



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

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Community Reinvestment Act Performance Evaluation

First Massachusetts Bank, N.A.
Charter Number: 23043

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NOTE: 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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General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the CRA performance of **First Massachusetts Bank, N.A.** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **April 10, 2001**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. 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 by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Block Numbering Area (BNA) - Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

Census Tract (CT) - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

Community Development (CD) - Affordable 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.

Community Reinvestment Act (CRA) - The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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.

Full-Scope Review - Performance under the Lending, Investment and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

Geography - A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

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

Home Mortgage Loans - Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwellings loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

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, branch distribution).

Low-Income - Income levels that are less than 50% of the median family income.

Median Family Income (MFI) - The median income determined by the United States Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development 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 it and half below it.

Metropolitan Statistical Area (MSA) - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Middle-Income - Income levels that are at least 80% and less than 120% of the MFI.

Moderate-Income - Income levels that are at least 50% and less than 80% of the MFI.

Small Business Loans - Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

Small Farm Loans - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

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

Upper-Income - Income levels that are 120% or more of the MFI.

Overall CRA Rating

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

The following table indicates the performance level of **First Massachusetts Bank, N.A.** with respect to the Lending, Investment, and Service Tests:

Performance Levels	First Massachusetts Bank, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
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 factors that support this rating include:

- Lending levels that reflect good responsiveness to the credit needs in the Lawrence multistate assessment area and the Massachusetts full scope assessment areas;
- An overall good distribution of home mortgage loans and small business loans to all geographies in the Massachusetts full scope areas, and an excellent distribution in the Lawrence multistate and the Connecticut assessment areas;
- An overall good distribution of home mortgage lending to borrowers of different incomes in the Massachusetts full scope areas and the Lawrence multistate area, and an excellent distribution in the Connecticut assessment area;
- Community development lending and product flexibility had a positive impact on the Lending Test rating throughout the bank's assessment area;
- An adequate level of qualified community development investments throughout the bank's assessment area; and
- Service delivery systems are accessible to geographies and individuals of different income levels throughout the bank's assessment area.

Description of Institution

First Massachusetts Bank, N.A. (First Mass.) is a subsidiary of Banknorth Group, Inc. (BNG), a seven bank holding company headquartered in Portland, Maine. BNG, formerly Peoples Heritage Financial Group, Inc. (PHFG) had total assets of \$18.2 billion as of December 31, 2000. BNG has bank subsidiaries in Maine, New Hampshire, upstate New York and Vermont, in addition to First Mass.

First Mass., headquartered in Worcester, Massachusetts, is a mid-sized interstate bank with 88 full service branches located in Massachusetts, Connecticut and New Hampshire. First Mass. branches in Connecticut are part of Glastonbury Bank & Trust, a division of First Mass. The First Mass. franchise is the culmination of the acquisition and merger of six banks beginning in late 1996.

In December 1996, Family Bank, FSB (Family Bank) became a wholly-owned subsidiary of PHFG. Family Bank, a \$925 million federally-chartered thrift institution, was supervised by the Office of Thrift Supervision (OTS). The most recent Community Reinvestment Act (CRA) performance evaluation of Family Bank was done by the OTS on July 28, 1997, at which time Family Bank received an "Outstanding" rating.

In April 1998, Safety Fund National Bank and Orange Savings Bank, both Massachusetts-headquartered banks, were merged into Family Bank.

In January 1999, SIS Bank, a Massachusetts-headquartered bank, and Glastonbury Bank & Trust (GBT), a Connecticut-headquartered bank, were merged into Family Bank.

On May 10, 2000, Family Bank converted its thrift charter to a national banking association and then merged with and into First Mass. and is now subject to the supervision and regulation of the OCC. On May 12, 2000, GBT was also merged with and into First Mass. and is using, in Connecticut, the tradename "GBT, a division of First Massachusetts Bank, N.A."

Prior to Family Bank's and GBT's mergers into First Mass., First Mass. was a \$1 billion national banking association. This franchise was primarily acquired by the *de novo* bank in two purchase transactions from Shawmut and BankBoston. First Mass. has never received a CRA performance evaluation.

As of December 31, 2000 bank assets totaled \$6.2 billion, \$3.6 billion or 58% of which were net loans and \$2.0 billion or 32% were investments. Total deposits were \$3.6 billion. Tier one capital was \$448 million. The loan portfolio is primarily retail-oriented, with residential real estate and other consumer loans representing 44% and 9% of average gross loans, respectively. Commercial real estate and other commercial loans represent 27% and 17% of average gross loans. The remaining portfolio consists of real estate construction and development loans (2%), and municipal and all other loans (1%).

First Mass.'s strategic focus is to continue to position the organization as a community bank

dedicated and responsive to its local markets. Particular focus has been placed on the development and growth of the residential mortgage, with an emphasis on increasing the volume of lending to low- and moderate-income people and geographies, and the small business lending lines of business. During the evaluation period, First Mass. has either initiated or participated in programs to address that focus. In 1999, First Mass. proactively took steps to increase the origination of small business loans through the implementation of Small Business Foundations. This program increased the accessibility of loans to small business owners by training branch managers and other retail staff to originate loans up to \$150 thousand through the bank's branch network, in addition to the bank's commercial lenders.

First Mass. has a number of subsidiaries. Those are:

- ❖ Essex Holdings ("Essex"), a Massachusetts corporation that is a wholly-owned subsidiary of First Mass. Essex holds title to real estate acquired by foreclosure or by deed-in-lieu of foreclosure on loans previously contracted in good faith by First Mass. As of March 31, 2001, Essex held title to real estate acquired by foreclosure or deed-in-lieu of foreclosure with a book value of \$0.4 million.
- ❖ Bradford Investment Corp. ("Bradford"), a Massachusetts securities corporation, which is a wholly owned subsidiary of First Mass. As of March 31, 2001, Bradford held investment securities with a value of \$58 million.
- ❖ Northgroup (FM) Investment Company holds all of the common stock and a substantial majority of the preferred stock of CFX Preferred Capital Corporation ("CFX"), a Massachusetts corporation. The remainder of the outstanding preferred stock of CFX, which does not have any voting rights, except as otherwise required by law, is held by individuals. CFX holds residential mortgage loans, which are intended to be of the same investment quality as those held by First Mass. and subject to the same management and oversight as those held by First Mass. CFX has made an election to be taxed as a real estate investment trust ("REIT") for federal and state income tax purposes. As of March 31, 2001, CFX held \$734 million of real estate mortgage loans, which are serviced by First Mass. pursuant to an agreement between First Mass. and CFX. CFX is otherwise not engaged in other business activities. As tax planning vehicles, the activities of Northgroup (FM) Investment Company and CFX are intended to have a favorable impact on the earnings, capital adequacy and general financial condition of First Mass.
- ❖ Haverhill Famlee Investment Corp. ("Haverhill"), a Massachusetts corporation that is a wholly-owned subsidiary of First Mass. Haverhill holds investments in limited partnerships that qualify for tax credits or otherwise meet the requirements for permissible equity investments for national banks. Haverhill's investments in these limited partnerships have a book value of \$0 and are deducted from capital for purposes of calculating regulatory capital.

- ❖ The Lenders/Massachusetts, Inc. (“LMI”), a Massachusetts corporation which is a wholly-owned subsidiary of First Mass. LMI was engaged in the origination of mortgage loans, particularly loans secured by second liens on single-family residences to moderate to low-income borrowers. LMI currently is not actively engaged in originating loans and its loan portfolio is being decreased through scheduled amortization and prepayments. As of March 31, 2001, LMI held \$0 of 1-4 family residential loans and no real estate owned.
- ❖ SIS Center, Inc. (the “Center”), a Massachusetts corporation that is a wholly-owned subsidiary of First Mass. The Center was established for the sole purpose of holding title to First Mass.’s offices at 1441 Main Street, Springfield, MA. As of March 31, 2001, First Mass.’s Investment in the Center totaled \$11.7 million.
- ❖ New Marlboro Corporation (“Marlboro”), a Massachusetts corporation which is a wholly-owned subsidiary of First Mass. Marlboro holds title to four real estate investments for First Mass., three of which are banking premises. The three banking premises include the State Street, Springfield, Massachusetts office of First Mass. and two open-air parking lots (one owned by Marlboro, the other held pursuant to a ground lease between Marlboro and the City of Springfield Parking Authority) which are for the use of customers and employees of First Mass. The State Street office is located in a small neighborhood shopping center that also includes four small units, all of which are occupied. First Mass. has no current plans for divestiture of the State Street property or for the parking lots.
- ❖ Overlook, Inc. (“Overlook”), a Massachusetts corporation that is a wholly-owned subsidiary of First Mass. Overlook’s sole asset is a 99% limited partnership interest in Chester Commons, LP, which holds an elderly housing complex, that includes low-income elderly residents. By letter dated December 19, 1995, the FDIC approved holding this investment until the related tax credits are used, which is anticipated to occur sometime in 2000. As of March 31, 2001, First Mass.’s investment in Overlook totaled \$0.
- ❖ Monument Management (“Monument”), a Massachusetts corporation, which is a wholly-owned subsidiary of First Mass. Monument was established for the purpose of holding title to a parking lot on Bailey Boulevard for First Mass. ‘s offices at 153 Merrimack, Haverhill, MA and to serve as an intermediate subsidiary pursuant to Office of Thrift Supervision regulations relative to the conduct of securities activities on First Mass. premises as a federal thrift. As of March 31, 2001, First Mass.’s investment in Monument totaled \$201,000.

The bank did not request us to include affiliate activities in this Evaluation. These subsidiaries had no impact on the bank’s capacity for community reinvestment.

First Mass. operates in very competitive financial services markets with strong competition from mortgage and finance companies, large regional banks, savings banks, and community banks. First Mass. is not subject to any known financial, legal, or regulatory restrictions that would impede its ability to help meet the credit needs of its assessment area.

Scope of Evaluation

Evaluation Period/Products Evaluated

With the exception of community development (CD) loans, investments, and services, the evaluation period is from January 1, 1998 through December 31, 2000 for the original First Mass., and from the July 1, 1997 through December 31, 2000 for Family Bank. The evaluation period for CD loans, qualified investments and services for the original First Mass. is from February 16, 1996 through April 30, 2001. The evaluation period for CD loans, qualified investments and services for Family Bank is from August 1, 1997 to April 30, 2001. The evaluation period for the state of Connecticut is from January 1, 1999 to December 31, 2000.

For the lending test, First Mass.'s origination/purchase of home mortgage loans (home purchase, home improvement, and refinance loans), small loans to businesses, consumer loans (home equity lines of credit, automobile, other secured, other unsecured), and CD loans were evaluated. Management opted to provide information regarding consumer loans originated in 1999 and 2000, although not required to do so under the CRA regulation. First Mass.'s origination/purchase of small loans to farms was not evaluated, as the volume was not significant enough to perform a meaningful analysis (less than 1% of the number of loan originations/purchases over the lending test evaluation period).

The peer comparisons in this Evaluation include only lenders who were required to file HMDA and Small Business Reports for 1999, the most recent year for which aggregate data is available. Small business reporting is required of bank and thrift institutions with assets of \$250 million or more as of December 31 of the prior two calendar years preceding the reporting year, or an affiliate of a holding company with \$1 billion or more in assets during the same time periods.

Data Integrity

As part of this CRA evaluation, First Mass.'s publicly filed information on home mortgage loans and small loans to businesses was tested for accuracy. Consumer loan information is not required to be filed nor is it required to be evaluated for CRA purposes. However, as the bank chose to have it included in our evaluation, we also tested the consumer loans for accuracy. The test included an evaluation of First Mass.'s processes to ensure that data are reliable.

No significant errors were found in either reported home mortgage data or small loans to businesses for the original Family Bank. There were significant errors with the original First Mass. submitted data, which have been corrected for 1998 and 1999. Due to staffing changes throughout the evaluation period, information prior to 1998 was not able to be corrected and is therefore not included in this Evaluation. There were no significant errors found in the consumer lending data. As a result, this evaluation is based on accurate data.

CD loans, investments, and services submitted by management were verified to ensure that they met the regulatory definitions for CD. Some CD loans were excluded from this Evaluation because they do not meet the definition or purpose of CD.

Selection of Areas for Full-Scope Review

At least one MSA was selected for full-scope reviews in each state in which First Mass. has a presence. The areas selected are representative of the types of areas in which the bank operates within those states. Refer to the Scope section under each State Rating for details regarding how the areas were selected and why they are representative. Both multistate MSAs received a full-scope review. Also, the non-metropolitan counties of Orange/Athol, North Adams, and Great Barrington were combined and received a limited-scope review. The counties are geographically proximate with similar performance contexts.

Ratings

The bank's overall rating is a blend of the multistate MSA area ratings and state ratings. Each multistate rating was based on a full-scope review of the MSA. Each state rating was based primarily on the performance in the full-scope areas. Limited-scope areas were reviewed for consistency with performance in full-scope areas in the state of Massachusetts. Refer to the Scope section in the Massachusetts State Rating for details regarding how the areas were weighted in arriving at the overall state rating.

Multistate and state ratings were weighted based on a blend of the percentage that deposits and lending represented of First Mass.'s operations to arrive at an overall rating for each test. When comparing the operations in Massachusetts (excluding the multistate areas) and Connecticut, it should be noted that operations within Massachusetts accounted for 92% of the deposits, and 96% of the number and 95% of the dollar volume of reported loans, therefore performance in Massachusetts was weighted more heavily when compared to Connecticut in arriving at overall conclusions. Refer to Appendix A for details as to which areas received full-scope reviews.

Fair Lending Review

An analysis of two years of HMDA, Small Business and Small Farm lending data, public comments and consumer complaint information was performed according to the OCC's risk-based fair lending approach. Analysis of this data reveals no basis for the OCC to conduct a comprehensive fair lending examination in connection with the CRA evaluation this year. FDIC or OTS examiners performed the latest comprehensive fair lending examinations for the banks prior to the mergers and the conversion to a national charter. A fair lending examination was done for Safety Fund in conjunction with the June 1997 CRA examination. No violations of the substantive provisions of the anti-discrimination laws and regulations were identified.

Multistate Metropolitan Area and State Ratings

CRA Rating for the Boston MA-NH¹: Satisfactory

The Lending Test is rated: Low Satisfactory
The Investment Test is rated: Low Satisfactory
The Service Test is rated: High Satisfactory

The major factors that support this rating include:

- An adequate level of lending activity in the assessment area;
- An overall adequate distribution of home mortgage and small business loans throughout the geographies in the assessment area;
- An overall adequate distribution of home mortgage loans to borrowers of different incomes;
- An overall adequate distribution of consumer loans to different geographies and borrowers of different incomes;
- CD lending and product flexibility had a positive impact on the Lending Test rating;
- An adequate level of qualified community development investments; and
- Service delivery systems are accessible to geographies and individuals of different income levels in the assessment area.

Description of Institution's Operations in Boston MA-NH Multistate Metropolitan Area

Refer to the Market Profile for the Boston MA-NH Multistate Metropolitan Area in Appendix C for detailed demographics and other performance context information.

LENDING TEST

First Mass.'s performance under the lending test is rated "Low Satisfactory" in the Boston MA-NH multistate metropolitan area.

¹ This rating reflects performance within the multistate metropolitan area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan area.

Lending Activity

Refer to Table 1 in the Multistate Metropolitan Areas section of Appendix D for the facts and data used to evaluate the bank's lending activity.

