

Section #2

CRA Statement



COMMUNITY REINVESTMENT ACT STATEMENT
April 2024

North Shore Bank was chartered in 1888 to serve the various deposit and credit needs of individuals and businesses in our community. Bank assets as of December 31, 2023, was \$1,662,477,000. The Bank's loan-to-deposit ratio as of 3/31/23 was 90.78%; as of 6/30/23 was 91.89%; as of 9/30/23 was 94.11%; and as of 12/31/23 was 96.95%.

This statement has been prepared for our depositors, loan customers, and members of the community, pursuant to the Community Reinvestment Act of 1977 ("CRA") and contains an Introduction and eight parts.

INTRODUCTION: Community Reinvestment Act and Fair Lending Practices

PART I: Contains the Bank's statement on fair lending and equal credit opportunity, the Bank's complaint policy, the credit denial policy, monitoring procedures to avoid and to discover any unfair lending activity, and fair lending training.

PART II: A map delineating the Bank's local community or Assessment Area. This section contains a map and a description of the primary local community. Designation of our local community means describing our current market area with the idea of expanding this market as opportunities arise. Also, there may be parts of our community where, for various reasons, we have been more active than in other areas. The Assessment Area merely sets forth the general area of operation of our Bank.

PART III: Consists of a list of the general types of credit which we offer. This listing cannot contain all the terms and conditions which affect our ability to grant credit. A loan officer will be pleased to provide you with detailed information, upon request.

PART IV: Contains the public notice of the "Community Reinvestment Act" as prescribed by regulations.

PART V: Contains a description of how the Bank ascertains the credit needs of its community.

PART VI: Describes the Bank's marketing of lending and non-lending products and services to the community.

PART VII: Describes the geographic distribution of lending in all areas of its Assessment Area, particularly in low to moderate income areas. Part VII also provides a record of opening and closing branches and services offered at its branches.

PART VIII: Describes the Bank's involvement with community development programs within its community.

North Shore Bank has its main office located at 248 Andover Street Peabody. The Bank has fifteen branches: 32 Main Street Peabody; 637 Lowell Street, West Peabody, 48 Elm Street Danvers; 237 South Main Street Middleton; 319 Highland Avenue Salem; 73 Lafayette Street, Salem, 140 Brimbal Avenue Beverly; 254 Cabot Street, Beverly; 48 Enon Street, Beverly; 412 Lynn Fells Parkway Saugus; One Hamilton Street; Saugus; One West Main Street, Merrimac; 29 South Main Street, Newton, NH and Corporate Headquarters, 248 Andover Street Peabody; 31 Harnden Street, Reading. The Bank also maintains a Loan Center located at 481 Lincoln Avenue Saugus and 1 stand-alone ATM located at Northland Mall 134 Newton Road, Plaistow, NH.

INTRODUCTION: THE COMMUNITY REINVESTMENT ACT AND FAIR LENDING PRACTICES

The Community Reinvestment Act (CRA) is intended to encourage certain regulated financial institutions to assess and help meet the credit needs of their entire communities, including low- and moderate-income neighborhoods. This effort is to be performed in a manner which is consistent with the safe and sound operation of the Bank. The act encourages lenders to give particular attention to local housing and economic development needs in urban and rural areas. Increased sensitivity to such lending needs can help preserve, rehabilitate, and revitalize such neighborhoods. While the act emphasizes credit for local housing and community development, it recognizes that other types of credit also provide for neighborhood vitality and, more generally, a healthy local community. Through the products and services offered by the bank, one of our objectives is to help create, retain or improve jobs for low- or moderate-income persons as well as stabilize or revitalize low- or moderate-income areas, even if the activities are not located in low- or moderate-income areas.

It is our objective to be evaluated on the overall performance of the Bank with regard to assessing the total needs of our community and making our best effort to use the resources of the Bank in satisfying those needs, particularly as such relates to low- and moderate-income areas.

Historically, the CRA regulations require the Board to review the Bank's CRA Statement at least annually and, as necessary throughout the year, adopt any appropriate additions or modifications to the document. We make this statement available to members of the public upon request. While this form of communication will no longer be a requirement under the new CRA assessment methods, we intend to continue the annual review and updating of this document for the foreseeable future.

The CRA Statement includes a delineated assessment area, or a map, of each local community serviced by the Bank. From an overview perspective, our Assessment Area coincides with the communities within which we generate a majority of our deposits as well as loans. Our overriding concern has and continues to be that we do not arbitrarily exclude from our designated market area, low- and moderate-income neighborhoods.

For the benefit of those who use this document, we have included a presentation of those credit vehicles or loans which the Bank is prepared to extend within our local community.

Our supervisory agencies have encouraged us to include other information which is considered to reflect the ongoing efforts of the Bank in identifying and meeting the needs of

the communities serviced. We, therefore, provide a description of how our current efforts, including special credit related programs, help to meet community credit needs, including a periodic summary of how these efforts and programs have impacted the community as a whole and in particular, low to moderate income sections of the service area. It is imperative that we maintain a well documented summary of our efforts to ascertain the credit needs of the community, to include meeting with community leaders, social service organizations, and particular ethnic or special interest groups representing low to moderate income areas and individuals.

