

Savings Bank of Walpole

Community Reinvestment Act

Public File



Section 1

COMMENTS

Public Comments

To my knowledge, Savings Bank of Walpole has not received any CRA complaints or comments for the years 2020, 2021 and YTD 2022.



Danielle Ruffo
Community Engagement Officer & CRA Officer

Section 2

PUBLIC SECTION OF CRA
PERFORMANCE EVALUATION

PUBLIC DISCLOSURE

August 10, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Savings Bank of Walpole
Certificate Number: 18030

68 Ames Plaza Lane
Walpole, New Hampshire 03608

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
New York Regional Office

350 Fifth Avenue, Suite 1200
New York, New York 10118

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

TABLE OF CONTENTS

INSTITUTION RATING	1
DESCRIPTION OF INSTITUTION	2
DESCRIPTION OF ASSESSMENT AREA	3
SCOPE OF EVALUATION	6
CONCLUSIONS ON PERFORMANCE CRITERIA.....	7
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	15
APPENDICES	16
INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA.....	16
GLOSSARY	17

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated Satisfactory.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of its small business and home mortgage loans in the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

- The institution demonstrated adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment area.

DESCRIPTION OF INSTITUTION

Savings Bank of Walpole (SBW) is a New Hampshire (NH) chartered financial institution headquartered in Walpole, NH. SBW is a subsidiary of New Hampshire Mutual Bancorp (NHMB), a three-bank holding company headquartered in Concord, NH. NHMB also owns Meredith Village Savings Bank and the Merrimack County Savings Bank. NHMB acquired SBW since the previous evaluation, and the three banks operate in alliance under the single holding company. The institution received a Satisfactory rating at its previous FDIC Performance Evaluation, dated June 19, 2017, based on Interagency Intermediate Small Institution Examination Procedures.

SBW operates five full-service branches in its assessment area in southwestern NH. The main office and a branch are located in Walpole and the remaining three branches are in Keene. The main office and the four branches are located in middle-income census tracts. SBW offers loan products including home mortgage, commercial, and consumer loans, primarily focusing on home mortgage lending. The institution provides a variety of deposit services for consumers and businesses, including checking, savings, health savings accounts, individual retirement accounts, and certificates of deposit. The bank’s affiliate, NH Trust Financial Advisors, offers investment advisory and trust services. Alternative banking services include internet and mobile banking, electronic bill pay, and six bank-owned automated teller machines (ATMs). The bank did not open or close any branches, and no merger or acquisition activities occurred since the previous evaluation.

Assets totaled approximately \$528 million as of June 30, 2020, and included total loans of \$356 million and deposits totaling \$392 million. The following table illustrates the loan portfolio.

Loan Portfolio Distribution as of 06/30/2020		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	944	0.3
Secured by Farmland	612	0.2
Secured by 1-4 Family Residential Properties	186,914	52.5
Secured by Multifamily (5 or more) Residential Properties	9,552	2.6
Secured by Nonfarm Nonresidential Properties	84,496	23.7
Total Real Estate Loans	282,518	79.3
Commercial and Industrial Loans	70,657	19.8
Agricultural Production and Other Loans to Farmers	0-	0
Consumer Loans	1,349	0.4
Obligations of State and Political Subdivisions in the U.S.	1,735	0.5
Other Loans	0	0
Lease Financing Receivable (net of unearned income)	0	0
Less: Unearned Income	0	0
Total Loans	356,259	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank’s ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment area(s) within which examiners will evaluate its CRA performance. SBW designated a single assessment area in New Hampshire that includes a small area across the border into Vermont (VT). The assessment area remains unchanged since the previous evaluation. The following sections discuss demographic and economic information for the assessment area.

Economic and Demographic Data

SBW designated an assessment area that contains 21 census tracts. This includes all 16 census tracts in Cheshire County, NH; 2 census tracts in Sullivan County, NH; and 3 census tracts in Windham County, VT. These tracts reflect the following income designations according to the 2015 U.S. American Community Survey (ACS) Census:

- 4 moderate-income tracts,
- 15 middle-income tracts, and
- 2 upper-income tracts.

Two of the four moderate-income census tracts are in the southwestern corner of Cheshire County, NH; one is in Sullivan County, NH; and one is in Windham County, VT. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	21	0.0	19.0	71.4	9.5	0.0
Population by Geography	93,103	0.0	16.5	73.0	10.4	0.0
Housing Units by Geography	42,941	0.0	17.2	73.4	9.4	0.0
Owner-Occupied Units by Geography	26,971	0.0	18.7	71.4	9.9	0.0
Occupied Rental Units by Geography	10,483	0.0	13.9	77.8	8.3	0.0
Vacant Units by Geography	5,487	0.0	16.1	75.0	8.9	0.0
Businesses by Geography	6,184	0.0	12.0	77.4	10.6	0.0
Farms by Geography	305	0.0	14.8	76.7	8.5	0.0
Family Distribution by Income Level	23,730	20.9	18.5	22.8	37.8	0.0
Household Distribution by Income Level	37,454	25.0	16.5	19.2	39.3	0.0
Median Family Income Non-MSAs - NH		\$71,699	Median Housing Value			\$186,417
Median Family Income Non-MSAs - VT		\$64,849	Median Gross Rent			\$915
			Families Below Poverty Level			6.7%

Source: 2015 ACS and 2019 D&B Data
Due to rounding, totals may not equal 100.0%
(*) The NA category consists of geographies that have not been assigned an income classification.

According to 2019 D&B data, there were 6,184 businesses. Gross annual revenues (GARs) for these businesses are below.

- 82.8 percent have \$1 million or less.
- 6.0 percent have more than \$1 million.
- 11.2 percent have unknown revenues.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by GAR level. Service industries represent the largest portion of businesses at 38.1 percent; followed by retail trade (13.9 percent); non-classifiable establishments (11.6 percent); and construction (9.6 percent). In addition, 65.7 percent of area businesses have four or fewer employees, and 88.2 percent operate from a single location.

Examiners used the 2018 and 2019 FFIEC-updated median family income levels to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
NH NA Median Family Income (99999)				
2018 (\$80,600)	<\$40,300	\$40,300 to <\$64,480	\$64,480 to <\$96,720	≥\$96,720
2019 (\$81,600)	<\$40,800	\$40,800 to <\$65,280	\$65,280 to <\$97,920	≥\$97,920
VT NA Median Family Income (99999)				
2018 (\$71,900)	<\$35,950	\$35,950 to <\$57,520	\$57,520 to <\$86,280	≥\$86,280
2019 (\$73,600)	<\$36,800	\$36,800 to <\$58,880	\$58,880 to <\$88,320	≥\$88,320
<i>Source: FFIEC</i>				

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. Opportunities for home mortgage lending in the assessment area are slightly restricted, as only 62.8 percent of the 42,941 housing units are owner-occupied. The remaining units are occupied rental (24.4 percent) and vacant units (12.8 percent). Housing costs are relatively affordable. A median housing cost of \$186,471 is below the United States average of \$224,511.

According to the Bureau of Labor Statistics, the average unemployment rate in 2019 was 2.6 percent in Cheshire County, NH and Windham County, VT; and Sullivan County, NH was slightly lower at 2.3 percent. These levels were comparable to the State of NH and VT averages of 2.5 and 2.4 percent, respectively, and lower than the national rate of 3.7 percent. Due to COVID-19, the unemployment rates in the assessment area increased. In May 2020, unemployment rates rose to 12.3 percent in Cheshire County, NH; 11.1 in Sullivan County, NH; and 14.0 percent in Windham County, VT. These rates were slightly below the national unemployment level of 13.3 percent in May 2020. Major employers in the assessment area include Cheshire Medical Center and C&S Wholesale Grocers in Keene, NH, and Whelen Engineering in Charlestown, NH.