Overall, lending activity is adequate. Home mortgage lending in the multistate metropolitan area represents 4% of the bank's overall home mortgage lending. During the evaluation period, First Mass. originated 277 loans totaling \$42 million in the assessment area. The majority of home mortgage loans originated during the evaluation period were refinance loans, at 66%, with home purchase loans of 33%, and a nominal amount of home improvement loans at 1%. First Mass. was ranked third for home mortgage refinance lending with 4% of the market share and ranked sixth with 2% of the market share for home purchase lending. First Mass. had less than 1% of the deposits within the entire multistate metropolitan area. Market rank was insignificant at 69th.

Small loans to businesses in the multistate metropolitan area represent 2% of the bank's overall volume of loans to small businesses. During the evaluation period, First Mass. originated 46 loans totaling \$10 million. The bank's volume of small loans to businesses is adequate with a 0.55% market share. First Mass. ranked seventeenth among lenders required to report data on small loans to businesses and ninth among local competitors.

Consumer loans in the multistate metropolitan area represent 3% of the bank's overall consumer loan volume throughout the entire assessment area. First Mass. originated a good volume of consumer loans in the multistate area. Loan types included in this category consist of home equity lines, motor vehicle, other secured and other unsecured loans. The dollar volume of consumer loans originated comprises 3% of First Mass.'s Tier I capital, which provides perspective on the relatively modest size of this lending activity. There is no market share data available for consumer lending.

Distribution of Loans by Income Level of the Geography

First Mass.'s overall geographic distribution of lending reflects an adequate penetration throughout the assessment area. The distribution of each product is described below.

Home Mortgage Loans

Refer to Tables 2, 3 and 4 in the Multistate Metropolitan Areas section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home purchase loans is adequate. The proportion of loans in moderate-income geographies was less than the percentage of owner-occupied housing in those geographies. However, the market share in moderate-income geographies exceeded First Mass.' overall market share. There were no low-income geographies in the assessment area.

While the bank offers home improvement loans, the bank originated an insignificant number

during the evaluation period and an analysis is not considered meaningful. The home equity product has been actively utilized by customers to address their home improvement needs, and has been included in the bank's consumer loan data.

The geographic distribution of home mortgage refinance loans is poor. The proportion of loans in moderate-income geographies is well below the percentage of owner-occupied housing in those areas. The market share in moderate-income geographies is below First Mass.' overall market share.

Small Loans to Businesses

Refer to Table 5 in the Multistate Metropolitan Areas section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

First Mass.'s geographic distribution of small loans to businesses is excellent. The percentage of loans in moderate-income tracts significantly exceeds the percent of businesses in those areas. The bank's market share in moderate-income tracts equaled its overall market share.

Consumer Loans

Refer to Table 14 in the Multistate Metropolitan Areas section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The geographic distribution of consumer loans is adequate. The proportion of loans in moderate-income geographies is close to, but does not exceed, the percentage of households in those tracts.

Lending Gap Analysis

We reviewed the geographic distribution of loans and did not detect any unexplained conspicuous gaps in lending.

Inside/Outside Ratio

We performed the inside/outside ratio analysis at the bank level using the number of loans originated or purchased. During the evaluation period, 43% of all loans were within the assessment area. Seventy-four percent of small loans to businesses and one of the two small loans to farms were originated within the assessment area. Thirty percent of HMDA loans were originated or purchased within the bank's assessment area. In the past, a large percentage of HMDA loans were purchased from outside the bank's assessment area for balance sheet management purposes. This activity ceased in April 1999, and in 2000, HMDA loans originated within the bank's assessment area increased to 77%. Fifty-one percent of consumer loans were originated or purchased within the bank's assessment area. Affecting the percentage of consumer loans outside the assessment area was the indirect auto dealer loan portfolio. These loans were made throughout Massachusetts and Connecticut but not exclusively within the

bank's assessment area.

Distribution of Loans by Income Level of the Borrower

First Mass.' overall distribution of borrowers reflects a poor penetration among customers of different income levels and to business customers of different sizes. The distribution of each product is described below.

Home Mortgage Loans

Refer to Tables 7, 8 and 9 in the Multistate Metropolitan Areas section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The borrower distribution of home purchase lending is adequate when considering the affordability of housing for a low- or moderate-income person. The proportion of loans to both low- and moderate-income borrowers was below the percentage of low- and moderate-income families in the assessment area. However, we considered the high cost of housing in the assessment area in our analysis. The median cost of housing is \$174 thousand. A low-income person earns less than \$35 thousand, and a moderate-income person earns less than \$56 thousand. It is very difficult for a low-income person to purchase a home in the assessment area, and difficult for a moderate-income person. In 1999, the bank made no loans to low-income borrowers and, therefore, there is no comparison to overall market share. The bank's market share for moderate-income borrowers exceeded its overall market share.

While the bank offers home improvement loans, the bank originated an insignificant number during the evaluation period. An analysis of this product is not meaningful. The home equity product has been actively utilized by customers to address their home improvement needs, and has been included in the bank's consumer loan data.

The borrower distribution of home mortgage refinance loans is adequate. The proportion of loans to low-income borrowers was below the percentage of low-income families, and the overall market share equaled the market share of lending to low-income borrowers. The proportion of loans to moderate-income borrowers was below the percentage of moderate-income families. The market share of lending to moderate-income borrowers was below the overall market share. As noted in the borrower distribution of home purchase lending section, the high cost of housing makes it difficult for low- and moderate-income borrowers to purchase housing in the assessment area. This also limits the opportunities for home mortgage refinance loans to low- and moderate-income borrowers.

Small Loans to Businesses

Refer to Table 10 in the Multistate Metropolitan Areas section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans

to businesses.

We analyzed the distribution of small business loan originations by calculating the percentage of loans made to small businesses. A small business is defined as a business with revenues of \$1 million or less. We also evaluated the distribution of loans by original amount regardless of business size.

The distribution of small business loans is adequate when considering the strong competition within the assessment area for small business loans. The bank's percentage of lending to small-sized businesses is less than the percentage of all businesses that are small-sized in the assessment area. The market share for loans to businesses with annual revenues of \$1 million or less substantially meets their overall market share for all small business loans. Slightly less than half of all small loans to businesses were for amounts less than \$100 thousand.

Consumer Loans

Refer to Table 14 in the Multistate Metropolitan Areas section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The distribution of the bank's consumer loans is adequate. The percentage of loans made to low-income borrowers was below the percentage of low-income households, while the percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income households.

Community Development Lending

Refer to Table 1 in the Multistate Metropolitan Areas section of Appendix D for the facts and data used to evaluate the bank's level of community development lending.

CD lending had a positive impact on the Lending Test given the bank's limited presence in the area and the limited opportunities available. The bank originated 2 community development loans specific to their assessment area totaling \$335 thousand. Both were made to an organization that provides residential facilities, educational, and social services to low-income families in the assessment area. These loans were responsive to identified needs in the assessment area. Additionally, the bank made two statewide community development loans to the Massachusetts Housing Partnership (MHP) Fund. MHP is a public agency, which promotes affordable housing and neighborhood development. Beginning in 1990, state law required that, prior to a bank holding company (BHC) acquiring, owning, establishing or merging with a Massachusetts bank, that the BHC must arrange with MHP to make funds available, on call, for the purposes of providing financing for affordable housing. The amount of funds to be made available is a function of asset size. MHP funds are available for financing the following: down payment assistance, share loans, closing costs related to creating affordable housing, limited equity co-op's, affordable home ownership opportunities, tenant management programs and tenant unit acquisitions or ownership programs in state funded public housing developments. A total of \$230 thousand is allocated to the multistate metropolitan area based on the percent of the

bank's deposit in Massachusetts.

Product Innovation and Flexibility

Product flexibility had a positive impact on the Lending Test.

First Mass. offers the standard range of bank-wide and state-wide flexible products in the multistate metropolitan area. These products are described in the state of Massachusetts's section of this Evaluation.

INVESTMENT TEST

First Mass.'s performance in the Boston MA-NH multistate metropolitan area is rated "Low Satisfactory."

Refer to Table 12 in the Multistate Metropolitan Areas section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The level of qualified investments is adequate. There are limited opportunities for community development investments in the assessment area. Qualified investments originated during the evaluation period consisted of \$1 thousand in grants and \$430 thousand of investments. The latter figure is the assessment area's proportionate share, based on its percentage of the bank's deposits, of the bank's total investments. An additional \$365 thousand is the assessment area's share of unfunded investment commitments in three Massachusetts state-wide equity funds. The bank made two grants to an organization that supports community services for low- and moderate-income people and areas. The bank- and statewide investments are described in the State of Massachusetts section of this Evaluation.

SERVICE TEST

First Mass.'s performance under the service test is rated "High Satisfactory" in the Boston MA-NH multistate metropolitan area.

Retail Banking Services

Refer to Table 13 in the Multistate Metropolitan Area(s) section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

First Mass.'s distribution of branches in the bank's portion of the Boston MA-NH multistate metropolitan area is good. The bank's service delivery systems are accessible to geographies and individuals of different income levels in its assessment area. First Mass. operates four branches in the multistate metropolitan area, three in Massachusetts and one in New Hampshire. One, or 25%, of the branches is located in a moderate-income census tract. This distribution is good compared to the 27% of the population that live in moderate-income geographies. There

are no low-income tracts in the assessment area.

Branch openings and closings have not adversely impacted accessibility for low- and moderate-income individuals or areas. During the evaluation period, the bank closed one branch in a middle-income census tract.

Branch hours do not vary in a way that inconveniences any portion of the assessment area, and there are no material differences in services provided throughout the branch network. Branch office hours and days of operation vary based on the convenience and needs of each branch's area. Each branch opens at 9:00am Monday through Saturday, but the lobby in the branch located in the moderate-income census tract is the only one that is open as late as 5:00pm Monday through Wednesday. There is one branch located in a regional high school that is only open during school hours and has no ATM. All other branches have similar hours on Saturday, and on-site ATMs offering 24-hour service. First Mass. customers are also given free access to all 412 Banknorth Group ATMs located throughout New England and upstate New York.

Bank-wide Alternative Delivery Systems

First Mass. offers three alternative delivery systems to all of its customers. They are "Small Business Foundations", "Direct Banking Center" and "Direct 24." These products are fully described in the state of Massachusetts Bank-wide Alternative Delivery Systems section of this Evaluation. We did not place significant weight on alternative delivery systems when arriving at a conclusion for the Service Test since the bank does not monitor how these products affect low- and moderate-income individuals.

Community Development Services

First Mass. has an adequate level of community development services in the Boston multistate area given the bank's limited presence and limited opportunities in the area. A bank officer provides his financial expertise as a member of the loan committee of an economic development organization that serves small businesses in Rockingham County in New Hampshire. Rockingham County is where the New Hampshire portion of both the Boston and Lawrence multistate metropolitan areas are located. The organization promotes sustainable economic development activities by creating jobs for low- and moderate-income people. A bank employee provides his technical expertise as a member of the Board of a New Hampshire statewide housing investment fund, which provides affordable housing.

Multistate Metropolitan Area Rating

CRA Rating for the Lawrence MA-NH Multistate Metro Area²: Satisfactory

² This rating reflects performance within the multistate metropolitan area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan area.

The Lending Test is rated: High Satisfactory
The Investment Test is rated: Low Satisfactory
The Service Test is rated: High Satisfactory

The major factors that support this rating include:

- A good level of lending activity throughout the assessment area;
- An overall excellent distribution of home mortgage and small business loans throughout the geographies in the assessment area;
- An overall good distribution of home mortgage loans to borrowers of different incomes;
- CD lending and product flexibility had a positive impact on the Lending Test rating;
- An adequate level of qualified community development investments; and
- Service delivery systems are accessible to geographies and individuals of different income levels in the assessment area.

Description of Institution’s Operations in Lawrence MA-NH Multistate Metropolitan Area

Refer to the Market Profile for the Lawrence MA-NH multistate metropolitan area in Appendix C for detailed demographics and other performance context information.

LENDING TEST

First Mass.’s performance under the lending test is rated “High Satisfactory” in the Lawrence MA-NH multistate metropolitan area.

Lending Activity

Refer to Table 1 in the Lawrence Multistate Metropolitan Areas section of Appendix D for the facts and data used to evaluate the bank’s lending activity.

Overall, lending activity is good. Home mortgage lending in the multistate metropolitan area represents 28% of the bank’s overall home mortgage lending. During the evaluation period, First Mass. originated 1,911 loans totaling \$249 million in the assessment area. The majority of home mortgage loans originated during the evaluation period were refinance loans, at 63%, with home purchase loans of 33%, and home improvement loans at 4%. First Mass. was ranked second for home mortgage refinance lending with 7% of the market share, ranked fourth with 4% of the market share for home purchase lending, and was ranked eighth with 2% of the market share for home improvement lending. The bank also originated 12 multifamily loans, or less

than 1% of home mortgage-related loans. First Mass. had 12% of the deposits in the multistate metropolitan area and is ranked fourth.

Small loans to businesses in the multistate metropolitan area represent 11% of the bank's overall volume of loans to small businesses. First Mass.'s volume of small loans to businesses is good with a 3.5% market share. First Mass. ranked seventh among lenders required to report data on small loans to businesses and third among local competitors.

Consumer loans in the multistate metropolitan area represent 14% of the bank's overall consumer loan volume throughout the entire assessment area. First Mass. originated a good volume of consumer loans in the multistate area. Loan types included in this category consist of home equity lines, motor vehicle, other secured and other unsecured loans. The dollar volume of consumer loans originated comprises 9% of First Mass.'s Tier 1 capital, which provides perspective on the relatively moderate size of this activity. There is no market share data available for consumer lending.

Distribution of Loans by Income Level of the Geography

First Mass.'s overall geographic distribution of lending reflects an excellent penetration throughout the assessment area. The distribution of each product is described below.

Home Mortgage Loans

Refer to Tables 2, 3 and 4 in the Lawrence Multistate Metropolitan Areas section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home purchase loans is excellent. The proportion of loans in low-income geographies equaled and the proportion of loans in moderate-income geographies exceeded the percentage of owner-occupied housing units in those geographies. Similarly, the market share in low-income geographies equaled the bank's overall market share, while the market share in moderate-income geographies exceed the overall market share.

The geographic distribution of home improvement loans is excellent. The proportion of loans in low- and moderate-income geographies both exceeded the percentage of owner-occupied units in those geographies. 1999 market share data indicates that there were no loans made by the bank in low-income geographies. The market share in moderate-income geographies significantly exceeded the overall market share.

The geographic distribution of home mortgage refinance loans is good. The proportion of loans in both low- and moderate-income geographies was near the percentage of owner-occupied housing units in those geographies. 1999 market share data indicates that there were no loans made by the bank in low-income geographies. The market share in moderate-income geographies exceeded the overall market share.

Small Loans to Businesses

Refer to Table 5 in the Lawrence Multistate Metropolitan Areas section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

First Mass.'s geographic distribution of small loans to businesses is excellent. The percentage of loans in both low- and moderate-income geographies exceeded the percentage of businesses in those geographies. The bank's market share in low-income geographies was below the bank's overall market share, and substantially meets the overall market share in moderate-income geographies.

Consumer Loans

Refer to Table 14 in the Lawrence Multistate Metropolitan Areas section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The geographic distribution of consumer loans is adequate. The proportion of loans in both low- and moderate-income geographies was less than the percentage of households in those tracts.

Lending Gap Analysis

We reviewed the geographic distribution of loans and did not detect any unexplained conspicuous gaps in lending.

Inside/Outside Ratio

We performed the inside/outside ratio analysis at the bank level using the number of loans originated or purchased. During the evaluation period, 43% of all loans were within the assessment area. Seventy-four percent of small loans to businesses and one of the two small loans to farms were originated within the assessment area. Thirty percent of HMDA loans were originated or purchased within the bank's assessment area. In the past, a large percentage of HMDA loans were purchased from outside the bank's assessment area for balance sheet management purposes. This activity ceased in April 1999, and in 2000, HMDA loans originated within the bank's assessment area increased to 77%. Fifty-one percent of consumer loans were originated or purchased within the bank's assessment area. Affecting the percentage of consumer loans outside the assessment area was the indirect auto dealer loan portfolio. These loans were made throughout Massachusetts and Connecticut but not exclusively within the bank's assessment area.

