institutions, as shown in the following table, is provided for information purposes and has no bearing on the Bank's performance in this category.

<i>Loan-to-Deposit Ratios as of September 30, 2005</i>			
<b>Bank</b>	<b>Net Loans (\$000)</b>	<b>Deposits (\$000)</b>	<b>% LTD</b>
Athol-Clinton Co-operative Bank	74,813	58,000	129.0
Colonial Co-operative Bank	56,835	62,385	91.1
Greenfield Co-operative Bank	137,027	173,409	79.0

Based on the foregoing information, the Bank's asset size and resources, and the credit needs of its customers, the Bank's net loan-to-deposit ratio is considered to be at a good level.

## **2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA(S)**

Based upon the analysis of Home Mortgage Disclosure Act ("HMDA") data, the Bank's level of lending within the assessment area meets the standards for satisfactory performance.

HMDA-reportable residential loans were used to compare the institution's level of lending inside the assessment area. This data was also used to compare the level of lending outside the assessment area. These loans consisted of first and second mortgages and home improvement loans on one to four family properties. Refinanced mortgages represented 41.1 percent of total loans on residential properties.

According to the institution's HMDA data, the Bank originated 377 loans inside the Bank's assessment areas representing 83.8 percent of the total number, or 79.1 percent of the total dollar volume of \$60 million. Of the total loans inside the assessment area, Athol accounted for 45.1 percent of the total number and 38.8 percent of the total dollar volume. Orange and Petersham/Phillipston were second and third with 20.2 percent and 10.4 percent of the total number, respectively. The dollar volume of loans originated in Orange and Petersham/Phillipston represented 19.2 percent and 13.1 percent, respectively. A total of 9 loans originated in Assessment 2 for the period with Clinton accounting for 5 loans and 2 each in Bolton and Lancaster. Refer to the following table for a breakdown of loan activity by year.

<b>Distribution of HMDA Loans Inside and Outside the Assessment Area</b>										
<b>Year</b>	<b>Number of Loans</b>					<b>Dollars</b>				
	<b>Inside</b>		<b>Outside</b>		<b>Total</b>	<b>Inside</b>		<b>Outside</b>		<b>Total</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
2004	210	85.4	36	14.6	246	24,787	82.4	5,298	17.6	30,085
2005 <sup>1</sup>	167	81.9	37	18.1	204	22,719	75.9	7,230	24.1	29,949
<b>Total</b>	<b>377</b>	<b>83.8</b>	<b>73</b>	<b>16.2</b>	<b>450</b>	<b>47,506</b>	<b>79.1</b>	<b>12,528</b>	<b>20.9</b>	<b>60,034</b>

Source: 2004 and <sup>1</sup> Year-to-date 12/8/05HMDA LARs



## **PERFORMANCE CRITERIA (CONTINUED)**

The data presented above for HMDA-reportable loans indicate that the Bank extends the majority of its loans, by number and dollar volume, within the assessment area. The overall rate of lending within the assessment area is at a good level.

Market share data for 2004 was also reviewed with respect to this performance criterion. The data is based on loan information submitted to the Federal Reserve Board by all HMDA reporters. Calendar year 2004 information is the latest available data for comparison. In 2004, there were 228 lenders that originated and purchased a total of 2,544 HMDA-reportable loans within the Athol assessment area. The Bank ranked first with an 8 percent market share. By contrast, of the 219 lenders that originated and purchased a total of 1,915 HMDA-reportable loans within the South Lancaster assessment area the Bank ranked 69<sup>th</sup>. The top positions in that area were held by Clinton Savings Bank and Countrywide Home Loans with market shares of 7.2 percent and 7.1 percent, respectively.

### **3. LENDING TO BORROWERS OF DIFFERENT INCOMES**

The distribution of residential loans to borrowers of different incomes reflects very good penetration among all income levels. Based upon this analysis, the Bank's efforts exceed the standards for satisfactory performance.

The analysis of borrower income level was identified as the ratio of borrower income to the median family income<sup>1</sup> for the assessment areas towns located within the MSAs. The median family income is based upon estimated 2004 and 2005 Department of Housing and Urban Development ("HUD") information for the Worcester and Springfield MSAs. The 2004 median family incomes for the Worcester and Springfield MSAs were \$69,300 and \$59,400, respectively. The 2005 median family income for the Worcester and Springfield MSAs were \$70,400 and \$61,800, respectively.