Competition

The bank operates in a moderately competitive market for financial services. According to FDIC Deposit Market Share data as of June 30, 2019, 8 financial institutions operated 21 offices in the assessment area. Of these, SBW ranked 2nd with a 21.3 percent market share. TD Bank was the only bank ahead of SBW with a market share of 35.4 percent. Peoples United Bank was 3rd with an 18.4 percent market share. Collectively, these three banks held 75.1 percent of market share.

SBW is not required to collect or report its home mortgage or its small business data. Although not required to collect its home mortgage data, the bank collected the data, but did not report it. Conversely, the bank neither collected nor reported its small business data. Therefore, the home mortgage and small business loan analyses under the Lending Test do not include comparisons against aggregate data. Rather, examiners reference the aggregate data as it shows demand level for home mortgage and small business loans. According to this same data, there is a high level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders in the bank's assessment area. In 2018, 181 lenders reported 2,052 residential mortgage loans originated or purchased in the assessment area. The three most prominent lenders, Lendus, LLC; TD Bank; and Quicken Loans, accounted for 21.7 percent of total market share. Aggregate small business data for 2018 shows that 71 institutions reported 3,095 small business loans in the assessment area, indicating a moderate degree of competition for this product.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available.

Examiners contacted a representative of an economic development organization in the assessment area. The contact described the regional economy as being relatively isolated from larger surrounding markets, primarily by geography and terrain. Consequently, the economy is independent and diversified, and economic swings tend to be less severe than in other areas. This economic stability is a positive aspect for business development in the region. On the contrary, construction costs are high while rents are relatively low. This means that there are often limited incentives for commercial redevelopment. Several non-profits and a small business development center serve the region.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small business loans and real estate development/redevelopment loans represent a primary credit need for the assessment area. The significant percentage of businesses with GARs of \$1 million or less and the large number of businesses with four or fewer employees support this conclusion. Much of the commercial development opportunity is in Keene, the region's population and commercial hub. The community contact also indicated a need for the development/redevelopment of commercial properties.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated June 19, 2017, to the current evaluation dated August 10, 2020. Examiners used the Interagency Intermediate Small Institution Examination Procedures to evaluate SBW's CRA performance. These procedures include two tests: the CRA Small Bank Lending Test and the Community Development Test.

The Lending Test considered the institution's performance according to the following criteria.

- Loan-to-deposit ratio
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Response to CRA-related complaints

The Community Development Test considered the following factors.

- Number and dollar amount of community development loans, qualified investments, and community development services
- The responsiveness of such activities to the community development needs of the assessment area

Banks must achieve at least a Satisfactory rating under each test to obtain an overall Satisfactory rating.

Activities Reviewed

Examiners determined that the bank's major product lines are home mortgage and small business loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period.

Home mortgage loans, including 1-4 family residential and multi-family properties (55.1 percent) and commercial loans, including commercial real estate and commercial and industrial loans (43.5 percent), account for the largest portions of the loan portfolio. Given these percentages and lending activity during the evaluation period, the bank's record of originating home mortgage loans contributed more weight to overall conclusions as the bank originated more home mortgage loans during the evaluation period. No other loan types, such as small farm loans or consumer loans, represent a major product line. Therefore, this evaluation does not present them, as they provided no material support for conclusions or ratings.

Examiners considered the bank's universe of home mortgage originations in 2017, 2018, and 2019. The bank originated 200 loans totaling \$27.6 million in 2017, 195 loans totaling \$31.0 million in 2018, and 199 loans totaling \$33.1 million in 2019. Although the Assessment Area Concentration table presents activity for 2017, 2018, and 2019, examiners did not include 2017 data under the

Geographic Distribution or Borrower Profile criteria, as lending between 2017, 2018, and 2019 was consistent. Additionally, since SBW is not required to report data under the Home Mortgage Disclosure Act (HMDA), examiners compared the bank's home mortgage lending performance to ACS demographic data.

Examiners selected a sample of small business loans originated in the period from January 1, 2019, through December 31, 2019. This sample represented the bank's performance during the entire evaluation period. The bank originated 166 small business loans totaling \$22.9 million in 2019, of which examiners sampled 51, totaling \$6.8 million. D&B data for 2019 provided a standard of comparison for the sampled small business loans.

For the Lending Test, examiners reviewed the number and dollar volume of home mortgage and small business loans. Although the evaluation presents the number and dollar volume of loans, examiners emphasized performance by number of loans as it is a better indicator of the number of individuals and businesses served.

For the Community Development test, examiners considered the extent of the bank's community development loans, qualified investments, and community development services since the prior CRA evaluation dated June 19, 2017.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

SBW demonstrated reasonable performance under the Lending Test. Assessment Area Concentration, Geographic Distribution, and Borrower Profile performance primarily support this conclusion.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from Call Report data, averaged 72.0 percent over the past 13 calendar quarters from June 30, 2017, to June 30, 2020. The ratio ranged from a low of 68.2 percent as of June 30, 2017, to a high of 76.3 percent as of December 31, 2019. The ratio increased steadily during the evaluation period such that the average increased by 6.3 percent from the previous evaluation. SBW maintained a lower ratio than comparable institutions, as shown in the following table. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus. SBW's assessment area reflects a high demand for deposit products, but somewhat limited demand for lending products. SBW remains dedicated to accepting deposits and funding loans with core deposits, which influences the LTD ratio.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 06/30/2020 (\$000s)	Average Net LTD Ratio (%)
Savings Bank of Walpole	527,530	72.0
Sugar River Bank	335,175	88.2
Claremont Savings Bank	472,127	101.1
The Brattleboro Savings and Loan Association	252,929	101.3
<i>Source: Reports of Condition and Income 06/30/2017 - 06/30/2020</i>		

Assessment Area Concentration

The bank made a majority of home mortgage and small business loans, by number and dollar volume, within its assessment area. See the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2017	178	89.0	22	11.0	200	23,792	86.2	3,810	13.8	27,602
2018	176	90.3	19	9.7	195	27,241	87.8	3,783	12.2	31,024
2019	182	91.5	17	8.5	199	29,821	90.1	3,288	9.9	33,109
Subtotal	536	90.2	58	9.8	594	80,854	88.1	10,881	11.9	91,735
Small Business										
2019	41	80.4	10	19.6	51	4,435	65.1	2,375	34.9	6,810
Subtotal	41	80.4	10	19.6	51	4,435	65.1	2,375	34.9	6,810
Total	577	89.5	68	10.5	645	85,289	86.5	13,256	13.5	98,545
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%</i>										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank's reasonable performance of home mortgage and small business lending supports this conclusion. Examiners focused on the percentage by number of loans in moderate-income census tracts since there are no low-income census tracts in the assessment area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. The following table shows that the bank's performance is below the percentage of owner-occupied housing units in the moderate-income census tracts. Although the bank's

performance is below demographics, it is important to remember that the bank’s branches are geographically distant from the moderate-income census tracts. The moderate-income census tracts are located on the periphery of the assessment area and therefore subject to competition from banks that operate and/or have headquarters in neighboring regions.