Distribution of Loans by Income Level of the Borrower

First Mass.'s overall distribution of loans by borrower income level reflects a good penetration among customers of different income levels and to business customers of different sizes. The distribution of each product is described below.

Home Mortgage Loans

Refer to Tables 7, 8 and 9 in the Lawrence Multistate Metropolitan Areas section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The borrower distribution of home purchase lending is good. The proportion of loans to low-income borrowers was below the percentage of low-income families, but the proportion of loans to moderate-income borrowers significantly exceeded the percentage of moderate-income families. We considered the high cost of housing in the assessment area in our analysis. The median cost of housing is \$178 thousand. A low-income person earns less than \$32 thousand, and a moderate-income person earns less than \$51 thousand. It is very difficult for a low-income person to purchase a home in the assessment area, and difficult for a moderate-income person. The bank's market share for low-income borrowers exceeded the bank's overall market share, while the market share for moderate-income borrowers substantially meets the overall market share.

The borrower distribution of home improvement loans is good. The proportion of loans to low-income borrowers equaled the percentage of low-income families, and the proportion of loans to moderate-income borrowers was near the percentage of moderate-income families. 1999 market share data indicates that there were no loans made by the bank to low-income borrowers. The bank's market share for moderate-income borrowers equaled its overall market share.

The borrower distribution of home mortgage refinance loans is good. The proportion of loans to low-income borrowers was less than the percentage of low-income families, while the proportion of loans to moderate-income borrowers equaled the percentage of moderate-income families. The bank's market share for low-income borrowers exceeded the overall market share, while the market share for moderate-income substantially meets the overall market share. As noted in the borrower distribution of home purchase lending section, the high cost of housing makes it difficult for low- or moderate-income borrowers to purchase housing in the assessment area. This also limits the opportunities for home mortgage refinance loans to low- and moderate-income borrowers.

Small Loans to Businesses

Refer to Table 10 in the Lawrence Multistate Metropolitan Areas section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

We analyzed the distribution of small business loan originations by calculating the percentage of loans made to small businesses. A small business is defined as a business with revenues of \$1 million or less. We also evaluated the distribution of loans by original amount regardless of business size.

The distribution of small business loans is adequate when considering the strong competition within the assessment area for small business loans. The bank's percentage of lending is less

than the percentage of all businesses that are small-sized in the assessment area. The market share for loans to businesses with annual revenues of \$1 million or less substantially meets the overall market share for all small business loans. A majority of small loans to businesses were for amounts less than \$100 thousand.

Consumer Loans

Refer to Table 14 in the Lawrence Multistate Metropolitan Areas section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The distribution of the bank's consumer loans is adequate. The percentage of loans made to low-income borrowers was below the percentage of low-income households, while the percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income households.

Community Development Lending

Refer to Table 1 in the Lawrence Multistate Metropolitan Areas section of Appendix D for the facts and data used to evaluate the bank's level of community development lending.

CD lending had a positive impact on the Lending Test. The bank originated a total of 12 community development loans, of which ten were specific to the assessment area. The loans totaled more than \$7 million.

Examples of community development loans made during the evaluation period in the assessment area included:

- ❖ Two loans totaling \$335 thousand were provided to an organization that provides vitally needed social services to the homeless;
- ❖ A loan for \$1.2 million was provided to an organization that qualifies for a Massachusetts Department of Revenue Chapter 121A urban redevelopment excise reduction in real estate taxes. Chapter 121A was enacted to stimulate the investment of private capital in blighted, decadent or substandard areas. The loan financed the purchase and renovation of an empty building into light manufacturing, thereby revitalizing and stabilizing the area, which is in a middle-income geography. However, the area is close to both low- and moderate-income geographies and has created jobs for low- and moderate-income people;
- ❖ Three loans totaling \$2 million were made to an organization that provides residential and educational services to severely emotionally disturbed children, all of whom are wards of the state and therefore indigent; and
- ❖ One loan for \$3.3 million was made to an organization that provides health and social services to low- and moderate-income elderly.

In addition, the bank made two statewide community development loans to the Massachusetts Housing Partnership (MHP) Fund. MHP is a public agency, which promotes affordable housing and neighborhood development. Beginning in 1990, state law required that, prior to a bank

holding company (BHC) acquiring, owning, establishing or merging with a Massachusetts bank that the BHC must arrange with MHP to make funds available for call for the purposes of providing financing for affordable housing. The amount of funds to be made available is a function of asset size. MHP funds are available for financing the following: down payment assistance, share loans, closing costs related to creating affordable housing, limited equity co-op's, affordable home ownership opportunities, tenant management programs and tenant unit acquisitions or ownership programs in state funded public housing developments. A total of \$700 thousand is allocated to the multistate metropolitan area based on the percent of the bank's deposit in Massachusetts.

Product Innovation and Flexibility

Product flexibility had a positive impact on the Lending Test. First Mass. offers the standard range of bank-wide and state-wide flexible products in the multistate metropolitan area. These products are described in the state of Massachusetts's section of this Evaluation.

INVESTMENT TEST

First Mass.'s performance in the Lawrence MA-NH multistate metropolitan area is rated "Low Satisfactory."

Refer to Table 12 in the Multistate Metropolitan Areas section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The level of qualified investments is adequate. There are limited opportunities for community development investments in the assessment area. Investment consisted of \$122 thousand in grants and \$1.4 million in investments. The latter figure is the assessment area's proportionate share, based on its percentage of the bank's deposits, of the bank's total investments. An additional \$1.1 million is the assessment area's share of unfunded investment commitments in three Massachusetts state-wide equity funds. The bank- and statewide investments are described in the State of Massachusetts section of this Evaluation.

The bank made 25 grants in the multistate metropolitan area to a number of organizations that support community services for low- and moderate-income people and areas. One of the grants was for \$20 thousand to a nonprofit organization that serves the homeless by providing housing, job training, and support services in the Merrimack Valley.

SERVICE TEST

First Mass.'s performance under the Service Test is rated "High Satisfactory."

Retail Banking Services

Refer to Table 13 in the Multistate Metropolitan Areas section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings

and closings.

First Mass.'s distribution of branches in the bank's portion of the Lawrence MA-NH multistate metropolitan area is good. The bank's service delivery systems are accessible to geographies and individuals of different income levels in its assessment area. First Mass. operates ten branches in the multistate metropolitan area, seven in Massachusetts and three in New Hampshire. One, or 10%, of the branches is located in a low-income census tract. This distribution is good compared to the 3% of the population that live in low-income geographies. The bank has no branches in the moderate-income geographies. However, the 8% of the population living in the moderate-income geographies, all of which are located in the city of Haverhill, have the ability to access the Haverhill branch via the public bus transit service that serves the entire city.

Branch openings and closings have not adversely impacted accessibility for low- and moderate-income individuals or areas, as there were no branches either opened or closed during the evaluation period.

Branch hours do not vary in a way that inconveniences any portion of the assessment area and there are no material differences in services provided throughout the branch network. Branch office hours and days of operation vary based on the convenience and needs of each branch's area. Each branch opens at 9:00am Monday through Saturday, and closes between 3:00pm and 5:00pm Monday through Friday. There is one branch located in a regional high school that is only open during school hours and has no ATM. All other branches, including the branch in the low-income geography, have similar hours on Saturday, and on-site ATMs offering 24-hour service. First Mass. customers are also given free access to all 412 Banknorth Group ATMs located throughout New England and upstate New York.

Bank-wide Alternative Delivery Systems

First Mass. offers three alternative delivery systems to all of its customers. They are "Small Business Foundations", "Direct Banking Center" and "Direct 24." These products are fully described in the state of Massachusetts Bank-wide Alternative Delivery Systems section of this Evaluation. We did not place significant weight on alternative delivery systems when arriving at a conclusion for the Service Test since the bank does not monitor how these products affect low- and moderate-income individuals.

Community Development Services

First Mass. has an adequate level of community development services in the Lawrence multistate area given its limited presence and limited opportunities. A bank officer provides his financial expertise as a member of the loan committee of an economic development organization that serves small businesses in Rockingham County in New Hampshire. Rockingham County is where the New Hampshire portion of both the Boston and Lawrence multistate metropolitan areas are located. The organization promotes sustainable economic development activities by creating jobs for low- and moderate-income people. A bank officer provides his technical expertise as a member of the Board of a New Hampshire statewide housing investment fund that

provides affordable housing. Another bank officer provides her technical assistance as a Board member of an affordable housing organization that serves the Merrimack Valley.

State Rating

CRA Rating for Connecticut³:	<u>Satisfactory</u>
The Lending Test is rated:	<u>High Satisfactory</u>
The Investment Test is rated:	<u>Low Satisfactory</u>
The Service Test is rated:	<u>High Satisfactory</u>

The major factors that support this rating include:

- An excellent distribution of home mortgage loans and an adequate distribution of small business loans given the strong competition throughout the geographies in the assessment area;
- An overall excellent distribution of home mortgage loans to borrowers of different incomes and to small sized businesses;
- CD lending and product flexibility had a positive impact on the Lending Test rating;
- An adequate level of qualified community development investments;
- Service delivery systems are readily accessible to geographies and individuals of different income levels in the assessment area; and
- There were no CD services given the limited opportunities in the assessment area.

Description of Institution's Operations in Connecticut

First Mass.'s operations are limited to a portion of the Hartford metropolitan statistical area in Connecticut.

First Mass. maintains eight branches, each of which has an ATM on-site, in this area. The state comprises 3% of the number and 4% of the dollar volume of total lending for the bank, and 7% of total deposits.

Refer to the Market Profiles for the State of Connecticut in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

³ For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Scope of Evaluation in Connecticut

We performed a full scope review of the bank's assessment area in the Hartford metropolitan statistical area. Refer to the table in Appendix A for more information

We conducted one community contact in the state of Connecticut assessment area. We also reviewed two recent community contracts. Results of the community contacts are described in Appendix C.

LENDING TEST

First Mass.'s performance under the Lending Test is rated "High Satisfactory" in the state of Connecticut.

Lending Activity

Refer to Table 1 in the state of Connecticut section of Appendix D for the facts and data used to evaluate the bank's lending activity.

Overall, lending activity is adequate. Home mortgage lending in the state represents one percent of the bank's overall home mortgage lending. During the evaluation period, First Mass. originated 89 loans totaling \$11 million in the assessment area. The majority of home mortgage loans originated during the evaluation period were home purchase loans, at 59%, with refinance loans at 31% and home improvement loans at 7%. First Mass. was ranked 36th for home mortgage refinance lending with 1% of the market share and ranked 22nd with 1% of the market share for home purchase lending. First Mass. made a nominal number of home improvement loans and was ranked 18th with less than 1% of the market share for home improvement lending. The bank also originated 3 multifamily loans, or 3% of home mortgage-related loans. First Mass. has one percent of the deposits in the metropolitan statistical area and ranked 14th.

Small loans to businesses in the state represent 7% of the bank's overall volume of small loans to businesses. During the evaluation period, First Mass. originated 226 loans totaling \$31 million. The bank's volume of loans to small businesses is adequate with a one percent market share. First Mass. ranked seventeenth among lenders required to report data on small loans to businesses and eighth among local competitors.

Consumer loans in the state represent 5% of the bank's consumer loan volume throughout the entire assessment area. First Mass. originated a good volume of consumer loans in the state. Loan types included in this category consist of home equity lines, motor vehicle, other secured, and other unsecured loans. The dollar volume of consumer loans originated comprises 4% of First Mass.' Tier I capital, which provides perspective on the relatively modest size of this lending activity. There is no market share data available for consumer lending.

Distribution of Loans by Income Level of the Geography

First Mass.'s overall geographic distribution of lending reflects good penetration throughout the assessment area. The distribution of each product is discussed below.

Home Mortgage Loans

Refer to Tables 2, 3 and 4 in the state of Connecticut section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

The geographic distribution of home purchase loans is excellent. The proportion of loans in moderate-income geographies exceeded the percentage of owner-occupied housing units in those geographies, and the overall market share equaled the moderate-income geographies market share. There were no low-income geographies in the assessment area.

While the bank offers home improvement loans, the bank originated an insignificant number during the evaluation period and an analysis is not considered meaningful. The home equity product has been actively utilized by customers to address their home improvement needs and has been included in the bank's consumer loan data.

The geographic distribution of home mortgage refinance loans is excellent. The proportion of loans in moderate-income geographies exceeded the percentage of owner-occupied housing units in those geographies, and the overall market share equaled the moderate-income geographies market share.

Small Loans to Businesses

Refer to Table 5 in the state of Connecticut section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

First Mass.'s geographic distribution of small loans to businesses is adequate based on the strong competition for these loans in the assessment area. The percentage of loans in moderate-income geographies is below the percentage of businesses in those areas. The bank's market share in moderate-income geographies equaled the overall market share.

Consumer Loans

Refer to Table 14 in the state of Connecticut section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The geographic distribution of consumer loans is poor. The proportion of loans in moderate-income geographies is below the percentage of households in those geographies.

Lending Gap Analysis

We reviewed the geographic distribution of loans and did not detect any unexplained conspicuous gaps in lending.

Inside/Outside Ratio

We performed the inside/outside ratio analysis at the bank level using the number of loans originated or purchased. During the evaluation period, 43% of all loans were within their assessment area. Seventy-four percent of small loans to businesses, and one of the two small loans to farms were originated within the assessment area. Thirty percent of HMDA loans were originated or purchased within the bank's assessment area. In the past, a large percentage of HMDA loans were purchased from outside the bank's assessment area for balance sheet management purposes. This activity ceased in April 1999, and in 2000, HMDA loans originated within the bank's assessment area increased to 77%. Fifty-one percent of consumer loans were originated or purchased within the bank's assessment area. Affecting the percentage of consumer loans outside the assessment area was the indirect auto dealer loan portfolio. These loans were made throughout Massachusetts and Connecticut but not exclusively within the bank's assessment area.

Distribution of Loans by Income Level of the Borrower

First Mass.'s overall distribution of loans by borrower income level reflects an excellent penetration among customers of different income levels and to businesses of different sizes. The distribution of each product is described below.

Home Mortgage Loans

Refer to Tables 7, 8 and 9 in the state of Connecticut section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The borrower distribution of home purchase loans is excellent, especially when considering the high cost of housing. The median cost of housing is \$177 thousand. A low-income person earns less than \$32 thousand, and a moderate-income person earns less than \$52 thousand. It is very difficult for a low-income person to purchase a home in the assessment area, and difficult for a moderate-income person. The proportion of loans to both low- and moderate-income borrowers exceeded the percentage of low- and moderate-income families in the assessment area. The bank's market share for low- and moderate-income borrowers equaled its overall market share.

While the bank offers home improvement loans, the bank originated an insignificant number during the evaluation period and an analysis is not considered meaningful. The home equity product has been actively utilized by customers to address their home improvement needs, and has been included in the bank's consumer loan data.

The borrower distribution of home mortgage refinance loans was good. While the proportion of loans to low-income borrowers was below the percentage of low-income families, the proportion

of loans to moderate-income borrowers was above the percentage of moderate-income families. The bank's market share for low-income borrowers exceeded their overall market share, and market share for moderate-income borrowers equaled its overall market share. As noted in the borrower distribution of home purchase lending section, the high cost of housing makes it difficult for low- or moderate-income borrowers to purchase housing in the assessment area. This also limits the opportunities for home mortgage refinance loans to low- and moderate-income borrowers.