The following table indicates loans originated and categorized by the applicants' reported income in relation to the median family income for the MSA in which the property is located. Loans to borrowers of low- and moderate-income represented 27.9 percent and 31.8 percent of loans originated, respectively. Loans extended to borrowers with incomes within the middle and upper-income level for the MSA median family income were at 27.6 percent and 12.7 percent of the total number, respectively, for the period reviewed. The following table provides a breakdown of residential loans originated by number categorized by the applicants' income level.

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<sup>1</sup> As defined by the U.S. Department of Housing and Urban Development (HUD) Low-income is defined as income level or area that earns less than 50 percent of the MSA's median family income. Moderate-income is defined as an income level that is 50 percent to less than 80 percent of the MSA's median family income. Middle-income is defined as an income level that is 80 percent to less than 120 percent of the MSA median family income, while upper-income is defined as an income level that is equal to or greater than 120 percent of the MSA's median family income.

## **PERFORMANCE CRITERIA (CONTINUED)**

<b>Distribution of HMDA Loans by Borrower Income</b>								
<b>Median Family Income Level</b>	<b>% Families<sup>1</sup></b>	<b>Aggregate Lending Data (% of #)</b>	<b>2004</b>		<b>2005<sup>1</sup></b>		<b>Total</b>	
		<b>2004</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	18.8	8.0	62	29.5	43	25.7	105	27.9
Moderate	21.7	25.7	62	29.5	58	34.7	120	31.8
Middle	22.1	25.5	59	28.1	45	27.0	104	27.6
Upper	37.4	28.6	27	12.9	21	12.6	48	12.7
NA	0.0	12.2	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>210</b>	<b>100.0</b>	<b>167</b>	<b>100.0</b>	<b>377</b>	<b>100.0</b>

Source: 12000 U.S. Census, 2004 <sup>1</sup>Year-to-date 12/8/05HMDA LAR/2004 HMDA Aggregate Data

The Bank's loan data within the various income levels for calendar year 2004 was compared to that of all other lenders within the assessment area for the same year. The results of the analysis indicated that the Bank's lending among low-income borrowers was at a level considerably higher than the other HMDA reporters. The Bank's lending performance among low and moderate-income borrowers also exceeded the percentage of low and moderate-income families within the assessment areas.

The Bank's relatively high penetration among low and moderate-income borrowers is even more notable considering the rising costs associated with homeownership in all areas of the Commonwealth. The average median cost of a single family home in Athol and Petersham increased by more than 30 percent each between January 2003 and November 2005. The median cost of a single family home ranged from a high of \$557,000 in Bolton to a low of \$167,000 in Orange<sup>2</sup>. The rapid increase in housing costs continues to be a prohibitive factor in homeownership for low- and moderate-income borrowers in much of the Commonwealth. However, the increase in the Athol assessment area has not been at the same pace. Thus, homeownership has proven to be more attainable for more modest income individuals in areas such as Athol, Orange, and Royalston where the median sale price for a single family home has remained well below \$200,000.

Based upon the analysis of borrower income, the distribution of residential loans indicates good sustained penetration among the different income levels, in particular low- and moderate-income borrowers within the Athol assessment area.

#### **4. GEOGRAPHIC DISTRIBUTION OF LOANS**

The analysis of the geographic distribution of residential loans and a comparative analysis of 2004 HMDA aggregate data indicate that Athol-Clinton Co-operative Bank's efforts exceed the standards for satisfactory performance.

The Bank's lending activity within the assessment area was reviewed in order to determine the distribution of lending among census tracts of various income levels. As

<sup>2</sup> Based on Banker and Tradesman Town Statistics as of December 2005

## **PERFORMANCE CRITERIA (CONTINUED)**

mentioned in the performance context, there are no low-income census tracts in either assessment area. It is also noted that there are no moderate-income census tracts in the South Lancaster assessment area.

The analysis of the Bank's loan originations indicates that 203 loans or 53.9 percent were located in moderate-income tracts, 152 in middle-income census tracts or 40.3 percent, and 22 or 5.8 percent were located in upper-income census tracts. Refer to the following table.