Since SBW is not a HMDA reporter, examiners cannot directly compare its performance to aggregate data. However, 2018 and 2019 HMDA data shows that aggregate lending performance is also notably lower than demographics in these census tracts, indicating limited lending opportunities. Considering the branch locations and limited opportunities, SBW’s performance is reasonable.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low					
2018	0.0	0	0.0	0	0.0
2019	0.0	0	0.0	0	0.0
Moderate					
2018	18.7	15	8.5	1,928	7.1
2019	18.7	13	7.1	1,662	5.6
Middle					
2018	71.4	153	86.9	23,608	86.7
2019	71.4	152	83.5	25,446	85.3
Upper					
2018	9.9	8	4.5	1,705	6.3
2019	9.9	17	9.3	2,713	9.1
Not Available					
2018	0.0	0	0.0	0	0.0
2019	0.0	0	0.0	0	0.0
Totals					
2018	100.0	176	100.0	27,241	100.0
2019	100.0	182	100.0	29,821	100.0
<i>Source: 2015 ACS; Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

Small Business

The geographic distribution of small business loans reflects reasonable dispersion. As the following table illustrates, the bank’s performance in moderate-income census tracts is somewhat below the percentage of businesses operating in those tracts. This difference in percentage equates to slightly under two loans separating the bank’s performance from business demographics. As also observed with home mortgage lending, aggregate small business data in preceding years indicates constricted

demand in these areas, as the lending levels are below the percentage of businesses. Further, SBW does not have any branches in the moderate-income census tracts, which are geographically distant from its branches in Keene and Walpole.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2019	0.0	0	0.0	0	0.0
Moderate					
2019	12.0	3	7.3	90	2.0
Middle					
2019	77.4	35	85.4	3,753	84.6
Upper					
2019	10.6	3	7.3	592	13.3
Not Available					
2019	0.0	0	0.0	0	0.0
Totals					
2019	100.0	41	100.0	4,435	100.0
<i>Source: 2019 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes in the assessment area. The bank’s reasonable performance of home mortgage and small business lending supports this conclusion. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers. They also focused on the percentage by number of small business loans to businesses with GARs of \$1 million or less.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable.

The percentage of lending to low-income borrowers is below demographics, although the bank’s performance increased by approximately 2.0 percent since the previous evaluation. According to 2015 ACS demographic data, 6.7 percent of the low-income families in the assessment area had incomes below the poverty level. Additionally, a low-income family in the assessment area, with an income of below \$40,800 would have difficulty qualifying for a mortgage under conventional underwriting standards, especially considering the median housing value of \$186,417. Therefore, the demand and opportunities for lending to low-income families are relatively limited. Further, the aggregate data also indicates limited lending opportunities to low-income borrowers, since

aggregate lending is consistently more than 10.0 percent lower than demographics in the assessment area. Lending to moderate-income borrowers exceeded demographics in 2018 by almost 5.0 percent and declined to slightly lower than demographics in 2019. Collectively, this performance is reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low					
2018	20.9	17	9.7	1,505	5.5
2019	20.9	18	9.9	1,581	5.3
Moderate					
2018	18.5	41	23.3	4,144	15.2
2019	18.5	30	16.5	3,785	12.7
Middle					
2018	22.8	32	18.2	4,068	14.9
2019	22.8	47	25.8	6,386	21.4
Upper					
2018	37.8	72	40.9	15,062	55.3
2019	37.8	80	44.0	17,135	57.5
Not Available					
2018	0.0	14	8.0	2,463	9.0
2019	0.0	7	3.8	934	3.1
Totals					
2018	100.0	176	100.0	27,241	100.0
2019	100.0	182	100.0	29,821	100.0
<i>Source: 2015 ACS; Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

Small Business Loans

The distribution of small business loans reflects reasonable penetration of loans to businesses with GARs of \$1 million or less. Although SBW’s performance was below demographics, it originated a majority of its small business loans to small businesses as defined by its GAR. Since SBW is not a CRA reporter, examiners cannot directly compare its performance to aggregate data. However, to obtain a perspective as to the bank’s competition and its lending activity, examiners reviewed aggregate data from previous years, as 2019 aggregate data is not available. This review showed that large national credit card lenders originated a large of volume of small business loans. Since SBW does not offer credit cards, it cannot easily compete for loans from small businesses that often fund operations through credit cards.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2019	82.8	24	58.5	1,064	24.0
>\$1,000,000					
2019	6.0	17	41.5	3,371	76.0
Revenue Not Available					
2019	11.2	0	0.0	0	0.0
Totals					
2019	100.0	41	100.0	4,435	100.0
<i>Source: 2019 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

Response to Complaints

The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

SBW demonstrated adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution’s capacity and the need and availability of such opportunities.

Community Development Loans

SBW originated seven community development loans totaling approximately \$3.4 million during the evaluation period. All of the loans supported economic development, and six were Small Business Administration (SBA) 504 loans. The SBA 504 loan program offers small businesses financing, while promoting business growth and job creation. The seventh loan financed the construction of a new facility for a family-centered non-profit arts education organization in Keene. The NH Community Development Finance Authority (CDFA) sanctioned this project enabling the organization to create new full-time jobs, serve more area youth, and redevelop a vacant and blemished city block. SBW made two loans in 2017 for approximately \$2.0 million and five in 2019 for approximately \$1.4 million. This level of activity represents approximately 0.7 percent of average total assets and 1.0 percent of average net loans over the evaluation period. The bank increased its number and dollar volume of qualified loans over the previous evaluation when the bank made two qualified loans for \$1.7 million. Examiners considered community development lending outside the assessment area as the bank was responsive to the community development needs and opportunities within its assessment area.

Qualified Investments

SBW made 92 qualified investments totaling \$337,190. The bank made five new equity investments totaling \$140,000 and maintained one prior period investment for \$100,000. The dollar amount of equity investments represents 0.1 percent of average total assets and 0.2 percent of average total securities. In addition to the equity investments, the bank made 86 qualified donations for \$97,190. The bank increased its qualified investments and donations since the previous evaluation. The following table details qualified investments by year and purpose.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	1	100	0	0	0	0	1	100
2017	0	0	0	0	1	10	0	0	1	10
2018	0	0	1	10	1	10	0	0	2	20
2019	0	0	0	0	0	0	0	0	0	0
YTD 2020	0	0	2	110	0	0	0	0	2	110
Subtotal	0	0	4	220	2	20	0	0	6	240
Qualified Grants & Donations	2	3	84	94	0	0	0	0	86	97
Total	2	3	88	314	2	20	0	0	92	337
<i>Source: Bank Data</i>										

The following are notable examples of the bank’s qualified investment and donation activities:

- ***New Hampshire Community Loan Fund (NHCLF)***: The bank invested \$100,000 in 2020 and retained a prior period investment from early 2017. The NHCLF makes loans for community development projects that benefit low- and moderate-income NH residents.
- ***CDFA***: SBW made four investments for \$10,000 each into the CDFA during the evaluation period. The CDFA supports organizations that are engaged in economic development initiatives that provide a high level of community support. CDFA projects help municipalities, small businesses, and non-profits obtain resources to create jobs and improve communities. Three investments specifically supported economic development projects or community service organizations in the assessment area. One additional community service investment supported a statewide fund that provides needed resources to non-profit organizations affected by COVID-19.
- ***Hundred Nights Inc.***: SBW made four donations totaling \$1,400 to this community service organization. Hundred Nights, Inc. aids low- and moderate-income residents by operating a cold weather shelter during the winter months and serving as a resource center for food and support in Keene.
- ***Southwestern Community Services (SCS)***: SBW made four donations totaling \$1,300 to this community service organization. This organization’s mission is to empower low-

income people and families by providing assistance to aid them achieve self-sufficiency. Examples of services provided include energy assistance, housing stabilization, and head start programs.

Community Development Services

During the evaluation period, 15 bank employees provided 61 instances of financial expertise or technical assistance to 13 different community development-related organizations in the assessment area. The bank’s level of community development services remained consistent with the previous evaluation. The following table illustrates community development services by year and purpose.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2017	2	4	1	0	7
2018	3	13	2	0	18
2019	3	13	2	0	18
YTD 2020	3	13	2	0	18
Total	11	43	7	0	61
<i>Source: Bank Data</i>					

The following are some organizations that benefited from the employees’ dedicated service.