Small Loans to Businesses

Refer to Table 10 in the state of Connecticut section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

We analyzed the distribution of small business loan originations by calculating the percentage of loans made to small businesses. A small business is defined as a business with revenues of \$1 million or less. We also evaluated the distribution of loans by original amount regardless of business size.

The distribution of small business loans is adequate given the strong competition for these loans in the assessment area. The bank's percentage of lending is less than the percentage of all businesses that are small-sized in the assessment area. The market share for loans to businesses with annual revenues of \$1 million or less equaled their overall market share for all small business loans. A majority of small loans to businesses were for amounts less than \$100 thousand.

Consumer Loans

Refer to Table 14 in the state of Connecticut section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The distribution of the bank's consumer loans is adequate. The percentage of loans made to low-income borrowers was below the percentage of low-income households, while the percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income households.

Community Development Lending

Refer to Table 1 in the state of Connecticut section of Appendix D for the facts and data used to evaluate the bank's level of community development lending.

CD lending had a positive impact on the Lending Test given the limited opportunities in the assessment area. The bank originated one community development loan totaling \$500 thousand to an organization that provides a residential facility for low- and moderate-income elderly.

Product Innovation and Flexibility

Product flexibility had a positive impact on the Lending Test. First Mass. offers the standard range of bank-wide innovative and flexible products in the assessment area portion of the state. These products are described in the state of Massachusetts's section of this Evaluation.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in the state of Connecticut is rated "Low Satisfactory".

Refer to Table 12 in the state of Connecticut section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The level of qualified investments is adequate given the limited opportunities for community development investments in the assessment area. Qualified investments originated during the evaluation period consisted of \$435 thousand of investments that are the portion, based on the percentage of the bank's deposits, of the assessment area's bank-wide investments, and \$16 thousand in grants. The bank-wide investments are described in the state of Massachusetts's section of this Evaluation.

SERVICE TEST

First Mass.'s performance under the Service Test in the state of Connecticut is rated "High Satisfactory".

Retail Banking Services

Refer to Table 13 in the state of Connecticut section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

First Mass.'s distribution of branches in their assessment area in the state of Connecticut is excellent. Service delivery systems are readily accessible to geographies and individuals of different income levels in the assessment area. First Mass. operates eight branches in Connecticut. One, or 13% of the branches, is located in a moderate-income geography. This distribution is excellent compared to the 12% of the population that live in moderate-income geographies. There are no low-income geographies in the assessment area.

There were no branch openings or closings during the evaluation period to impact accessibility for low- and moderate-income individuals and areas.

Branch hours do not vary in a way that inconveniences any portion of the assessment area and there are no material differences in services provided throughout the branch network. Branch

office hours and days of operation vary only slightly based on the convenience and needs of each branch's area. Each branch, with one exception, opens at 8:30 am Monday through Friday and Saturday from 9:00 am to noon. The exception is a branch in a middle-income geography that opens at 7:00 am. This branch is open until 7:00 p.m. Monday through Saturday while the remaining branches close between 4:00 p.m. and 6:00 p.m. All branches have on-site ATMs offering 24-hour service. First Mass. customers are also given free access to all 412 Banknorth Group ATMs located throughout New England and upstate New York.

Bank-wide Alternative Delivery Systems

First Mass. offers three alternative delivery systems to all of its customers. They are "Small Business Foundations", "Direct Banking Center" and "Direct 24." These products are fully described in the state of Massachusetts Bank-wide Alternative Delivery Systems section of this Evaluation. We did not place significant weight on alternative delivery systems when arriving at a conclusion for the Service Test since the bank does not monitor how these products affect low- and moderate-income individuals.

Community Development Services

First Mass. employees in the state of Connecticut were not involved in activities that met the community development criteria during the evaluation period. There are very limited opportunities for bank employees to become involved in community development organizations in the assessment area.

State Rating

CRA Rating for Massachusetts⁴:	<u>Satisfactory</u>
The Lending Test is rated:	<u>High Satisfactory</u>

⁴ For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

The Investment Test is rated: Low Satisfactory
The Service Test is rated: High Satisfactory

The major factors that support this rating include:

- A good level of lending activity in the full scope areas;
- An overall good distribution of home mortgage and small business loans throughout the geographies in the full scope areas;
- An overall good distribution of loans by borrower income level and to businesses of different sizes in the full scope areas;
- CD lending and product flexibility had a positive impact on the Lending Test rating;
- An adequate level of qualified community development investments;
- Service delivery systems are accessible to geographies and individuals of different income levels in the assessment area; and
- A good record of providing community development services in the Springfield full scope assessment area.

Description of Institution's Operations in Massachusetts

Due to the numerous mergers and acquisitions, First Mass.'s operations are located in various geographic areas Massachusetts. Not including the two multistate metropolitan areas, there are eight assessment areas, five in MSAs and three non-MSA areas. The non-MSA areas were combined for analysis purposes in this Evaluation.

First Mass. maintains 66 branches and 64 ATMs in this area. Two branches located in middle-income geographies in the Springfield MSA do not have ATMs. Lending within Massachusetts comprises 71% of the number and 67% of the dollar volume of total loans for the bank, and 74% of total deposits. The Springfield MSA is the largest assessment area for the bank in the state, with 40% of the geographies, 42% of the population, and 40% of the businesses.

Major competitors vary throughout the assessment areas, and include large regional banks, nationwide financial services companies, and local large and small community banks.

Refer to the Market Profiles for the State of Massachusetts in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

Scope of Evaluation in Massachusetts

The Springfield and Fitchburg-Leominster metropolitan statistical areas received full-scope reviews while the Lowell, Pittsfield, and Worcester metropolitan statistical areas, and the non-metropolitan statistical areas received limited-scope reviews. The ratings are based primarily on the results of those areas that received full-scope reviews. Refer to the table in Appendix A for more information.

The Springfield metropolitan area is the largest area in the state of Massachusetts, with 45% of the deposits from Massachusetts (not including the multistate metropolitan areas). First Mass. has 17% of the deposit market share in the metropolitan area and is ranked second behind a large regional bank. The Springfield MSA is the most heavily weighted area used to determine the overall conclusions.

The Fitchburg-Leominster metropolitan area is the fourth largest area in the state, with 1% of the deposits from Massachusetts (not including the multistate metropolitan areas). First Mass. has 28% of the deposit market share in the metropolitan area and is ranked second behind a large regional bank.

We conducted one community contact in each of the full-scope areas in conjunction with this Evaluation. We also reviewed one recent community contact from the Springfield metropolitan area and one from the Fitchburg-Leominster metropolitan area. Results of the community contacts are described in Appendix C.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in Massachusetts is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the Springfield and Fitchburg-Leominster metropolitan areas is good.

Lending Activity

Refer to Table 1 in the state of Massachusetts's section of Appendix D for the facts and data used to evaluate the bank's lending activity.

Overall, lending activity is good. During the evaluation period, First Mass. originated 2,434 home mortgage loans totaling \$227 million in the two full scope areas. The Springfield metropolitan area represents 39% of the number and 36% of the dollar volume of loans originated or purchased within the state of Massachusetts. The Fitchburg-Leominster metropolitan area represents 15% of the number and 14% of the dollar volume of loans originated or purchased in the state.

The majority of home mortgage loans originated during the evaluation period for both of the full-scope areas were home purchase loans, at 58% in Springfield and 46% in Fitchburg-Leominster.

Refinance loans were 29% in Springfield and 43% in Fitchburg-Leominster. Home improvement loans were 13% in Springfield and 11% in Fitchburg-Leominster. First Mass. was ranked second for home purchase lending with 5% of the market share, ranked second with 6% of the market share for home mortgage refinance lending, and ranked fourth with 7% of the market share for home improvement lending in the Springfield assessment area. First Mass. was ranked sixth for home purchase lending with 3% of the market share, ranked second with 4% of the market share for home mortgage refinance lending, and ranked eighth with 5% of the market share for home improvement loans in the Fitchburg-Leominster assessment area.

There were 12 loans for multifamily dwellings in the Springfield metropolitan area, and 11 loans for multifamily dwellings in the Fitchburg-Leominster metropolitan area.

During the evaluation period, First Mass. originated 1,111 small loans to businesses totaling \$145 million in the two full scope areas. The Springfield metropolitan area represents 29% of the number and 27% of the dollar volume of loans originated or purchased within the state of Massachusetts. The Fitchburg-Leominster metropolitan area represents 14% of the number and 15% of the dollar volume of loans originated or purchased in the state. The bank's volume of loans is good, with a 5% market share in the Springfield assessment area and a 7% market share in the Fitchburg-Leominster assessment area. First Mass. ranked seventh among lenders required to report data on small loans to businesses and fifth among local competitors in the Springfield assessment area. First Mass. ranked fourth in the Fitchburg-Leominster assessment area and second among local competitors.

During the evaluation period, First Mass. originated 3,656 consumer loans in the two full scope areas. The Springfield metropolitan area represents 35% of the consumer loans originated within the state of Massachusetts, and the Fitchburg-Leominster metropolitan area represents 10%. Loan types included in this category consist of home equity lines, motor vehicle, other secured and other unsecured loans. The dollar volume of consumer loans originated in the Springfield metropolitan area comprises a substantial 21% of First Mass.' Tier I capital. The dollar volume of consumer loans originated in the Fitchburg-Leominster metropolitan area comprises a relatively modest 4% of Tier 1 capital. These percentages provide perspective on the bank's level of consumer lending. There is no market share data available for consumer lending.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3 and 4 in the state of Massachusetts's section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

First Mass.'s overall geographic distribution of lending reflects a good penetration throughout the assessment areas based on the full-scope reviews of the Springfield and Fitchburg-Leominster metropolitan areas. The distribution of each product is described below.

Home Mortgage Loans

Refer to Tables 2, 3 and 4 in the state of Massachusetts's section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases. It is noted that the opportunities for home mortgage lending to low-income geographies is somewhat limited as less than one percent of the housing units are owner-occupied.

The geographic distribution of home purchase loans is excellent in the Springfield metropolitan area, and good in the Fitchburg-Leominster metropolitan area. In Springfield, the proportion of loans in low- and moderate-income geographies exceeded the percentage of owner-occupied housing units in those geographies. The market share in low-income geographies was near the overall market share, while market share in the moderate-income geography equaled the overall market share. In Fitchburg-Leominster, the proportion of loans in low-income geographies exceeded the percentage of owner-occupied housing units in those geographies, and the proportion of loans in moderate-income geographies was slightly less. The bank made no loans in low-income census tracts in 1999; therefore, it had no market share. The market share in moderate-income geographies was less than the overall market share.

The geographic distribution of home improvement loans is excellent in the Springfield metropolitan area and poor in the Fitchburg-Leominster metropolitan area. In Springfield, the proportion of loans in low- and moderate-income geographies exceeded the percentage of owner-occupied housing units in those geographies. The market share in low- and moderate-income geographies exceeded the overall market share. In Fitchburg-Leominster, the bank made no loans during the evaluation period in low-income geographies. The percentage of loans made in moderate-income geographies was less than the percentage of owner-occupied units in those geographies. As no loans were made in low-income census tracts, there was no market share. The market share in moderate-income geographies was less than the overall market share.

The geographic distribution of home mortgage refinance loans is excellent in the Springfield metropolitan area and good in the Fitchburg-Leominster metropolitan area. In Springfield, the proportion of loans in low-income geographies equaled the percentage of owner-occupied housing units. In moderate-income geographies, the percentage of lending exceeded the percentage of owner-occupied housing units. The market share for lending in low-income geographies equaled the overall market share, and in moderate-income geographies it was less than the overall market share. In Fitchburg-Leominster, the proportion of loans in low-income geographies equaled the percentage of owner-occupied housing units, and in moderate-income geographies the lending was less than the percentage of owner-occupied housing units. There were no loans made in low-income geographies in 1999; therefore, the bank had no market share. The market share in moderate-income geographies substantially equaled the overall market share.

Small Loans to Businesses

Refer to Table 5 in the state of Massachusetts's section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

First Mass.'s geographic distribution of small loans to businesses is good in the Springfield metropolitan area and adequate in the Fitchburg-Leominster metropolitan area. In Springfield, the percentage of loans in low-income geographies exceeded the percentage of businesses in those geographies, and in the moderate-income geographies the percentage of loans was less than the percentage of businesses. The bank's market share for low-income geographies exceeded the bank's overall market share, and it equaled the overall market share in the moderate-income geographies. In Fitchburg-Leominster, the percentage of loans in low-income geographies was less than the percentage of businesses in those geographies, and the percentage of loans in moderate-income geographies is near the percentage of businesses in those geographies. The bank's market share for low-income geographies substantially met the overall market share, while the market share in moderate-income geographies exceeded the overall market share.

Consumer Loans

Refer to Table 14 in the state of Massachusetts's section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The geographic distribution of consumer loans is adequate. The proportion of loans in both low- and moderate-income geographies was less than the percentage of households in those tracts in the Springfield and Fitchburg-Leominster metropolitan areas.

Lending Gap Analysis

We reviewed the geographic distribution of loans and did not detect any unexplained conspicuous gaps in lending.

Inside/Outside Ratio

We performed the inside/outside ratio analysis at the bank level using the number of loans originated or purchased. During the evaluation period, 43% of all loans were within their assessment area. Seventy-four percent of small loans to businesses and one of the two small loans to farms were originated within the assessment area. Thirty percent of HMDA loans were originated or purchased within the bank's assessment area. In the past, a large percentage of HMDA loans were purchased from outside the bank's assessment area for balance sheet management purposes. This activity ceased in April 1999, and in 2000, HMDA loans originated within the bank's assessment area increased to 77%. Fifty-one percent of consumer loans were originated or purchased within the bank's assessment area. Affecting the percentage of consumer loans outside the assessment area was the indirect auto dealer loan portfolio. These loans were made throughout Massachusetts and Connecticut but not exclusively within the bank's assessment area.

Distribution of Loans by Income Level of the Borrower

First Mass.'s overall distribution of loans by borrower income level reflects a good penetration among customers of different income levels and to business customers of different sizes in the full scope areas. The distribution of each product is described below.

Home Mortgage Loans

Refer to Tables 7, 8 and 9 in the state of Massachusetts's section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The borrower distribution of home purchase lending is good in the Springfield and Fitchburg-Leominster metropolitan areas. The proportion of loans to low-income borrowers was below the percentage of low-income families, but the proportion of loans to moderate-income borrowers exceeded the percentage of moderate-income families for both full-scope areas. We considered the high cost of housing in the assessment area in our analysis. In the Springfield assessment area, the median cost of housing is \$122 thousand. A low-income person earns less than \$25 thousand, and a moderate-income person earns less than \$40 thousand. Additionally, 13% of households are below the poverty level. In the Fitchburg-Leominster assessment area, the median cost of housing is \$123 thousand. A low-income person earns less than \$29 thousand, and a moderate-income person earns less than \$46 thousand. Ten percent of the households are below the poverty level. It is very difficult for a low-income person to purchase a home in either of the assessment areas, and it is difficult for a moderate-income person. The bank's market share for low- and moderate-income borrowers exceeded its overall market share in Springfield, while the market share for low-income borrowers substantially meets the overall market share, and exceeded the overall market share for moderate-income borrowers in Fitchburg-Leominster.

The borrower distribution of home improvement loans is good when considering the limited opportunities for low-income borrowers. In both the Springfield and Fitchburg-Leominster metropolitan areas, the proportion of loans to low-income borrowers was below the percentage of low-income families. The proportion of loans to moderate-income borrowers was significantly above the percentage of moderate-income families. The bank's market share for low-income borrowers significantly exceeded its overall market share in Springfield and exceeded the overall market share for moderate-income borrowers. In Fitchburg-Leominster, the market share for low- and moderate-income borrowers equaled the overall market share.