<b>Distribution of HMDA Loans by Income Category of the Census Tract</b>								
<b>Census Tract Income Level</b>	<b>% Total Owner-occupied Housing Units<sup>1</sup></b>	<b>Aggregate Lending Data (% of #)</b>	<b>2004</b>		<b>2005<sup>1</sup></b>		<b>Total</b>	
			<b>2004</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>
Moderate	22.1	24.1	108	51.4	95	56.9	203	53.9
Middle	58.9	58.6	93	44.3	59	35.3	152	40.3
Upper	19.0	16.9	9	4.3	13	7.8	22	5.8
Total	100.0	100.0	210	100.0	167	100.0	377	100.0

Source: <sup>1</sup>2000 U.S. Census, HMDA LAR HMDA Aggregate Data. <sup>1</sup>Year-to-date 12/8/05

The figures for the 2004 data indicate that the Bank's lending is more than double the rate of lending for the aggregate and the owner-occupancy rate within the assessment area's moderate-income census tract income categories. The three moderate-income tracts are located in Athol where more than 50 percent of the total loans originated. Of the seven middle-income tracts four are located in the more competitive Lancaster market, while one of the two upper-income tracts are located there also. These particulars may present additional challenges for a small institution's ability to penetrate those geographies. Also, the Bank's delivery system is a limiting factor in the Bank's visibility in areas beyond the Athol assessment area. Considering the Bank's size and resources, the Bank's geographic distribution of loans is considered to be good.

### **5. REVIEW OF COMPLAINTS/ FAIR LENDING POLICIES AND PRACTICES**

Based upon the review of the Bank's public comment file and its performance relative to fair lending policies and practices, the institution meets the standards for satisfactory performance.

The Bank's fair lending data was reviewed to determine how this information relates to the guidelines established by Regulatory Bulletin 2.3-101, the Division's Community Reinvestment and Fair Lending Policy.

Primarily, the Bank markets its services and products to the community through print media. A thorough review of the public comment file revealed that the Bank received no complaints pertaining to the institution's CRA performance since the previous examination. Sample reviews of the Bank's approved and non-originated residential loan application files were conducted to check for fair lending issues. No discriminatory practices were noted.

## PERFORMANCE CRITERIA (CONTINUED)

### MINORITY APPLICATION FLOW

A review of residential loan applications was conducted in order to determine the number of HMDA-reportable credit applications the Bank received from minority applicants. Between 2004 and year-to-date December 8, 2005, the Bank received a total of 392 residential loan applications from within its assessment areas. During this period, 7 applications, or 1.8 percent were received from minority applicants. All but one minority application was approved.

Refer to the following table for further details.

Minority Application Flow*								
Race	2004 Aggregate Data		Bank 2004		Bank 2005 <sup>1</sup>		Bank Total	
	#	%	#	%	#	%	#	%
<i>American Indian/Alaska Native</i>	24	0.33	0	0.00	0	0.00	0	0.00
<i>Asian</i>	69	0.94	2	0.92	1	0.57	3	0.77
<i>Black or African American</i>	103	1.40	1	0.46	0	0.00	1	0.26
<i>Hawaiian/Pacific Islander</i>	9	0.12	0	0.00	0	0.00	0	0.00
<i>2 or More Minority Races</i>	2	0.03	0	0.00	0	0.00	0	0.00
<i>Joint Race (White/Minority)</i>	66	0.90	2	0.92	1	0.57	3	0.76
<i>Total Minority</i>	273	3.72	5	2.30	2	1.14	7	1.79
<i>White</i>	5,198	70.84	204	93.57	161	92.54	365	93.11
<i>Race Not Available</i>	1,867	25.44	9	4.13	11	6.32	20	5.10
<b>Total</b>	<b>7,338</b>	<b>100.00</b>	<b>218</b>	<b>100.00</b>	<b>174</b>	<b>100.0</b>	<b>392</b>	<b>100.0</b>
<b>Ethnicity</b>								
<i>Hispanic or Latino</i>	227	3.09	0	0.00	0	0.00	0	0.00
<i>Ethnicity Not Available</i>	2,344	31.94	48	22.02	17	0.00	65	16.58

\*Source: PCI Services, Inc., CRA Wiz Software.<sup>1</sup>Year-to-date 12/8/05

The Bank's minority application flow for this period was compared with the racial and ethnic make-up of the assessment areas and the 2004 aggregate data for all other HMDA reporters within the assessment areas. The comparison of these data assists in deriving reasonable expectations for the rate of applications the Bank received from minority credit applicants.

According to 2000 Census Data, the Bank's assessment areas in 2004 contained a total population of 54,073 individuals, 9.4 percent of which is representative of various racial and ethnic minorities. The 2004 aggregate data indicates total applications received from minority applicants were 3.72 percent. The Bank's 2004 total minority applications of 2.3 percent is at a level that is consistent with the aggregate.

## PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (90 Exchange Street, Athol, 01331)

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

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

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