- **Cheshire Housing Trust (Trust):** Two SBW employees serve on the Board and one is the organization’s Board President. This organization maintains and manages affordable housing for low- and moderate-income families and individuals. SBW employees’ duties include providing financial oversight, ensuring that the Trust provides appropriate housing for individuals/families, and managing budgets and operating expenses.
- **Keene Housing Kids Collaborative (KHKC):** An SBW employee is a Board member for this community service organization. KHKC is a non-profit organization serving kids that live in housing owned or managed by Keene Housing, including Housing Choice voucher holders. The employee provides financial oversight and direction to the organization.

Other Activities

- **Fiscally Fit Seminars:** The bank conducts Fiscally Fit Seminars covering topics such as understanding deposit accounts, scams, credit scores, and budgeting. Although most seminars are open to the general public and serve consumers of all income levels, First Time Homebuyer Seminars organized in conjunction with the New Hampshire Housing Finance Authority primarily benefit low- and moderate-income potential homebuyers.
- **Upward Bound:** Upward Bound provides support to high school students from low-income families and families in which neither parent holds a bachelor's degree. SBW employees collaborated with Upward Bound to present strategies on how to make college an affordable

option and to help participating students develop financial decision making skills.

- ***Wheelock Elementary School:*** SBW employees presented a School Savings Program at a Keene Elementary School where the majority of students are eligible to receive subsidized meals under the National School Lunch Act. Education focuses on second and third grade students who can open free savings accounts and are encouraged to save.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes;
- 4) The geographic distribution of the bank's loans; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to the area's community development needs considering the amount and combination of these activities, along with their qualitative aspects.

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan

funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
 - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or

- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that 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 (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and

rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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

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

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

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

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a

population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

Section 3

BRANCH LISTING

<p>North Meadow Plaza – Branch/ATM 68 Ames Plaza Lane Walpole (603) 756-4771 County Code – 005 Census Tract - 9702.00 3 - Middle Income MSA Code – N/A</p> <p>Lobby Hours – Mon-Thurs 8:30 am to 5:00 pm Fri 8:30 am to 6:00 pm Sat 8:00 am to Noon</p> <p>Drive-up Hours – Mon-Thurs 8:00 am to 5:00 pm Fri 8:00 am to 6:00 pm Sat 8:00 am to Noon</p>	<p>Village – Branch/ATM 11 Westminster Street Walpole (603) 756-2863 County Code – 005 Census Tract - 9702.00 3 - Middle Income MSA Code – N/A</p> <p>Lobby Hours – Mon-Fri 8:00 am to 2:00 pm</p>	<p>Marlboro Street – Branch/ATM 84 Marlboro Street Keene (603) 352-1822 County Code – 005 Census Tract - 9711.00 3 - Middle Income MSA Code – N/A</p> <p>Lobby Hours – Mon-Fri 8:30 am to 5:00 pm</p> <p>Drive-up Hours – Mon-Fri 8:00 am to 5:00 pm</p>
<p>West Street – Branch/ATM 400 West Street Keene (603) 355-1881 County Code – 005 Census Tract - 9714.02 4 - Upper Income MSA Code – N/A</p> <p>Lobby Hours – Mon-Thurs 8:30 am to 5:00 pm Fri 8:30 am to 6:00 pm Sat 8:00 am to 2:00 pm</p> <p>Drive-up Hours - Mon-Thurs 7:30 am to 5:00 pm Fri 7:30 am to 6:00 pm Sat 8:00 am to 2:00 pm</p>	<p>Court Street – Branch/ATM 817 Court Street Keene (603) 352-6988 County Code – 005 Census Tract - 9710.00 3 - Middle Income MSA Code – N/A</p> <p>Lobby Hours – Mon-Fri 8:30 am to 5:00 pm Sat 8:00 am to Noon</p> <p>Drive-up Hours - Mon-Fri 7:30 am to 5:00 pm Sat 8:00 am to Noon</p>	<p>Winchester – Branch/ATM 30 Warwick Road Winchester (602) 239-8880 County Code – 005 Census Tract – 9717.00 2 – Moderate Income MSA Code – N/A</p> <p>Lobby Hours – Tues-Thurs 8:30 am to 5:00 pm Fri 8:30 am to 6:00 pm Sat 8:00 am to 2:00 pm</p> <p>Drive-up Hours – Tues-Thurs 7:30 am to 5:00 pm Fri 7:30 am to 6:00 pm Sat 8:00 am to 2:00 pm</p>
<p>Court Street – ATM Only 580 Court Street Keene County Code – 005 Census Tract - 9710.00 3 - Middle Income MSA Code – N/A</p>		

Section 4

BRANCHES OPENED & CLOSED

BRANCHES OPENED OR CLOSED

Branches opened or closed during the current and past two years (2020, 2021, and YTD 2022):

Opened:

October 2021

Winchester – Branch/ATM

30 Warwick Road

Winchester

(602) 239-8880

County Code – 005

Census Tract – 9717.00

2 – Moderate Income

MSA Code – N/A

Lobby Hours –

Tues-Thurs 8:30 am to 5:00 pm

Fri 8:30 am to 6:00 pm

Sat 8:00 am to 2:00 pm

Drive-up Hours –

Tues-Thurs 7:30 am to 5:00 pm

Fri 7:30 am to 6:00 pm

Sat 8:00 am to 2:00 pm

Closed:

None

Section 5

LIST OF SERVICES

COMMUNITY DEPOSIT PRODUCTS

Savings Bank of Walpole offers a variety of deposit products - here is a listing as of December 2021..

❖ Personal Banking Products:

❖ Checking Accounts:

▪ **Truly Free Checking** - Our most popular checking account. No minimum balance requirements and no monthly service charge – with the added bonus of earning interest on balances over \$100.

- No monthly service charge
- Minimum deposit to open: \$10 (recommended)
- A minimum daily collected balance of \$100 is required to earn interest
- Interest compounded and credited monthly
- No monthly service charge

▪ **Non-Interest Checking** - Our most basic checking account offering. No minimum balance requirements and no monthly service charge.

- No monthly service charge
- Minimum deposit to open: \$10 (recommended)

▪ **Senior Checking** - Customers over 62 years of age. Like Truly Free Checking, you'll enjoy no minimum balance requirements or monthly service charge and you'll earn interest on balances over \$100.

- No monthly service charge
- Minimum deposit to open: \$10 (recommended)
- Interest compounded daily, credited monthly
- No charge for basic checks in single style. Other styles are 50% off.

❖ Services available for all Personal Checking Accounts:

- Debit MasterCard®
- iTalk banking access
- Online and Mobile Banking access
- Text Banking
- Zelle®
- Mobile Wallet
- Online Account Opening
- Monthly statement, including images of paid checks
- eStatements
- Combined Statements
- Overdraft protection available
 - Account to Account *or*
 - Line of Credit (pending credit approval)
- Online Banking Bill Pay option
- Mobile Deposits
- Fraud Monitoring
- Direct Deposit and Automatic Payments
- One free Money Order and Cashier's Check per day per customer

❖ Savings Accounts:

▪ **Tiered Savings** - Build your savings all while having easy access to your funds. You'll earn tiered interest on balances over \$100.

- No monthly service charge
- Minimum deposit to open: \$10 (recommended)
- A minimum daily collected balance of \$100 is required to earn interest
- Tiered interest rates. The required daily collected balances for each rate tier are: \$100-\$2,499.99; \$2,500 - \$9,999.99; \$10,000 - \$24,999.99; \$25,000 or more
- Interest compounded and credited monthly

▪ **Easy Access Savings Account** - Link your SBW savings account to a Debit Mastercard® and enjoy the convenience of making a purchase directly from your account anywhere Mastercard® is accepted.