The borrower distribution of home mortgage refinance loans is good. The proportion of loans to low-income borrowers was less than the percentage of low-income families, while the proportion of loans to moderate-income borrowers was near the percentage of moderate-income families. The bank's market share for low-income borrowers was less than the overall market share, and substantially equaled the market share for moderate-income borrowers. As noted in the borrower distribution of home purchase lending section, the high cost of housing makes it difficult for low- and moderate-income borrowers to purchase housing in the assessment area. This also limits the opportunities for home mortgage refinance loans to low- and moderate-income borrowers.

Small Loans to Businesses

Refer to Table 10 in the state of Massachusetts's section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

We analyzed the distribution of small business loan originations by calculating the percentage of loans made to small businesses. A small business is defined as a business with revenues of \$1 million or less. We also evaluated the distribution of loans by original amount regardless of business size.

The distribution of small business loans is adequate given the strong competition for these loans in both full scope assessment areas. The bank's percentage of lending is less than the percentage of all businesses that are small-sized in the assessment area for both the Springfield and Fitchburg-Leominster metropolitan areas. The market share for loans to businesses with annual revenues of \$1 million for both metropolitan areas equaled their overall market share for all small business loans. A majority of small loans to businesses were for amounts less than \$100 thousand.

Consumer Loans

Refer to Table 14 in the state of Massachusetts's section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The distribution of the bank's consumer loans is adequate. The percentage of loans made to low-income borrowers was below the percentage of low-income households, while the percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income households.

Community Development Lending

Refer to Table 1 in the state of Massachusetts's section of Appendix D for the facts and data used to evaluate the bank's level of community development lending.

CD lending had a positive impact on the Lending Test. The bank made two statewide community development loans to the Massachusetts Housing Partnership (MHP) Fund. MHP is a public agency, which promotes affordable housing and neighborhood development. Beginning in 1990, state law required that, prior to a bank holding company (BHC) acquiring, owning, establishing or merging with a Massachusetts bank that the BHC must arrange with MHP to make funds available for call for the purposes of providing financing for affordable housing. The amount of funds made available is a function of asset size. MHP funds are available for financing the following: down payment assistance, share loans, closing costs related to creating affordable housing, limited equity co-op's, affordable home ownership opportunities, tenant management programs and tenant unit acquisitions or ownership programs in state funded public housing developments. A total of \$5.3 million is allocated to the state of Massachusetts, excluding the Massachusetts portion of the multistate metropolitan areas, based on the percent of

the bank's deposit. The Springfield metropolitan area is allocated \$2.4 million, or 45%, and the Fitchburg-Leominster metropolitan area is allocated \$567 thousand, or 11% of the state of Massachusetts total.

In addition to the percentage of loans made to MHP, the bank originated 6 community development loans totaling \$4.7 million in the Springfield metropolitan area. There were no additional community development loans made in the Fitchburg-Leominster metropolitan area.

Examples of community development loans made in the Springfield metropolitan area during the evaluation period include:

- ❖ Three loans totaling \$3.7 million were provided to an organization that provides vitally needed social services to low- and moderate-income people;
- ❖ A loan for \$716 thousand was provided to a nonprofit organization that provides mental health and sheltering services to low- and moderate-income people.

Product Innovation and Flexibility

Product flexibility had a positive impact on the Lending Test.

First Mass. offers a good number of flexible and affordable mortgage and consumer programs either throughout the bank or specifically in the state of Massachusetts to address identified community credit needs and to increase access to credit and services. These programs had a positive impact on all assessment areas.

The programs offer flexible underwriting criteria and other enhancements. The loans originated under the programs are included in the data for HMDA reportable and consumer loans presented in this Evaluation. The following is a description of the flexible programs offered to increase lending to low- and moderate-income people.

Affordable Housing Programs

Massachusetts Housing Finance Authority (MHFA) Mortgage Loans - this product is offered throughout the state of Massachusetts and is a 30-year fixed, below-market rate loan for first time homebuyers, with low down payment requirements and flexible underwriting guidelines. First Mass. also participates in the MHFA County Homes Program which allows 100% combined loan-to-value financing to borrowers who meet certain requirements including income limits, property located in Rural Housing eligible areas and a Rural Housing subordinate mortgage. The bank made 105 MHFA mortgage loans in 1999 and 2000 totaling \$8 million.

FHA Loans - a bank-wide government-sponsored program which offers low down payment requirements, higher debt ratios when compared to conventional programs, a combination of closing cost and down payment assistance programs, and alternate documentation requirements. First Mass. made 168 loans totaling \$16 million under this program.

VA Loans - a bank-wide government-sponsored program which provides 100% financing to

eligible veterans. The bank made 75 loans totaling \$8 million in 1999 and 2000 under this program.

Rural Development (Rural Housing) Program - a bank-wide program administered by the U.S. Department of Agriculture, which consists of fixed-rate mortgage loans made to eligible borrowers secured by properties located in designated areas. Loans can be made up to 100% of the appraised value of the property, no down payment is required, closing costs may be included in the loan amount, and no private mortgage insurance is required. The bank made 5 loans totaling \$437 thousand in 1999 and 2000 under this program.

Portfolio Community Outreach Program, 7/1 ARM - this bank-wide proprietary program is limited to applicants earning less than 80% of the median family income and offers below-market rates, waived or reduced fees, modified loan underwriting criteria, and requires home ownership counseling. In 1999, First Mass. made 22 loans totaling \$1.5 million under this program, and 36 loans totaling \$2.7 million in 2000.

Portfolio 5/1 ARM First Time Homebuyer Program - this bank-wide proprietary program is limited to applicants earning less than 100% of the median family income that are first time homebuyers. The program offers below-market rates, modified loan underwriting criteria, and requires home ownership counseling. During the evaluation period, the bank originated 15 loans to low- or moderate-income borrowers totaling \$1.3 million.

Affordable Census Tract Program - this bank-wide proprietary program is limited to applicants earning less than 80% of the median family income and purchasing homes in low- or moderate-income geographies. The program offers a 30-year fixed, below-market rate designed specifically to meet the needs of low- to moderate-income homebuyers and includes lender-paid closing costs and flexible underwriting criteria. Introduced in 1999, loans made under this program increased significantly from 4 loans totaling \$288 thousand in the first year to 52 loans totaling \$3.8 million in 2000.

MHFA Soft Second Mortgage Program - this program is administered by the Massachusetts Housing Partnership through local non-profits, and targets low- and moderate-income first time homebuyers. The program combines a low-rate first mortgage with a subsidized second mortgage (interest-only payments) and a “soft” third mortgage (no interest and no monthly payments). The program has flexible underwriting criteria. Implemented in 1999, loans made under this program increased significantly from 14 loans totaling \$980 thousand in the first year to 256 loans in 2000 totaling \$11.2 million.

Consumer Loan Programs

MHFA Lead Paint Program - the bank participates in this program, which provides 0% interest, deferred payment loans to eligible low- and moderate-income owner-occupants to have their property de-lead by state-licensed contractors. In 2000, First Mass. made 34 loans totaling \$663 thousand. Data is not available on loans made in 1999.

MHFA Septic Repair Program - the bank participates in this program, which provides financing

to upgrade failed sewage disposal systems. In 2000, First Mass. made 14 loans totaling \$167 thousand. Data is not available on loans made in 1999.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Lowell, Pittsfield, Worcester, and non-metropolitan areas is not inconsistent with the bank's overall "High Satisfactory" performance under the Lending Test in Massachusetts. Refer to Tables 1 through 11 and 14 in the state of Massachusetts's section of Appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in the state of Massachusetts is rated "Low Satisfactory". Based on full-scope reviews, the bank's performance in the Springfield and Fitchburg-Leominster metropolitan areas is adequate.

Refer to Table 12 in the state of Massachusetts's section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The level of qualified investments is adequate. Qualified investments funded during the evaluation period in the Springfield metropolitan area total \$4.0 million, and in the Fitchburg-Leominster metropolitan area total \$891 thousand. There was also an investment in a state-wide affordable housing equity fund that originated prior to our evaluation period but remained outstanding as of our evaluation date and has been apportioned between the assessment areas based on the area's percentage of the bank's deposits. An additional \$3.9 million is the Springfield assessment area's share of unfunded investment commitments in three Massachusetts state-wide equity funds and an unfunded investment commitment in a low income housing tax credit facility. An additional \$898 thousand is the Fitchburg-Leominster assessment area's share of unfunded investment commitments in three Massachusetts state-wide equity funds.

Investments that are bank-wide and targeted to a larger geographic area that includes the entire bank's assessment area consist of two Small Business Investment Companies (SBIC) and a fund that invests in affordable housing loans. The bank also has investments that are targeted to the entire state of Massachusetts. These consist of a statewide housing equity fund that invests in low-income housing tax credit improvement projects, an SBIC, and a fund that invests in affordable housing loans.

In the Springfield assessment area, First Mass. has invested \$178 thousand and has an unfunded commitment of \$134 thousand in a low-income housing tax credit project to create 20 units of low-income housing and commercial space in the Springfield metropolitan area. First Mass. was the only investor in the project. This "mixed use" facility was harder to underwrite and required creativity and flexibility from the bank. First Mass. also provided 17 grants totaling \$57

thousand that were to a number of organizations that support community services for low- and moderate-income people and areas. Included were two grants totaling \$40 thousand to two affordable housing-related organizations. One of the grants was to support the organization's first time homebuyer education program for low- and moderate income people, credit counseling, and post-purchase services program and the other was for much-needed operating funds.

In the Fitchburg-Leominster metropolitan area, First Mass. did not make any investments beyond the bank- and state-wide investments, and grants were negligible. Opportunities for the bank to participate were limited given the competition in the assessment area.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Lowell, Pittsfield, Worcester, and nonmetropolitan areas is not inconsistent with the bank's overall "Low Satisfactory" performance under the Investment Test in the state of Massachusetts.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in the state of Massachusetts is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the Springfield and Fitchburg-Leominster metropolitan areas is good.

Retail Banking Services

Refer to Table 13 in the state of Massachusetts's section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

First Mass.'s distribution of branches in the Fitchburg-Leominster assessment area is excellent and is good in the Springfield assessment area. In the Fitchburg-Leominster assessment area, service delivery systems are readily accessible to geographies and individuals of different income levels, and in the Springfield assessment area, service delivery systems are accessible to geographies and individuals of different income levels. First Mass. operates six branches in the Fitchburg-Leominster metropolitan area, with one branch, or 17% of the total in low- and one branch, or 17% of the total in moderate-income geographies. This distribution is excellent compared to the 2% of the population that live in low-income geographies and good when compared to the 21% of the population that live in moderate-income geographies. First Mass. has 27 branches in the Springfield metropolitan area. There are no branches in low-income geographies, where 11% percent of the population is located. However, other branches are accessible via public transportation. As well, there are five branches located within one mile from the center of the low-income areas. The bank has four branches, or 15%, in moderate-income geographies, which exceeds the 12% of the population living in those geographies.

Branch openings and closings have not adversely affected accessibility for low- and moderate-income individuals or areas as there were no branches that were either opened or closed during the evaluation period in the Springfield metropolitan area and one branch in an upper-income geography that was closed in the Fitchburg-Leominster geography.

Branch hours do not vary in a way that inconveniences any portion of the assessment area and there are no material differences in services provided throughout the branch network. Branch office hours and days of operation vary based on the convenience and needs of each branch's area. In the Fitchburg-Leominster metropolitan area, each branch opens at 9:00am Monday through Saturday with the exception of the branch in the low-income geography, and closes between 4:00pm and 5:00pm Monday through Friday. The branch located in the low-income geography is not open on Saturday. First Mass. does ongoing studies to determine the most convenient hours for their customers. The branch is located in a downtown business area that has minimal traffic on Saturdays. All branches have on-site ATMs offering 24-hour service. In the Springfield metropolitan area, each branch opens between 8:30am and 10:00am Monday

through Friday, and closes between 4:00pm and 6:00pm. Similar Saturday hours are offered at the majority of branches, including those located in moderate-income geographies. All branches have ATMs offering 24-hour service. One of the branches located in a moderate-income geography has two ATMs. There is also an offsite, full service ATM located in one of the moderate-income geographies. First Mass. customers are also given free access to all 412 Banknorth Group ATMs located throughout New England and upstate New York.

Bank-wide Alternative Delivery Systems

First Mass. offers three alternative delivery systems to all of its customers. They are “Small Business Foundations”, “Direct Banking Center” and “Direct 24.” “Small Business Foundations” provides access to business loan approvals and funding, up to \$150 thousand, in all branch offices rather than the more typical referral of business loans to one commercial lending office. In addition, the “Small Business Foundations” initiative provides branch-office access to Business Money Market Accounts, Business Debit Cards, Cash Management Services, Merchant Services for credit card sales, Trust Services, and Lease Financing as an alternative to ownership. Moreover, this program further serves the small business community by providing access to a network of third party vendors; again, each branch office serves as an access point. Discounts on office products through Boise Cascade, discounts on overnight delivery by Federal Express, discounts on temporary staffing services, free personal and commercial insurance reviews, and discounts on cellular telephone accessories are all available.

The “Direct Banking Center” provides toll-free telephone access to customers seven days a week. The center is operational Monday through Friday from 7:00 am to 9:00 p.m., Saturday from 9:00 am to 5:00 p.m., and Sunday from 10:00 am to 3:00 p.m. Center employees assist customers with their deposit and loan accounts, open new accounts, and accept consumer and home equity applications. “Direct 24” is an automated response unit of the “Direct Banking Center.” Using “Direct 24”, customers can access account balances, obtain information on the status of deposits and withdrawals, and make transfers to other First Mass. accounts. Other services offered by First Mass. include banking by mail and direct deposit.

First Mass. offers “SimplyFree Checking”, an affordable product tailored to the needs of low- and moderate-income people. The account requires no monthly maintenance fees, no minimum balance requirements, no transaction fees, and only a \$25 minimum opening balance.

We did not place significant weight on alternative delivery systems when arriving at a conclusion for the Service Test since the bank does not monitor how these products impact low- and moderate-income individuals.

Community Development Services

First Mass. has a good level of community development services in the Springfield metropolitan area. Bank employees provide services to a number of groups. A bank officer provides his financial expertise as a Board member of an affordable housing organization. Another bank officer provides his financial expertise as a Board member of an organization that purchases and

rehabilitates homes in low- and moderate-income neighborhoods. A bank officer uses his financial expertise as the Treasurer of an organization that provides community services targeted to low- and moderate-income people. A bank officer uses her financial expertise as a Board member of a community land trust that develops affordable housing for purchase by low-income families. First Mass. has an adequate level of community development services in the Fitchburg-Leominster metropolitan area. A bank officer uses his technical expertise as the Chairman of a nonprofit organization that raises funds for other organizations that provide community development services throughout the assessment area.

On a statewide basis, a bank officer uses his technical expertise as a Board member of a statewide corporation that includes the bank's assessment areas in its geographic territory. The organization provides equity for the development of affordable housing.

In addition to community development services provided by bank personnel, First Mass. is also involved with projects and services that are available on a statewide basis that include the full scope assessment areas and have a community development focus.