- No monthly service charge
- Minimum deposit to open: \$10 (recommended)
- A minimum daily collected balance of \$100 is required to earn interest
- Interest compounded and credited monthly
- Convenient access to your funds to make purchases or withdrawals with a debit card

▪ **Be Your Own Lender Savings (BYOL)** - An interest bearing savings account designed for building savings and building or re-establishing credit. This account limits withdrawals to in-bank transactions only. Collateral loans are available for smaller amounts (starting at \$100) to encourage the customer to save money and "be their own lender" by advancing funds through a collateral loan as needed.

- No monthly service charge
- Minimum deposit to open: \$2
- A minimum daily collected balance of \$100 is required to earn interest
- Transfers and withdrawals are to be made in person only. Drafts or electronic debits are not features of this account. ACH credits are allowed.
- Interest compounded daily, credited monthly

▪ **Youth Savings** - A statement savings account specially designed for children and young adults under the age of 18.

- No monthly service charge
- Minimum deposit to open: \$1
- A minimum daily balance of \$1 is required to earn interest
- Interest compounded daily, credited monthly

▪ **Goal-Setter Savings** - A savings options which can be opened anytime throughout the year and choose one or multiple maturity dates for the funds to be dispersed. It's a great way to save for holidays, a trip, down payment, tax bills twice a year—or any other goal you have in mind!

- No monthly service charge
- Minimum deposit to open: \$2
- A minimum daily collected balance of \$2 is required to earn interest
- Account is funded by automatic transfers from the SBW checking, savings, or account you designate and for the amount and frequency preferred.

▪ **Money Market** - Save for the future and make your money work harder for you, while still having easy access to your funds online or by check.

- No monthly service charge
- Minimum deposit to open \$500
- A minimum daily collected balance of \$1,000 is required to earn interest
- Interest is earned on a tiered rate. The required daily collected balances for each rate tier are: \$1,000 - \$9,999.99; \$10,000 - \$24,999.99; \$25,000 - \$99,999.99; \$100,000 - \$249,999.99; \$250,000 and over
- Money Market checks are available

▪ **Heath Savings Accounts (HSA)** – Save for current and future medical expenses in an interest bearing checking account. These accounts allow for payment of qualified expenses by debit card or check (online Bill Pay or standard check). Tax advisors should be consulted for tax implications.

- No monthly service charge
- No minimum balance requirement
- Interest earnings on your funds
- Qualifying health expenses paid from HSA may be tax free (depending on specific state taxes)
- Unused funds remaining at year end can carry over to following year(s)
- Free online banking access to view your account and issue payments through Bill Pay

❖ **Services available for all Personal Savings Accounts:**

- Debit MasterCard® (For Easy Access Savings only)
- iTalk banking access
- Online and Mobile Banking access
- Text Banking
- Zelle®
- Mobile Wallet
- Online Account Opening
- Monthly Statements
- eStatements
- Combined Statements
- Online Banking Bill Pay option
- Mobile Deposits
- Fraud Monitoring
- Direct Deposit and Automatic Payments
- One free Money Order and Cashier's Check per day per customer

❖ **Certificate of Deposit (CD) Accounts:**

▪ **Certificates of Deposit (CD)** – CD's offer a great way to save money. We offer a selection of terms, competitive interest rates, and our personalized service to assist you in making the right choices for your financial needs, include maturities of three months to five years.

- Guaranteed fixed rate for the term of the certificate
- Choice of interest payment options
- Low minimum deposits
- Automatically renewable for your convenience
- Competitive market rates

❖ Individual Retirement Accounts (IRA):

- **Individual Retirement Accounts (IRA)** – We offer three types of Individual Retirement Accounts (IRAs). Tax advisors should be consulted for tax implications of IRAs:
 - **Traditional IRA** - a tax-advantaged arrangement that allows contributions towards retirement, the earnings grow tax-deferred and may be tax deductible.
 - **Roth IRA** - allows accumulated earnings on a tax-deferred basis and withdraw earnings tax-free for qualified distributions.
 - **SEP IRA** - provides a simplified method for employers to make contributions to a retirement account (Traditional IRA) for their employees.

❖ Business Banking Products

❖ Checking Accounts:

▪ **Flex Business Checking** – Designed for businesses that can maintain a balance of \$45,000 or more at all times to take advantage of earnings credit to offset monthly service charge and any additional services.

- No minimum balance requirement
- No per-item fees for cash or coin deposits, or checks written or deposited
- \$10 monthly service charge (may be offset with a monthly Earnings Credit)
- Free first order of business checks
- Free Business Debit MasterCard® - with no monthly fee
- Non-Interest bearing
- No statement fee

▪ **Simple Business Checking** - A straightforward business checking account with no balance requirement. Ideal for small- to medium-sized businesses that do not require additional business banking services.

- No minimum balance requirement
- No monthly service charge or maintenance fees
- No per-item fees for cash or coin deposits, or checks written or deposited
- Free first order of business checks
- Free Business Debit MasterCard® - with no monthly fee
- No statement fee
- Non-Interest bearing

▪ **Nonprofit Advantage Checking** - This interest bearing account is designed to help nonprofit organizations save money—so you have more to spend on the programs and services you provide for our community.

- Earn interest on balances of \$500 and greater (variable interest rate)
- No minimum balance requirement
- No monthly service charge or maintenance fees
- No per-item fees for cash or coin deposits, or checks written or deposited
- Free first order of business checks
- Free Business Debit MasterCard® - with no monthly fee
- Earnings Credit to offset certain fees associated with the account

- ***IOLTA Checking*** - This interest bearing account exclusively for Lawyers Trust accounts and Law Firms only.
 - \$10 minimum deposit to open
 - Earn interest on balances of \$1,000 and greater. All interest earned is automatically sent to the NH Bar Foundation. Tiered interest rates. The required daily collected balances for each rate tier are: \$1,000 - \$99,999.99; \$100,000 - \$199,999.99; \$200,000 or more
 - No minimum balance requirement
 - No monthly service charge or maintenance fees

❖ **Services available for all Business Checking Accounts:**

- Online and Mobile Banking
- Mobile Check Deposit
- Business Bill Pay
- eStatements
- Combined Statements
- iTalk Banking
- Business Debit Card
- Fraud Monitoring
- Unlimited check writing

❖ **Additional Services for Business Accounts:**

- Access control for multiple users
- Cash Management with access control for multiple users
- Positive Pay Fraud Prevention
- Remote Deposit
- Credit Card processing
- Sweeps
- ACH services
- Wire Transfers
- Payments Reporter
- Free Monthly Account Analysis (for Flex Business and Nonprofit Advantage)

***Please contact a member of the business development team for details. Additional fees may apply.*

❖ **Savings Accounts:**

▪ ***Business Savings*** - Our business savings account makes it simple and easy to establish a savings plan to fit your business financial goals.

- No monthly service charge or maintenance fees
- Minimum deposit to open: \$10
- A minimum daily collected balance of \$100 is required to earn a tiered interest rate

▪ ***Business Money Market Account*** - This account allows you to earn interest while providing the flexibility of writing checks and completing electronic transactions. It's the best of both worlds with the combination of a checking account and a savings account which will earn a higher interest rate.

- No monthly service charge or maintenance fees

- Minimum deposit to open: \$500
- Check writing availability
- A minimum daily collected balance of \$2,500 is required to earn a tiered interest rate

❖ **Certificate of Deposit (CD) Accounts:**

- ***Business Certificates of Deposit*** -For a higher degree of yield, we offer CD's available in maturities of three months to five years.
 - Guaranteed fixed rate for the term of the certificate
 - Choice of interest payment options
 - Automatically renews for your convenience
 - Competitive market rates

COMMUNITY LOAN PRODUCTS

Savings Bank of Walpole offers a variety of consumer, residential mortgage and business loan products to the communities it serves which are divided into the following three categories.

1. CONSUMER LOANS:

- A. Vehicle:
Savings Bank of Walpole finances a wide range of vehicle to include the following:
- New and used auto, light trucks, and vans
 - Motor homes, travel trailers and campers
 - New and used motorcycles and snowmobiles
 - New and used boats
 - New and used tractor and power equipment loans
- B. Indirect Boat Loans:
Savings Bank of Walpole works with five Marine/RV service companies Intercoastal Financial Group, Sterling Associates and Trident Funding, LLC, Oceanpoint Lending (Bank Newport) and Yacht Closer LLC, Marine/RV Loans who work with a network of boat and RV dealers, as well as individual buyers and sellers, to facilitate the financing of new and used boats.
- C. Personal Loans:
Savings Bank of Walpole finances personal loans for a variety of purposes, to include: vacation expenses, furniture and appliance purchases and educational purposes. These loans are available under various terms to all qualified borrowers. It does not make such loans for speculative purposes.
- D. Home Improvement Loans (Unsecured):
Savings Bank of Walpole finances loans for the sole purpose of improving or repairing the applicant's owner-occupied 1-4 family dwelling.
- E. Energy Loans (Unsecured):
From time-to-time, Savings Bank of Walpole may have separate agreements with various utility companies to originate loans for their respective customers for the purpose of energy saving/efficiency. Each utility determines what energy saving measures qualifies for their program. Examples would be air sealing, insulation and energy efficient furnaces.
- F. Time Loans:
Savings Bank of Walpole finances loans available for consumers requesting funds for a specific time period and having the ability to make repayment from a verifiable source of funds.

- G. Overdraft Protection Line of Credit:
Savings Bank of Walpole offers lines of credit for overdraft protection to creditworthy applicants. This product is an unsecured revolving line of credit tied to a personal checking account and/or NOW account with the primary purpose to provide overdraft protection. It does not offer so called “Privilege Overdraft Protection.”
- H. Certificate of Deposit (CD) and Savings (Collateral Secured) Loans:
Savings Bank of Walpole finances loans secured by appropriate liquid collateral, such as CDs or savings accounts, under various terms.
- I. Be Your Own Lender Savings/Loan Program (BYOL):
Savings Bank of Walpole offers the Be Your Own Lender (BYOL) product, which serves as a hybrid saving secured loan product designed to help and encourage customers to develop sound savings habits and/or establish or rebuild their credit. It also provides customers the opportunity to borrow against their funds even when they may not meet the minimum loan requirements of the standard Savings/CD secured loan product.
- J. Stock Loans:
Savings Bank of Walpole finances loans secured by marketable securities.
- K. Solar Loan Program:
Savings Bank of Walpole offers a program designed to provide financing to consumers interested in installing solar panels on their property.
- L. Dental Loan Program:
Savings Bank of Walpole offers dental practices a financing option to offer its customers requiring preventative or curative services.

2. MORTGAGE LOANS:

- A. First Lien Mortgages:
Savings Bank of Walpole provides first mortgage loans for the purchase or refinance of primary and second homes to all qualified borrowers when the real estate is within the confines of our lending community. To better serve the needs of our community, the bank offers both fixed and variable rate mortgage loans either to fund the bank's portfolio or for resale into the secondary market.
- B. Residential Investment Properties:
Savings Bank of Walpole provides financing for the purchase or refinance of residential investment properties, not to exceed four units, within the confines of our lending community.
- C. Construction:
Savings Bank of Walpole provides financing for the construction of primary or a second home within the confines of our lending area. It is generally the bank's desire that the construction of such homes be supervised by a qualified general contractor.
- D. Land Loans:
Savings Bank of Walpole will provide financing for the purchase of a single family residential lot, upon which the borrower intends to construct a primary residence in the future. The bank does not provide loans for land speculation.
- E. Junior Lien Mortgages:
Savings Bank of Walpole provides home equity term loans and credit lines secured by junior liens to qualified borrowers in the bank's lending community.
- F. Manufactured Housing:
Savings Bank of Walpole makes loans for the purchase of manufactured housing provided that the home is permanently located on its own lot.

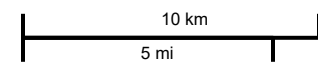
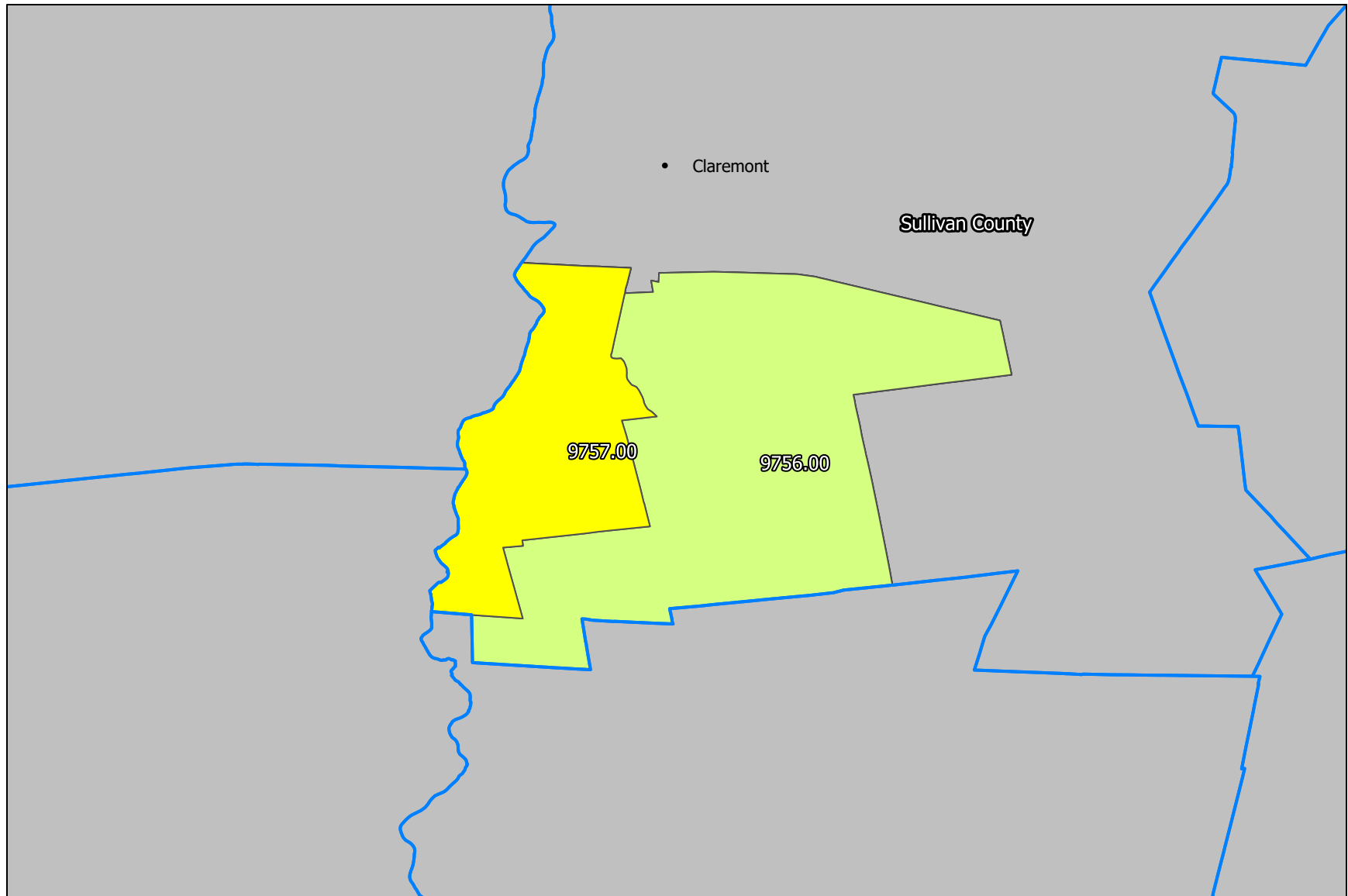
3. COMMERCIAL LOANS:

- A. Business Time Notes:
Savings Bank of Walpole provides short term (not to exceed one year) loans to qualified local businesses. Loans of this type are typically repaid from a specific event, such as the liquidation of seasonal inventory.
- B. Business Lines of Credit:
Savings Bank of Walpole provides lines of credit for working capital purposes to qualified local businesses. Such lines of credit tend to be granted to more established businesses that demonstrate the financial sophistication to manage this product.
- C. Letters of Credit:
Savings Bank of Walpole can provide letters of credit for local companies for various business purposes.
- D. Commercial Term Loans:
Savings Bank of Walpole offers commercial term loans to local businesses for the purchase of fixed assets or other types of business expansion that requires a repayment term greater than one year.
- E. Commercial Mortgages:
Savings Bank of Walpole makes commercial mortgage loans for the construction of, acquisition of, or improvement of commercial real estate for business purposes or residential investment properties of more than four units, throughout its lending community.
- F. Small Business Administration Loans:
Savings Bank of Walpole participates in government-sponsored small business loan guarantee programs which provide federal guarantees on loans for various purposes to businesses that would otherwise not meet the bank's loan underwriting standards.
- G. Tax and Reimbursement Anticipation Loans:
Savings Bank of Walpole makes loans to local towns and municipalities to fund operating expenses in anticipation of tax revenues. It also makes Catastrophic Special Education Reimbursement Notes to school districts to cover special education needs.

Section 6

ASSESSMENT AREA MAP & GEOGRAPHIES

SBW Assessment Area Map – Acworth, Langdon, Unity, Charlestown



Map Legend

- Cities > 499,999
- Cities 200,000-499,999
- Cities 100,000-199,999
- Cities 50,000-99,999
- Cities 25,000-49,999
- Cities 10,000-24,999
- Cities < 10,000

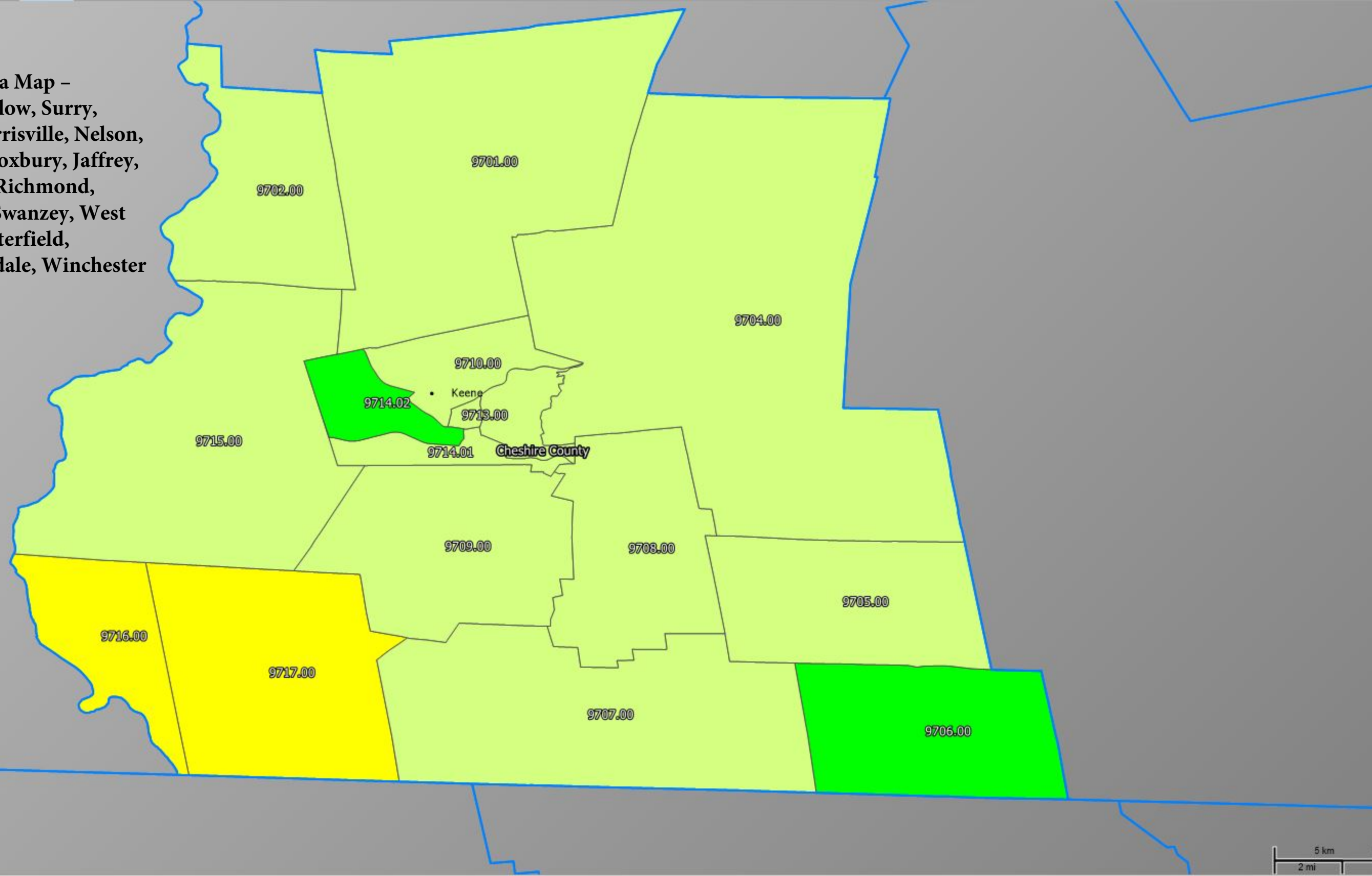
□ Counties

Census Tracts (Inside) - Tract Income ...

- 0 - Income Not Available
- 1 - Low Income
- 2 - Moderate Income
- 3 - Middle Income
- 4 - Upper Income

**SBW Assessment Area Map –
Alstead, Gilsum, Marlow, Surry,
Walpole, Dublin, Harrisville, Nelson,
Stoddard, Sullivan, Roxbury, Jaffrey,
Rindge, Fitzwilliam, Richmond,
Marlborough, Troy, Swanzey, West
Swanzey Keene, Chesterfield,
Westmoreland, Hinsdale, Winchester**