- ❖ First Mass. offers a school banking program throughout the state of Massachusetts to help grammar school children gain a better understanding of money, the banking system, and the importance of saving. The program is currently actively utilized in seven schools in the Springfield metropolitan area whose students are predominately low- or moderate-income.
- ❖ First Mass. participates by providing administrative services in the Massachusetts Realtors Affordable Housing Fund Program, which uses the interest earned on escrow accounts to address homeless issues and provide assistance to low- and moderate-income people.
- ❖ First Mass. participates by providing administrative services in the Massachusetts Bar Association's Interest on Lawyer's Trust Account program. Through this program, First Mass. waives fees and pays above market rates on lawyers' trust accounts. Earnings from these accounts are used to provide legal services to low- and moderate-income individuals throughout the state.
- ❖ In conjunction with two nonprofit housing organizations, First Mass. employees have participated in the presentation of first time homebuyers' seminars for low- and moderate-income people.
- ❖ First Mass. is an active participant in the Federal Home Loan Bank Board's (FHLB) Affordable Housing Program (AHP). Since 1999, the bank has been successful in facilitating four grant awards to community-based organizations. Bank officers provide their technical expertise to nonprofit organizations to prepare grant applications for submission to the FHLB. The application process is considered complex based on the documentation required and the time it takes to prepare the documents.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Lowell, Pittsfield, Worcester and nonmetropolitan areas is not inconsistent with the bank's overall Service Test "High Satisfactory" rating performance under the Service Test in the state of Massachusetts. Refer to Table 13 in the state of Massachusetts's section of Appendix D for the facts and data that support these conclusions.

Appendix A: Scope of Evaluation

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	Lending Test (excludes CD loans): (7/1/97 to 12/31/00) Investment and Service Tests and CD Loans: (8/1/97 to 4/30/01)	
Financial Institution	Products Reviewed	
First Massachusetts Bank, N.A. (First Mass.) Worcester, Massachusetts	Home Mortgage Lending, Small Business Lending, Consumer Lending, Community Development Loans and Investments, Qualified Grants, and Community Development Services.	
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Boston MA-NH Lawrence MA-NH State of Connecticut Hartford #3280 State of Massachusetts Springfield #8000 Fitchburg-Leominster #2600 Lowell #4560 Pittsfield #6320 Worcester #9240 Non-MSA Areas	Full-Scope Review Full-Scope Review Full-Scope Review Full-Scope Review Full-Scope Review Limited-Scope Limited-Scope Limited Scope Limited Scope	

Appendix B: Summary of Multistate Metropolitan Area and State Ratings

RATINGS		First Massachusetts Bank, N.A.		
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
First Massachusetts Bank, N.A.	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
Multistate Metropolitan Area or State:				
Boston, MA-NH MULTISTATE MSA	Low Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
Lawrence, MA-NH MULTISTATE MSA	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
Connecticut	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
Massachusetts	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory

(*) The Lending Test is weighted more heavily than the Investment and Service Test in the overall rating.

Appendix C: Market Profiles for Areas Receiving Full-Scope Reviews

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Market Profiles for Areas Receiving Full-Scope Reviews

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Boston MA-NH Multistate Metropolitan Area #1120

Demographic Information for Full-Scope Area: Boston, MA-NH Multistate Metropolitan Area #1120						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	4	0	25	50	25	0
Population by Geography	23,922	0	27	49	24	0
Owner-Occupied Housing by Geography	6,675	0	27	49	24	0
Businesses by Geography	1,550	0	23	53	24	0
Farms by Geography	35	0	12	57	31	0
Family Distribution by Income Level	6,626	0	28	48	24	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	2,761	0	43	47	10	0
Median Family Income		Median Housing Value		= \$173,999		
HUD Adjusted Median Family Income for 2001	= \$48,688	Unemployment Rate		= 1.4%		
Households Below the Poverty Level	= 5.6%					

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census and 2001 HUD updated MFI.

The Boston MA-NH multistate metropolitan area is, in terms of number of geographies and loan originations/purchases, a very small portion of the bank's assessment area. Within the entire multistate metropolitan area, the bank's four census tracts represent 1% of the total number of census tracts and are in a small portion of Essex County in Massachusetts and Rockingham County in New Hampshire. As of June 30, 2000, First Mass. had less than 1% of the deposits in the Boston multistate metropolitan area.

Four percent of the bank's deposits are located within the multistate metropolitan assessment area. Four branches, or 5% of the bank's total branches, are located in the multistate metropolitan area. All branches have ATMs with 24-hour access, with the exception of a branch at a regional high school, which does not have an ATM.

During the evaluation period, 3% of the number and 4% of the dollar volume of loans were originated or purchased within the multistate metropolitan area.

The assessment area consists of the towns of Middleton, Topsfield and Salisbury in Massachusetts, and Seabrook, New Hampshire. The Massachusetts towns in the assessment area are primarily residential communities for commuters to Boston. Fifty-eight percent of the businesses are either service- or retail-trade related. Eighty percent of businesses have fewer than ten employees. The town of Seabrook is the only New Hampshire town in the assessment area. Seabrook also has a large residential population. The percentage of service-and retail-trade related businesses at 55%, and 73% of the businesses have less than ten employees. Seabrook is also the location of the Seabrook Station, a nuclear power plant employing 1000 people, and Venture Seabrook, a plastic automotive exterior parts manufacturer employing 560 people. There are a wide variety of

businesses either headquartered or with facilities located in Seabrook, for example, Tyler Machine Tool, a distributor of industrial equipment and G & G Machine Technologies, which designs and manufactures medical and orthopedic instruments.

Large employers in the Boston metropolitan area include FleetBoston Financial Corporation; institutions of higher learning such as Harvard University, Massachusetts Institute of Technology and Boston University; Verizon Communications; Fidelity Investments; State Street Corporation; hospitals such as Beth Israel Deaconess Medical, Massachusetts General Hospital and Brigham and Women's Hospital; and Raytheon Company.

Competition is strong. The bank's major competitors include nationwide mortgage and business lenders, a large regional bank, and a number of community banks. The bank's primary business focus in the multistate metropolitan area, as in the entire bank, is the development and growth of the residential mortgage, particularly the volume of lending to low- and moderate-income people and geographies, and small business lending lines of business. To reach its objectives, specific mortgage-related programs have been introduced as described in the Innovative and Flexible Lending Programs portion of this Evaluation. To increase the origination of small business loans, the bank implemented the Small Business Foundations.

Management has identified the need for increased home mortgage lending for low- and moderate-income people and in low- and moderate-income geographies. To address this need, the bank has implemented the ACT (Affordable Census Tract) Program and Massachusetts Housing Partnership Soft Second Program. These two programs complement the other special loan programs that the bank offers, including MHFA Mortgage Loans, FHA and VA loans, Portfolio Community Outreach program, and the Rural Development Program. A need for increased small business loans has also been identified. The bank has implemented Small Business Foundations, a system to increase the volume and accessibility of small business loans by originating these loans in the branches as well as through traditional commercial lenders.

We conducted one community contact with a representative of a local community based organization, and reviewed two community contacts conducted previously in connection with other examinations. The contact conducted as part of this examination had positive comments about First Mass. He concurred with the bank's identification of affordable housing as a need in the community. He indicated that there are limited opportunities for local financial institutions to become involved in community development loans, investments and services.

Lawrence MA-NH Multistate Metropolitan Area #4160

Demographic Information for Full-Scope Area: Lawrence, MA-NH Multistate Metropolitan Area #4160						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	27	4	11	52	26	7
Population by Geography	126,742	3	8	61	28	0
Owner-Occupied Housing by Geography	32,454	1	4	63	32	0
Businesses by Geography	5,227	8	6	62	24	<1%
Farms by Geography	135	1	1	70	28	0
Family Distribution by Income Level	34,466	2	7	62	29	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	10,335	6	14	65	15	0
Median Family Income		Median Housing Value		= \$178,247		
HUD Adjusted Median Family Income for 2001	= \$46,609	Unemployment Rate		= 1.2%		
Households Below the Poverty Level	= 6.0%					

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 U.S. Census and 2001 HUD updated MFI.

The Lawrence assessment area is in portions of Essex County in Massachusetts and Rockingham County in New Hampshire. As of June 30, 2000, First Mass. had 12% of the deposits in the Lawrence multistate metropolitan area and was ranked fourth.

Fifteen percent of the bank's deposits are located within the multistate metropolitan assessment area. Ten branches, or 11% of the bank's total branches, are located in the multistate metropolitan area. All branches have ATMs with 24-hour access, with the exception of a branch at a regional technical high school, which does not have an ATM.

The assessment area consists of the towns of Boxford, Georgetown, Andover, Haverhill, Groveland and Methuen in Massachusetts and the towns of Plaistow, Newton, Atkinson, Hampstead and Kingston in New Hampshire. The city of Lawrence is not included in the bank's assessment area. First Mass. has no branches and no customer base in Lawrence. The very high level of competition between the financial institutions with an historic presence in Lawrence has precluded First Mass. from making inroads into the community.

The assessment area has two geographies that are "NA" for tract characteristics. Both of the geographies are "slivers", land masses that result from surveyor errors in the creation of census maps. Neither geography has any population.

Twenty-three percent of the number and 25% of the dollar volume of loans were originated or purchased from within the multistate metropolitan area.

In the Massachusetts portion of the assessment area, the largest city is Haverhill. Haverhill and the surrounding 14 cities and towns make up the region known as the Merrimack Valley. The major cities within the region are Lawrence, Haverhill, and Methuen, and the proximity to Boston and New Hampshire provides industries in the region with the advantage of being close to extensive markets, suppliers, and facilities. Haverhill is the largest city in the bank's assessment area. It is a diverse city, with land use ranging from rural agricultural areas to urban areas in the city's historical industrial center. Haverhill was a thriving industrial center, with shoe manufacturing being its leading industry for 180 years. As manufacturing firms moved south for cheaper labor and costs, or failed due to foreign competition, large areas of mill space became vacant. During the past decade, given the growth of the high technology industry combined with the stability of the region's financial, medical and educational institutions, the Merrimack Valley has experienced strong economic expansion. New industrial parks are being constructed in the region, and old buildings in the urban cores including Haverhill are being rehabilitated. Small- and medium-sized industries that are highly adaptable to space constraints and need low-cost floor areas are being attracted to these sites. The top employers in Haverhill are Northern Essex Community College, a 2-year college, employing 900 people, and DeMoulas/Market Basket, a retail food chain, employing 450 people. The remaining Massachusetts towns and the towns in the New Hampshire portion of the assessment area are primarily residential communities.

Competition from financial service providers in the assessment area is strong. The bank's major competitors include nationwide mortgage and business lenders, a large regional bank, and community banks. The bank's primary business focus in the multistate metropolitan area, as in the entire bank, is the development and growth of the residential mortgage, particularly the volume of lending to low- and moderate-income people and geographies, and small business lending lines of business. To reach its objectives, specific mortgage-related programs have been introduced as described in the Innovative and Flexible Lending Programs portion of this Evaluation. To increase the origination of small business loans, the bank implemented Small Business Foundations.

Management has identified the need for increased home mortgage lending for low- and moderate-income people and in low- and moderate-income geographies. To address this need, the bank has implemented the ACT (Affordable Census Tract) Program and Massachusetts Housing Partnership Soft Second Program. These two programs complement the other special loan programs that the bank offers, including MHFA Mortgage Loans, FHA and VA loans, Portfolio Community Outreach program, and the Rural Development Program. A need for increased small business loans has also been identified. The bank has implemented Small Business Foundations, a system to increase the volume and accessibility of small business loans by originating these loans in the branches as well as through traditional commercial lenders.

We conducted one community contact with a representative of a local community based organization, and reviewed one community contact conducted previously in connection with another examination. The contact conducted as part of this examination had positive comments about First Mass. She indicated that her organization has seen an increase in the level of people who have had negative experiences with predatory lenders. She noted that First Mass. is a bank receptive to helping them. She also noted that First Mass. is the prime participant in lending for renovating large-scale projects, like apartment buildings. As well, First Mass. has been a very

active participant in the organization's first time homebuyer seminars. She indicated that there are limited opportunities for local financial institutions to become involved in community development loans, investments and services.

State of Connecticut Full-Scope Areas

Hartford MSA #3280

Demographic Information for Full-Scope Area: Hartford, CT MSA #3280						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	31	0	13	58	26	3
Population by Geography	128,019	0	12	65	22	1
Owner-Occupied Housing by Geography	35,869	0	8	68	24	0
Businesses by Geography	5,977	0	18	68	14	<1%
Farms by Geography	173	0	5	65	30	0
Family Distribution by Income Level	35,011	0	10	67	23	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	10,972	0	19	68	13	0
Median Family Income HUD Adjusted Median Family Income for 2001 Households Below the Poverty Level	= \$48,418 = \$64,900 = 4.1%	Median Housing Value Unemployment Rate				= \$177,447 = 2.1%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census and 12001 HUD updated MFI.

The bank's assessment area in the state of Connecticut consists of 31 geographies in the Hartford MSA, which is in the central portion of the state. The bank's geographies were 10% of the total number of geographies in the metropolitan statistical area. The assessment area is in portions of Hartford, Middlesex, and New London Counties. As of June 30, 2000, First Mass. had 1% of the deposits in the entire metropolitan statistical area and was ranked 14th. Seven percent of the bank's deposits are located within the Connecticut metropolitan statistical area.

Eight branches, or 9% of the bank's total branches, are located in the metropolitan statistical area. All branches have ATMs with 24-hour access.

The assessment area has one geography that is "NA" for tract characteristics. This is the location of the State of Connecticut Veterans Home and Hospital.

A total of 3% of the number and 4% of the dollar volume of loans originated or purchased during the evaluation period were from the assessment area.

The assessment area consists of the town of Rocky Hill, Wethersfield, East Hartford, Glastonbury, Portland and Colchester. The city of Hartford is not included in the bank's assessment area. First Mass. has no branches in Hartford and no customer base. The very high level of competition between the financial institutions with an historic presence in Hartford has precluded First Mass. from making inroads into the community.

The greater Hartford economy is stable. Glastonbury, where the branch is located, as well as the remaining towns in the assessment area, are primarily residential communities for commuters to Hartford. The town of East Hartford is the corporate headquarters for Pratt and Whitney, a major employer for the assessment area and a company that designs, manufactures, and supports engines for commercial, military and general aircraft and space propulsion systems. Other major employers in the Hartford metropolitan area include Citigroup, Inc; CIGNA Corporation; FleetBoston Financial Corporate; Hartford Insurance Group; and Aetna Life & Casualty.

Competition among financial service providers is strong. The bank's major competitors include nationwide mortgage and business lenders, a large regional bank, and community banks. The bank's primary business focus in the multistate metropolitan area, as in the entire bank, is the development and growth of the residential mortgage, particularly the volume of lending to low- and moderate-income people and geographies, and small business lending lines of business. To reach its objectives, specific mortgage-related programs have been introduced as described in the Innovative and Flexible Lending Programs portion of this Evaluation. To increase the origination of small business loans, the bank implemented Small Business Foundations.

Management has identified the need for increased home mortgage lending for low- and moderate-income people and in low- and moderate-income geographies. To address this need, the bank has implemented the ACT (Affordable Census Tract) Program. This program complements the other special loan programs that the bank offers, including FHA and VA loans, Portfolio Community Outreach program, and the Rural Development Program. A need for increased small business loans has also been identified. The bank has implemented Small Business Foundations, a system to increase the volume and accessibility of small business loans by originating these loans in the branches as well as through traditional commercial lenders.

We conducted one community contact with a representative of a local hospital extension program, and reviewed two community contacts conducted previously in connection with another examination. The contact conducted as part of this examination had positive comments about First Mass. He indicated that there is a need for banks to work with his clients, both in establishing a relationship with a financial institution, as well as repairing a detrimental credit history. He also noted the need for affordable car loans. He indicated that there are very limited opportunities for local financial institutions to become involved in community development loans, investments and services in the bank's assessment area.