nty



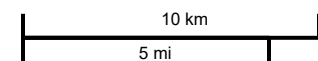
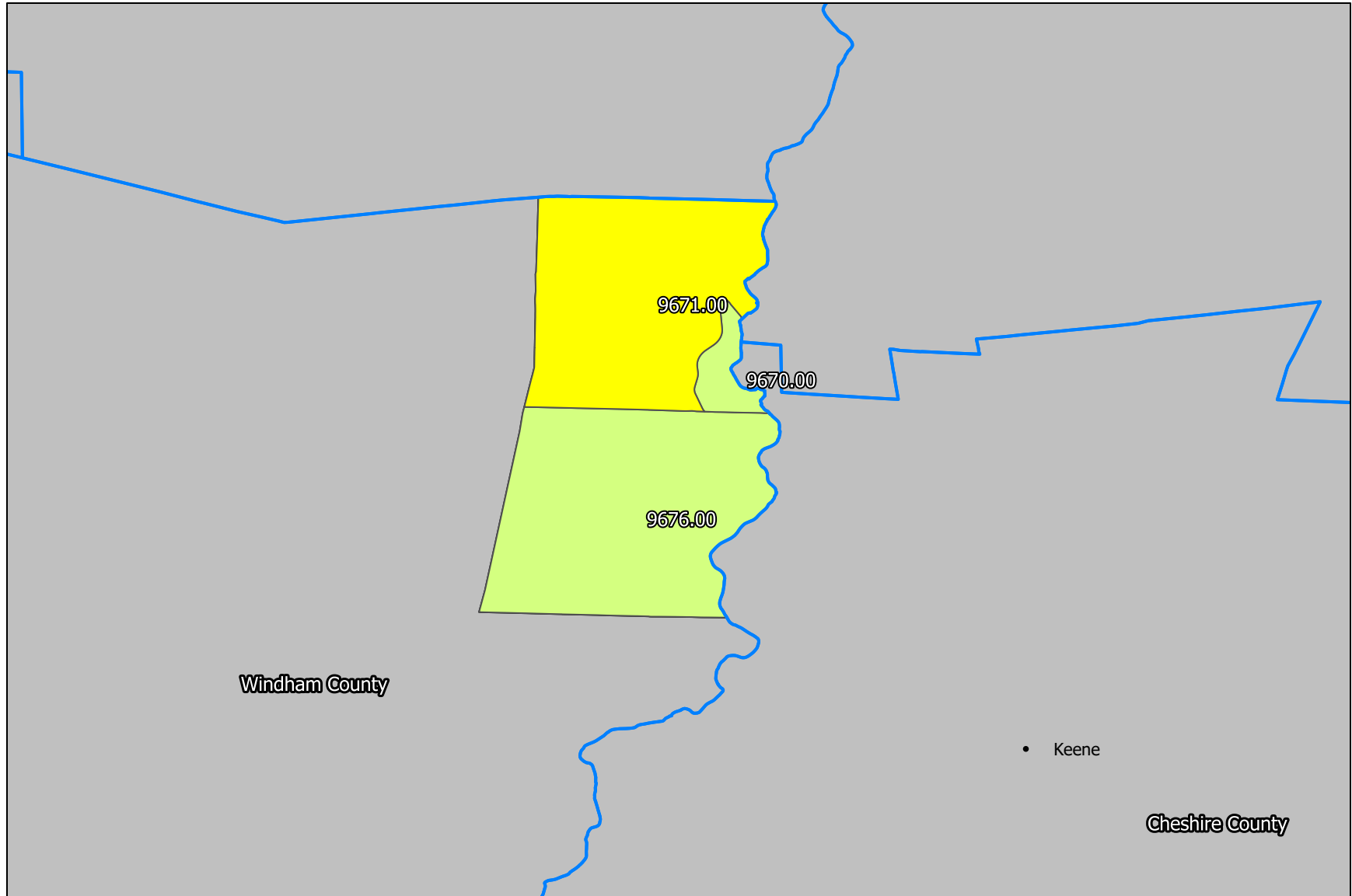
Map Legend

-  Cities > 499,999
-  Cities 200,000-499,999
-  Cities 100,000-199,999
-  Cities 50,000-99,999
-  Cities 25,000-49,999
-  Cities 10,000-24,999
-  Cities < 10,000
-  Counties

Census Tracts (inside) - Tract Income ...

-  0 - Income Not Available
-  1 - Low Income
-  2 - Moderate Income
-  3 - Middle Income
-  4 - Upper Income

SBW Assessment Area Map – Rockingham, Westminster



Map Legend

- Cities > 499,999
- Cities 200,000-499,999
- Cities 100,000-199,999
- Cities 50,000-99,999
- Cities 25,000-49,999
- Cities 10,000-24,999
- Cities < 10,000

□ Counties

Census Tracts (Inside) - Tract Income ...

- 0 - Income Not Available
- 1 - Low Income
- 2 - Moderate Income
- 3 - Middle Income
- 4 - Upper Income

ASSESSMENT AREA
CENSUS TRACT CODES

NEW HAMPSHIRE - CHESHIRE COUNTY
State Code 33 - County Code 005

TOWN	Tract Code	Income
Alstead, Gilsum, Marlow & Surry	9701.00	Middle
Walpole	9702.00	Middle
Dublin, Harrisville, Nelson, Stoddard, Sullivan, & Roxbury	9704.00	Middle
Jaffrey	9705.00	Middle
Rindge	9706.00	Upper
Fitzwilliam & Richmond	9707.00	Middle
Marlborough & Troy	9708.00	Middle
Swanzey & West Swanzey	9709.00	Middle
Keene	9710.00, 9711.00, 9713.00, 9714.01 & 9714.02*	Middle *Upper
Chesterfield & Westmoreland	9715.00	Middle
Hinsdale	9716.00	Moderate
Winchester	9717.00	Moderate

NEW HAMPSHIRE - SULLIVAN COUNTY
State Code 33 - County Code 019

TOWN	Tract Code	Income
Acworth, Langdon and Unity	9756	Middle
Charlestown	9757	Moderate

VERMONT - WINDHAM COUNTY
State Code 50 - County Code 025

TOWN	Tract Code	Income
Rockingham	9670.00 & 9671.00	Middle & Moderate
Westminster	9676.00	Middle

4 Moderate; 15 Middle, 2 Upper

BRANCH LOCATION
CENSUS TRACT CODES

BRANCH LOCATION	TRACT CODE	TRACT INCOME LEVEL
68 Ames Plaza Lane, Walpole, NH 03608	9702.00	Middle
11 Westminster Street, Walpole, NH 03608	9702.00	Middle
817 Court Street, Keene, NH 03431	9710.00	Middle
84 Marlboro Street, Keene, NH 03431	9714.01	Middle
400 West Street, Keene, NH 03431	9714.02	Upper
30 Warwick Road Winchester, NH 03470	9717.00	Moderate

Section 7

HMDA DISCLOSURE STATEMENT NOTICE

*SBW is not a HMDA reporter therefore we do not have any information provided in this section.

Section 8

LTD RATIOS

Year	Quarter	Net Loans/Leases # (000)	Total Deposits # (000)	Loan to Deposit Ratio
2022	Dec - 22	\$0.00	\$0.00	-
	Sep - 22	\$0.00	\$0.00	-
	June - 22	\$0.00	\$0.00	-
	Mar - 22	\$0.00	\$0.00	-
2021	Dec - 21	\$468,390.00	\$613,681.00	76.32%
	Sep - 21	\$451,220.00	\$576,373.00	78.29%
	June - 21	\$438,925.00	\$564,851.00	77.71%
	Mar - 21	\$406,489.00	\$555,737.00	73.14%
2020	Dec - 20	\$387,440.00	\$513,243.00	75.49%
	Sep - 20	\$367,826.00	\$502,953.00	73.13%
	June - 20	\$352,998.00	\$485,546.00	72.70%
	Mar - 20	\$312,809.00	\$420,978.00	74.31%

Section 9

OTHER INFORMATION

Interest on Lawyers Trust Accounts (IOLTA)

The Bank also services “Interest on Lawyers Trust Accounts” (IOLTA). Interest paid on these accounts is used to assist communities statewide with educational programs, direct legal services, and charitable projects. By funding legal aid organizations, more than 25,000 residents receive free or low-cost civil legal services every year in New Hampshire. As of December 31, 2021 the bank currently maintained 11 IOLTA accounts with varying balances throughout the year.

Savings Bank of Walpole IOLTA

Year	<u>2019</u>	<u>2020</u>	<u>2021</u>
Year End Int	\$652.94	\$480.32	\$515.61
# of Accts End of Year	9	9	11
# of Accts No Int Earned	0	0	0