State of Massachusetts Full-Scope Areas

Springfield MSA #8000

Demographic Information for Full-Scope Area: Springfield, MA #8000						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	106	12	13	51	18	6
Population by Geography	519,207	11	12	57	19	<1%
Owner-Occupied Housing by Geography	110,704	2	7	65	26	0
Businesses by Geography	18,465	9	17	56	17	1
Farms by Geography	449	1	6	62	31	0
Family Distribution by Income Level	128,873	8	11	60	21	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	49,415	17	17	55	11	0
Median Family Income		Median Housing Value		= \$122,043		
HUD Adjusted Median Family Income for 2001	= \$38,097	Unemployment Rate		= 6.5%		
Households Below the Poverty Level	= \$49,700					
	= 12.9%					

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census and 199X HUD updated MFI.

The bank's assessment area in the Springfield MSA consists of 106 geographies in the southwestern portion of the state. Within the MSA, the bank's geographies were 88% of the total number of geographies. The assessment area is in portions of Hampden and Hampshire Counties. As of June 30, 2000, First Mass. had 17% of the deposits in the entire metropolitan statistical area and was ranked second behind a Massachusetts-headquartered large multinational bank. Forty five percent of the bank's deposits in the state excluding the multistate metropolitan areas are located within the Springfield MSA.

Twenty-seven branches, or 31% of the bank's total branches, are located in the metropolitan statistical area. With the exception of two branches, all branches have ATMs with 24-hour access. Those two branches do not have on-site ATMs.

The assessment area has six geographies that are "NA" for tract characteristics. They are the Westover Air Force Base, Hampshire College, VA Medical Center, a memorial park, a state hospital that has been closed, and an area in downtown Springfield of hotels and a small shopping mall.

The assessment area consists of the cities of Springfield, Chicopee, Holyoke, Westfield, and Northampton, and smaller surrounding towns in Western Massachusetts. Major employers include the University of Massachusetts, MassMutual Life Insurance Company; Baystate Medical Center; Big Y Foods, Inc; and Milton Bradley, Inc.

Competition is strong. The bank's major competitors include nationwide mortgage and business lenders, a large regional bank, and community banks. The bank's primary business focus in the multistate metropolitan area, as in the entire bank, is the development and growth of the residential mortgage, particularly the volume of lending to low- and moderate-income people and geographies, and small business lending lines of business. To reach its objectives, specific mortgage-related programs have been introduced as described in the Innovative and Flexible Lending Programs portion of this Evaluation. To increase the origination of small business loans, the bank implemented the Small Business Foundations.

Management has identified the need for increased home mortgage lending for low- and moderate-income people and in low- and moderate-income geographies. To address this need, the bank has implemented the ACT (Affordable Census Tract) Program and Massachusetts Housing Partnership Soft Second Program. These two programs complement the other special loan programs that the bank offers, including MHFA Mortgage Loans, FHA and VA loans, Portfolio Community Outreach program, and the Rural Development Program. A need for increased small business loans has also been identified. The bank has implemented Small Business Foundations, a system to increase the volume and accessibility of small business loans by originating these loans in the branches as well as through traditional commercial lenders.

We conducted one community contact with a representative of a local community based organization, and reviewed one community contact conducted previously in connection with another examination. The contact conducted as part of this examination had positive comments about First Mass. He indicated that there is a need to determine community reinvestment issues, including why some people have not become part of the general financial community and purchase financial services that could be obtained at a reduced or no cost. He also concurred with the bank's identification of affordable housing, both for rental and for single family dwelling purchase, as a need in the community. He also noted a need for first-time homebuyer education, which First Mass. is helping to address via its participation in the organization's first time homebuyer program. He was particularly enthusiastic about the Soft Second Program. He indicated that there are opportunities for local financial institutions to become involved in community development, and that competition for these loans, investments and services is strong.

Fitchburg-Leominster MSA #2600

Demographic Information for Full-Scope Area: Fitchburg-Leominster, MA #2600						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	28	4	25	54	14	3
Population by Geography	130,015	1	21	59	18	1
Owner-Occupied Housing by Geography	28,604	<1%	14	62	24	0
Businesses by Geography	4,729	6	22	56	16	<1%
Farms by Geography	90	0	9	61	30	0
Family Distribution by Income Level	34,235	1	20	60	19	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	12,985	2	29	58	11	0
Median Family Income		Median Housing Value		= \$123,411		
HUD Adjusted Median Family Income for 2001	= \$39,551	Unemployment Rate		= 3.2%		
Households Below the Poverty Level	= \$57,200					
	= 10.1%					

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census and 2001 HUD updated MFI.

The bank's assessment area in the Fitchburg-Leominster MSA consists of 28 geographies. Within the MSA, the bank's geographies were 93% of the total number of geographies. The two geographies not included were one in a middle-income geography and one in an upper-income geography. The assessment area is in portions of Worcester County. As of June 30, 2000, First Mass. had 28% of the deposits in the entire metropolitan statistical area and was ranked second behind a Massachusetts-headquartered large multinational bank. Eleven percent of the bank's deposits in the state excluding the multistate metropolitan areas are located within the MSA.

Six, or 7% of the bank's total branches, are located in the MSA. All branches have ATMs with 24-hour access.

The assessment area has one geography that is "NA" for tract characteristics. It is a high density multi-family geography with a total population of less than one thousand persons and no owner-occupied housing units.

The assessment area consists of the cities of Fitchburg, Leominster, and Gardner, and smaller surrounding towns in the north central portion of the state. Employers in Fitchburg include companies such as Alpha Rho, Inc., a leading supplier of plastic boxes, and TerraTherm, Inc., a company that provides a rapid and thorough method for *in-situ* remediation of contaminated soils. Employers in Leominster, the "Pioneer Plastics City", include Alpha Gary Corp.; Jam Plastics, Inc.; Modern Dispersions; and Plastican, Inc.

Competition is strong. The bank's major competitors include nationwide mortgage and business lenders, a large regional bank, and community banks. The bank's primary business focus in the multistate metropolitan area, as in the entire bank, is the development and growth of the

residential mortgage, particularly the volume of lending to low- and moderate-income people and geographies, and small business lending lines of business. To reach its objectives, specific mortgage-related programs have been introduced as described in the Innovative and Flexible Lending Programs portion of this Evaluation. To increase the origination of small business loans, the bank implemented the Small Business Foundations.

Management has identified the need for increased home mortgage lending for low- and moderate-income people and in low- and moderate-income geographies. To address this need, the bank has implemented the ACT (Affordable Census Tract) Program and Massachusetts Housing Partnership Soft Second Program. These two programs complement the other special loan programs that the bank offers, including MHFA Mortgage Loans, FHA and VA loans, Portfolio Community Outreach program, and the Rural Development Program. A need for increased small business loans has also been identified. The bank has implemented Small Business Foundations, a system to increase the volume and accessibility of small business loans by originating these loans in the branches as well as through traditional commercial lenders.

We conducted one community contact with a representative of a local community based organization, and reviewed one community contact conducted previously in connection with another examination. The contact conducted as part of this examination had positive comments about First Mass. She identified basic banking education for her constituents as a need. A car loan program would be beneficial, as affordable and reliable transportation is necessary but can be difficult to obtain. Concerns with the detrimental effects of predatory lenders were also noted. First-time homebuyer programs are needed to stabilize neighborhoods. She indicated that there are limited opportunities for local financial institutions to become involved in community development.

Appendix D: Tables of Performance Data

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Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas 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: purchased loans are treated as originations/purchases; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/assessment area.

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of Home Purchase Loans** - 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 market rank and market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the

percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available. **NOT APPLICABLE.**

- Table 7. Borrower Distribution of Home Purchase Loans** - 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 MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of Home Improvement Loans** - See Table 7.
- Table 9. Borrower Distribution of Home Mortgage Refinance Loans** - See Table 7.
- Table 10. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 11. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available. **NOT APPLICABLE.**
- Table 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment

commitments. In order to be included, an unfunded commitment must have been reported on schedule RC-L of the Call Reports as an off-balance sheet item.

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings

- Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography in each MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.

Table 14. Geographic and Borrower Distribution of Consumer Loans - For geographic distribution, the table 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 the population within each geography. For borrower distribution, the table 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 of households by income level in each MSA/assessment area.

Table 1. Lending Volume

LENDING VOLUME													Multistate MSA		Evaluation Period: July 1, 1997 to December 31, 2000	
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA*	Home Mortgage**		Small Loans to Businesses**		Small Loans to Farms**		Community Development***		Total Reported Loans		% of Rated Area Loans(#) in MSA/AA				
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)					
Full-Scope:																
Boston MA-NH	100	277	41,978	46	9,553	0	0	4	565	327	52,096	100				
Lawrence MA-NH	100	1,911	248,774	334	44,997	0	0	12	7,753	2,257	301,524	100				

(*) Deposit data as of June 30, 2000.

(**) The evaluation period for Home Mortgage Loans, Small Loans to Businesses and Small Loans to Farms is July 1, 1997 to December 31, 2000.

(***) The evaluation period for Community Development Loans is August 1, 1997 to April 30, 2001. Note: Community Development Loans include the multistate MSA portion of loans made to a statewide organization that have been allocated to each assessment area based on the area's percentage of deposits.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE																	Multistate MSA		Evaluation Period: July 1, 1997 to December 31, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans					
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**				
Full-Scope:																				
Boston MA-NH	NA	NA	27	16	49	52	24	32	6	2	NA	4	2	2	91	100				
Lawrence MA-NH	1	1	4	6	63	75	32	18	4	4	4	5	5	2	630	100				

(*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(**) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT																	Multistate MSA		Evaluation Period: July 1, 1997 to December 31, 2000				
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans								
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**							
Full-Scope:																							
Boston MA-NH	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	4	100							
Lawrence MA-NH	1	3	4	10	63	77	32	10	8	2	0	7	3	0	70	100							

(*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(**) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE																	Multistate MSA		Evaluation Period: July 1, 1997 to December 31, 2000				
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans								
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**							
Full-Scope:																							
Boston MA-NH	NA	NA	27	6	49	54	24	40	3	4	NA	1	4	7	182	100							
Lawrence MA-NH	1	<1	4	3	63	70	32	27	2	7	0	9	9	4	1,199	100							

(*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(**) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES																	Multistate MSA				Evaluation Period: July 1, 1997 to December 31, 2000			
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans									
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**								
Full-Scope:																								
Boston MA-NH	NA	NA	23	56	53	24	24	20	17	1	NA	1	1	1	46	100								
Lawrence MA-NH	8	10	6	8	62	73	24	9	7	4	2	3	4	2	334	100								

(*) Based on 1999 Aggregate Small Business Data only. Market rank is for all income categories combined.

(**) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

Table 6. Geographic Distribution of Small Loans to Farms -- NOT APPLICABLE

Geographic Distribution: SMALL LOANS TO FARMS																	Multistate MSA				Evaluation Period: July 1, 1997 to December 31, 2000			
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank	Market Share by Geography					Total Small Farm Loans									
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total								
Full-Scope:																								
Boston MA-NH																								
Lawrence MA-NH																								

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE Multistate MSA Evaluation Period: July 1, 1997 to December 31, 2000																
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Purchase Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full-Scope:																
Boston MA-NH	22	3	20	12	24	34	34	51	6	2	0	4	3	1	91	100
Lawrence MA-NH	15	8	15	23	25	30	45	39	4	4	7	3	3	2	630	100

(*) As a percentage of loans with borrower income information available. No information was available for 10% of loans originated and purchased by the bank in the Boston multistate MSA, and 6% in the Lawrence multistate MSA.

(**) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(***) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT Multistate MSA Evaluation Period: July 1, 1997 to December 31, 2000																
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Improvement Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full-Scope:																
Boston MA-NH	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	4	100
Lawrence MA-NH	15	15	15	13	25	34	45	38	8	2	0	2	4	1	70	100

(*) As a percentage of loans with borrower income information available. No information was available for 24% of the loans originated or purchased in the Lawrence multistate MSA.

(**) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(***) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE																Multistate MSA		Evaluation Period: July 1, 1997 to December 31, 2000	
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans				
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***			
Full-Scope:																			
Boston MA-NH	22	3	20	16	24	29	34	52	3	4	4	2	4	4	182	100			
Lawrence MA-NH	15	5	15	15	25	29	45	51	2	7	9	6	7	4	1,199	100			

(*) As a percentage of loans with borrower income information available. No information was available for 2% of loans originated and purchased by the bank in the Boston multistate MSA and 4% in the Lawrence multistate MSA.

(**) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(***) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES										Multistate MSA		Evaluation Period: July 1, 1997 to December 31, 2000	
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share***		Total Small Loans to Businesses					
	% of Businesses*	% BANK Loans**	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total****				
Full-Scope:													
Boston MA-NH	84	57	48	19	33	1	<1	46	100				
Lawrence MA-NH	84	55	68	15	17	4	3	334	100				

(*) Businesses with revenues of \$1 million or less as a percentage of all businesses.

(**) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

(***) Based on 1999 Aggregate Small Business Data only.

(****) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

Table 11. Borrower Distribution of Small Loans to Farms -- NOT APPLICABLE

Borrower Distribution: SMALL LOANS TO FARMS		Multistate MSA		Evaluation Period: July 1, 1997 to December 31, 2000					
MSA/Assessment Area:	Farms with Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share		Total Small Farm Loans	
	% of Farms	% BANK Loans	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total
Full-Scope:									
Boston MA-NH									
Lawrence MA-NH									

Table 12. Qualified Investments

QUALIFIED INVESTMENTS		Multistate MSA		Evaluation Period: August 1, 1997 to April 30, 2001					
MSA/Assessment Areas:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$'s	#	\$ (000's)
Full-Scope:									
Boston MA-NH	1	<1	9	431	10	431	100	3	365
Lawrence MA-NH	1	3	33	1,531	34	1,534	100	3	1,115

(*) "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 tacked and reported by the bank's financial reporting system.

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	Multistate MSA		Evaluation Period: July 1, 1997 to April 30, 2001													
MSA/Assessment Area:	Deposits		Branches					Branch Openings/Closings						Population																		
	% of Rated Area Deposits in MSA/AA	# of BANK Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography																		
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp															
Full-Scope:																																
Boston MA-NH	100	4	100	NA	25	75	0	1	0					-1				0	27	49	24											
Lawrence MA-NH	100	10	100	10	0	80	10	0	0									3	8	61	28											

Table 14. Geographic and Borrower Distribution of Consumer Loans

Geographic and Borrower Distribution: CONSUMER LOANS																	Multistate MSA		Evaluation Period: January 1, 1999 to December 31, 2000												
MSA/Assessment Area:	Geographic Distribution								Borrower Distribution																						
	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Total Consumer Loans														
	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	#	% of Total*													
Full-Scope:																															
Boston MA-NH	NA	NA	31	28	48	47	21	25	23	18	18	29	21	23	38	30	364	100													
Lawrence MA-NH	3	2	9	5	62	78	26	15	20	18	14	22	20	24	46	36	1,479	100													

(*) Consumer loans originated and purchased in the MSA/AA as a percentage of all consumer loans originated and purchased in the rated area.

Table 1. Lending Volume

LENDING VOLUME												State: Connecticut		Evaluation Period: January 1, 1999 to December 31, 2000	
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA*	Home Mortgage**		Small Loans to Businesses**		Small Loans to Farms**		Community Development***		Total Reported Loans		% of Rated Area Loans(#) in MSA/AA			
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)				
Full-Scope:															
Hartford	100	89	11,089	226	31,253	0	0	1	500	316	42,842	100			

(*) Deposit data as of June 30, 2000.
 (**) The evaluation period for Home Mortgage Loans, Small Loans to Businesses and Small Loans to Farms is January 1, 1999 to December 31, 2000.
 (***) The evaluation period for Community Development Loans is January 1, 1999 to April 30, 2001.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE												State: Connecticut		Evaluation Period: January 1, 1999 to December 31,2000		
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
Hartford	NA	NA	8	15	68	64	24	21	36	1	NA	1	1	1	52	100

(*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.
 (**) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT																	State: Connecticut		Evaluation Period: January 1, 1999 to December 31, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans					
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**				
Full-Scope:																				
Hartford	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	6	100				

(*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(**) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE																	State: Connecticut		Evaluation Period: January 1, 1999 to December 31, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans					
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**				
Full-Scope:																				
Hartford	NA	NA	8	11	68	46	24	43	22	1	NA	1	1	2	28	100				

(*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(**) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES										State: Connecticut		Evaluation Period: January 1, 1999 to December 31, 2000				
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
Hartford	NA	NA	18	4	68	72	14	24	17	1	NA	1	1	1	226	100

(*) Based on 1999 Aggregate Small Business Data only. Market rank is for all income categories combined.

(**) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

Table 6. Geographic Distribution of Small Loans to Farms -- NOT APPLICABLE

Geographic Distribution: SMALL LOANS TO FARMS										State: Connecticut		Evaluation Period: January 1, 1999 to December 31, 2000				
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank	Market Share by Geography					Total Small Farm Loans	
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
Hartford																

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE				State: Connecticut		Evaluation Period: January 1, 1999 to December 31, 2000										
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Purchase Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full-Scope:																
Hartford	13	14	18	26	27	31	42	29	36	1	1	1	1	<1	52	100

(*) As a percentage of loans with borrower income information available. No information was available for 6% of loans originated and purchased by the bank.

(**) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(***) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT				State: Connecticut		Evaluation Period: January 1, 1999 to December 31, 2000										
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Improvement Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full-Scope:																
Hartford	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	6	100

(*) As a percentage of loans with borrower income information available. Information was available for all loans originated and purchased by the bank.

(**) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(***) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE										State: Connecticut		Evaluation Period: January 1, 1999 to December 31, 2000				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full-Scope:																
Hartford	13	9	18	30	27	13	42	48	22	1	2	1	<1	1	28	100

(*) As a percentage of loans with borrower income information available. No information was available for 18% of loans originated and purchased by the bank.

(**) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(***) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES										State: Connecticut		Evaluation Period: January 1, 1999 to December 31, 2000				
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share***		Total Small Loans To Businesses								
	% of Businesses*	% BANK Loans**	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total****							
Full-Scope:																
Hartford	87	53	67	18	15	1	1	226	100							

(*) Businesses with revenues of \$1 million or less as a percentage of all businesses.

(**) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

(***) Based on 1999 Aggregate Small Business Data only.

(****) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

Table 11. Borrower Distribution of Small Loans to Farms -- NOT APPLICABLE

Borrower Distribution: SMALL LOANS TO FARMS										State: Connecticut		Evaluation Period: January 1, 1999 to December 31, 2000	
MSA/Assessment Area:	Farms with Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share		Total Small Farm Loans					
	% of Farms	% BANK Loans	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total				
Full-Scope:													
Hartford													

Table 12. Qualified Investments

QUALIFIED INVESTMENTS										State: Connecticut		Evaluation Period: January 1, 1999 to April 30, 2001	
MSA/Assessment Areas:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**					
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$'s	#	\$ (000's)				
Full-Scope:													
Hartford	0	0	4	451	4	451	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 tacked and reported by the bank's financial reporting system.

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS														State: Connecticut				Evaluation Period: January 1, 1999 to April 30, 2001			
MSA/Assessment Area:	Deposits		Branches					Branch Openings/Closings					Population								
	% of Rated Area Deposits in MSA/AA	# of BANK Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography							
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp				
Full-Scope:																					
Hartford	100	8	100	NA	13	87	0	0	0					0	12	65	23				

Table 14. Geographic and Borrower Distribution of Consumer Loans

Geographic and Borrower Distribution: CONSUMER LOANS										State: Connecticut				Evaluation Period: January 1, 1999 to December 31, 2000				
MSA/Assessment Area:	Geographic Distribution								Borrower Distribution									
	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Total Consumer Loans	
	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	#	% of Total*
Full-Scope:																		
Hartford	NA	NA	14	4	66	61	20	35	18	14	16	19	22	20	44	47	519	100

(*) Consumer loans originated and purchased in the MSA/AA as a percentage of all consumer loans originated and purchased in the rated area.

Table 1. Lending Volume

LENDING VOLUME												
State: Massachusetts												
Evaluation Period: July 1, 1997 to December 31, 2000												
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA*	Home Mortgage**		Small Loans to Businesses**		Small Loans to Farms**		Community Development***		Total Reported Loans		% of Rated Area Loans(#) in MSA/AA
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full-Scope:												
Springfield	45	1,750	162,566	744	93,669	0	0	8	7,121	2,502	263,356	35
Fitchburg-Leominster	11	684	64,848	367	51,523	0	0	2	567	1,053	116,938	15
Limited-Scope:												
Lowell	11	704	77,596	117	17,857	0	0	5	4,177	826	99,630	12
Pittsfield	7	87	4,047	332	49,646	0	0	2	349	421	54,042	6
Worcester	18	1,036	121,126	677	100,158	1	75	3	1,040	1,717	222,399	24
Non MSA	8	276	18,325	312	37,622	0	0	4	1,086	592	57,033	8

(*) Deposit data as of June 30, 1999.

(**) The evaluation period for Home Mortgage Loans, Small Loans to Businesses and Small Loans to Farms is July 1, 1997 to December 31, 2000.

(***) The evaluation period for Community Development Loans is August 1, 1997 to April 30, 2001.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE																
State: Massachusetts																
Evaluation Period: July 1, 1997 to December 31, 2000																
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
Springfield	2	3	7	10	65	69	26	18	2	5	4	5	6	5	1,010	47
Fitchburg-Leominster	<1	1	14	12	62	64	24	23	6	3	0	1	3	3	310	14
Limited-Scope:																
Lowell	2	2	19	25	57	58	22	15	19	1	1	2	2	1	315	15
Pittsfield	1	6	17	23	67	65	15	6	0	0	0	0	0	0	17	1
Worcester	2	4	12	9	67	63	19	24	35	1	1	2	1	1	375	18
Non MSA	<1	0	13	26	81	71	6	3	6	4	0	3	4	9	114	5

(*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(**) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT																	State: Massachusetts		Evaluation Period: July 1, 1997 to December 31, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans					
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**				
Full-Scope:																				
Springfield	2	4	7	14	65	65	26	17	4	7	11	16	7	7	216	44				
Fitchburg-Leominster	<1	0	14	6	62	62	24	32	8	5	0	3	5	4	72	15				
Limited-Scope:																				
Lowell	2	0	19	21	57	70	22	9	11	2	0	4	1	0	33	7				
Pittsfield	1	0	17	11	67	70	15	19	0	0	0	0	0	0	47	9				
Worcester	2	1	12	18	67	72	19	9	18	1	0	0	1	1	80	16				
Non MSA	<1	0	13	25	81	70	6	5	8	3	0	9	2	0	43	9				

(*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(**) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE																State: Massachusetts		Evaluation Period: July 1, 1997 to December 31, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans				
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**			
Full-Scope:																			
Springfield	2	2	7	10	65	56	26	32	2	6	6	3	6	8	512	28			
Fitchburg-Leominster	<1	<1	14	10	62	59	24	31	2	4	0	3	5	3	291	16			
Limited-Scope:																			
Lowell	2	1	19	13	57	56	22	30	13	2	0	2	2	1	348	19			
Pittsfield	1	0	17	5	67	79	15	16	0	0	0	0	0	0	19	1			
Worcester	2	1	12	7	67	57	19	35	9	2	0	1	2	2	563	30			
Non MSA	<1	0	13	23	81	76	6	1	2	6	0	5	6	0	119	6			

(*) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(**) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES																State: Massachusetts		Evaluation Period: July 1, 1997 to December 31, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans				
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**			
Full-Scope:																			
Springfield	9	12	17	14	57	55	17	19	7	5	13	5	5	4	744	29			
Fitchburg-Leominster	6	3	22	21	56	62	16	14	4	7	6	9	8	4	367	14			
Limited-Scope:																			
Lowell	16	4	20	29	41	52	23	15	10	2	2	3	1	2	117	5			
Pittsfield	18	16	21	20	56	56	5	8	0	0	0	0	0	0	332	13			
Worcester	16	19	19	13	51	57	14	11	10	2	2	2	2	3	677	27			
Non MSA	6	5	20	12	68	80	6	3	12	2	0	2	2	0	312	12			

(*) Based on 1999 Aggregate Small Business Data only. Market rank is for all income categories combined.

(**) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

Table 6. Geographic Distribution of Small Loans to Farms -- NOT APPLICABLE

Geographic Distribution: SMALL LOANS TO FARMS										State: Massachusetts		Evaluation Period: July 1, 1997 to December 31, 2000				
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank	Market Share by Geography					Total Small Farm Loans	
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
Springfield																
Fitchburg-Leominster																
Limited-Scope:																
Lowell																
Pittsfield																
Worcester																
Non MSA																

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE																	State: Massachusetts		Evaluation Period: July 1, 1997 to December 31, 2000	
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Purchase Loans					
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***				
Full-Scope:																				
Springfield	22	10	16	35	24	25	38	30	2	5	8	7	4	4	1,010	47				
Fitchburg-Leominster	21	6	17	31	26	30	36	33	6	3	2	8	2	2	310	14				
Limited-Scope:																				
Lowell	24	14	19	31	26	30	31	25	19	1	4	<1	1	1	315	15				
Pittsfield	20	7	20	13	23	0	37	80	0	0	0	0	0	0	17	1				
Worcester	23	6	18	24	24	33	35	37	35	1	0	1	<1	<1	375	18				
Non MSA	22	9	19	42	27	26	32	23	6	4	3	4	3	2	114	5				

(*) As a percentage of loans with borrower income information available. No information was available for 7% of loans originated and purchased by the bank.

(**) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(***) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		State: Massachusetts				Evaluation Period: July 1, 1997 to December 31, 2000						Total Home Improvement Loans				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					#	% of Total***
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp		
Full-Scope:																
Springfield	22	15	16	26	24	37	38	22	4	7	16	11	10	3	216	44
Fitchburg-Leominster	21	16	17	24	26	24	36	36	8	5	5	5	4	3	72	15
Limited-Scope:																
Lowell	24	20	19	33	26	20	31	27	11	2	3	5	1	0	33	7
Pittsfield	20	17	20	22	23	28	37	33	0	0	0	0	0	0	47	9
Worcester	23	14	18	25	24	28	35	33	18	1	3	0	1	1	80	16
Non MSA	22	4	19	22	27	39	32	35	8	3	0	7	5	0	43	9

(*) As a percentage of loans with borrower income information available. No information was available for 14% of loans originated and purchased by the bank.

(**) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(***) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE																State: Massachusetts		Evaluation Period: July 1, 1997 to December 31, 2000	
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans				
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***			
Full-Scope:																			
Springfield	22	3	16	15	24	23	38	59	2	6	4	5	4	5	512	28			
Fitchburg-Leominster	21	1	17	16	26	30	36	53	2	4	2	3	3	2	291	16			
Limited-Scope:																			
Lowell	24	8	19	23	26	28	31	41	13	2	1	2	1	1	348	19			
Pittsfield	20	14	20	0	23	43	37	43	0	0	0	0	0	0	19	1			
Worcester	23	3	18	10	24	28	35	59	9	2	1	1	2	2	563	30			
Non MSA	22	5	19	22	27	37	32	36	2	6	2	9	6	3	119	6			

(*) As a percentage of loans with borrower income information available. No information was available for 6% of loans originated and purchased by the bank.

(**) Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

(***) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		State: Massachusetts		Evaluation Period: July 1, 1997 to December 31, 2000					
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share***		Total Small Loans to Businesses	
	% of Businesses*	% BANK Loans**	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total****
Full-Scope:									
Springfield	86	59	70	16	14	5	5	744	29
Fitchburg-Leominster	85	59	68	15	17	7	7	367	14
Limited-Scope:									
Lowell	86	62	63	21	16	2	2	117	5
Pittsfield	84	56	63	21	16	0	0	332	13
Worcester	85	49	62	21	17	2	1	677	27
Non MSA	88	60	72	14	14	2	2	312	12

(*) Businesses with revenues of \$1 million or less as a percentage of all businesses.
 (**) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.
 (***) Based on 1999 Aggregate Small Business Data only.
 (****) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

Table 11. Borrower Distribution of Small Loans to Farms-- NOT APPLICABLE

Borrower Distribution: SMALL LOANS TO FARMS										State: Massachusetts		Evaluation Period: July 1, 1997 to December 31, 2000	
MSA/Assessment Area:	Farms with Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share		Total Small Farm Loans					
	% of Farms	% BANK Loans	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total				
Full-Scope:													
Springfield													
Fitchburg-Leominster													
Limited-Scope:													
Lowell													
Pittsfield													
Worcester													
Non MSA													

Table 12. Qualified Investments

QUALIFIED INVESTMENTS		State: Massachusetts		Evaluation Period: August 1, 1997 to April 30, 2001					
MSA/Assessment Areas:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$'s	#	\$ (000's)
Full-Scope:									
Springfield	1	12	25	3,992	26	4,004	45	4	3,934
Fitchburg-Leominster	1	3	9	891	10	894	10	3	898
Limited-Scope:									
Lowell	1	3	21	1,142	22	1,145	13	3	948
Pittsfield	1	2	11	594	12	596	7	3	553
Worcester	1	5	38	1,530	39	1,535	17	3	1,490
Non MSA	1	2	15	732	16	734	8	3	701

(*) "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 tacked and reported by the bank's financial reporting system.

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								State: Massachusetts		Evaluation Period: July 1, 1997 to April 30, 2001							
MSA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in MSA/AA	# of BANK Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope:																	
Springfield	45	27	41	0	15	70	15	0	0					11	12	57	20
Fitchburg-Leominster	11	6	9	17	17	66	0	1	0				-1	2	21	59	18
Limited-Scope:																	
Lowell	11	7	11	14	14	58	14	0	0					9	29	47	15
Pittsfield	7	6	9	17	17	49	17	0	0					5	23	61	11
Worcester	18	12	18	17	8	75	0	0	2	+1			+1	9	24	53	14
Non MSA	8	8	12	12	13	75	0	0	0					1	16	78	5

Table 14. Geographic and Borrower Distribution of Consumer Loans

Geographic and Borrower Distribution: CONSUMER LOANS																		State: Massachusetts		Evaluation Period: July 1, 1997 to December 31,2000	
MSA/Assessment Area:	Geographic Distribution								Borrower Distribution												
	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Total Consumer Loans				
	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	#	% of Total**			
Full-Scope:																					
Springfield	9	2	13	7	60	59	18	32	26	12	15	18	19	22	40	48	2,868	35			
Fitchburg-Leominster	2	1	23	13	58	61	17	25	25	19	15	23	20	26	40	32	788	10			
Limited-Scope:																					
Lowell	9	5	29	23	47	58	15	14	29	25	17	27	22	25	32	23	1,363	17			
Pittsfield	7	5	24	24	58	60	11	11	25	22	16	26	19	26	40	26	502	6			
Worcester	8	6	23	20	56	62	13	12	29	23	16	28	20	22	35	27	1,639	20			
Non MSA	1	0	19	16	75	81	5	3	28	18	17	28	20	28	35	26	965	12			

(*) Consumer loans originated and purchased in the MSA/AA as a percentage of all consumer loans originated and purchased in the rated area.