As mentioned above, we must and do maintain what is referred to as a public comment file. This file must include the CRA Statements which have been in effect for the last two years and a copy of the Bank's most recent CRA Performance Evaluation. This is the section of the Compliance Examination performed by the federal or supervisory agency which may be made available to the public. Finally, this file contains all written comments received from the public within the last two years. These comments should relate to the CRA Statement, Performance Evaluation, or the institution's record of helping to meet the credit needs of the community.

In an effort to provide for easy access and review of all materials to be found in the public comments file, we have segmented the components into categories of documents. This should facilitate the review of this file by any individual. These categories include 1) the CRA Statement and CRA Notice, 2) the CRA Public Performance Evaluation submitted to the Bank as a result of the most recently completed Examination, 3) any adverse comments regarding our CRA performance which have been forwarded by our supervisory agencies or received directly by the Bank, 4) our responses to any adverse comments, 5) all notices or letters received as a result of our ongoing community involvement, 6) a list of services and hours of operation, and 7) the HMDA Disclosure Statement for the prior two calendar years.

PART I: FAIR LENDING AND EQUAL CREDIT OPPORTUNITY COMPLIANCE

The Bank believes in fairness in lending. We make credit available on a fair and consistent basis to all people and organizations who meet our lending standards without regard to race, color, religion, national origin, ancestry, sex, sexual orientation, marital status, familial status, disability, age, (provided the applicant has the capacity to enter into a binding contract), or because all or part of the applicant's income derives from any public assistance program.

The Board of Directors has made it clear to senior officers of the Bank and through them to all employees that the Bank will not discriminate, either directly or indirectly, in any facet of strategic planning, marketing, or the loan application, underwriting or approval process. We believe that all our customers and prospective customers deserve the very best products and services that we can give them. We are committed to assuring that our personnel make all potential customers feel welcome, and make all customers feel valued by us.

The President and COO, together with support personnel, will be responsible to perform a periodic review of the Bank's loan policies and procedures to determine if there are any direct or indirect biases. If such is found, a report will be made to the Chief Executive Officer of the Bank and appropriate as well as timely remedial measures undertaken.

The President and COO and his staff will also develop a training program for the Bank's lending personnel to assure that our employees are not inadvertently discriminating against

any loan applicants. Appropriate monitoring and review procedures will be implemented to ensure that any discrimination continues to be kept out of all lending decisions.

Every employee of the Bank is responsible for assuring nondiscrimination in his or her own work. Every manager is responsible for assuring it in his or her area. If we detect or have reason to suspect discrimination, we will promptly investigate the matter and take appropriate action, which may include reversal of the decisions of the individual(s) involved. We believe that this commitment to fairness is not only our obligation as a corporate citizen but is fundamental to good business practice.

Complaint Policy

Any written or verbal complaints that the Bank receives will get immediate attention. Complaints will be thoroughly reviewed, analyzed, investigated, and documented in terms of the facts noted and the resolution recommended. A letter will be sent to the complaining customer acknowledging the complaint and noting that a formal response will be forthcoming. After the internal review is completed, a letter will be provided to the customer. If the situation reflects significant error, monetary shortage to the customer, or other errors affecting the customer, a meeting will be requested to extend the Bank's personal apology and to indicate any corrective action and/or compensation for any harm caused. Each complaint will be dealt with in a fair and consistent manner and will be answered within 30 days.

For any comments or complaints received regarding the Bank's Community Reinvestment Act performance, a written response will be provided within 30 days of receipt of a letter.

If significant issues or concerns are raised, a meeting will be requested to discuss the areas of concern or complaint further.

The CRA Officer will maintain a log of all CRA related complaints or letters received.

Denial Policy

Denials are considered a lost opportunity to extend to a credit applicant. Because a certain amount of time is always invested in every credit application, a second level of review will occur for all credit denials. A second review process is established in each lending area to review all credit denials, as well as counteroffers which subsequently result in a withdrawn application, to determine whether flexible credit standards, alternative lending programs, or other opportunities could be used to meet the borrower's request. It is the Bank's policy to help potential borrowers obtain credit and, if feasible, to make exceptions to the Bank's policy, provided such exceptions are made fairly and in a nondiscriminatory manner.

Monitoring

To ensure compliance with the fair lending laws, North Shore Bank will periodically monitor compliance through ongoing reviews as well as routine audits. Exceptions will be detailed and reported for corrective action. Monitoring procedures covering this area have been developed and are part of our compliance program.

Additionally, other Bank policies relating to noncredit products and services provided to the

community will be reviewed no less often than annually to ensure that the Bank's service standards, marketing techniques and solicitations, and responsiveness to customers are consistent and fair. In providing noncredit products and services, it will be the Bank's policy to maintain standards of delivery and treatment of customers that are fair and responsive to all potential customers, subject to regulatory guidelines and overhead cost considerations.

Periodically, noncredit products and services will be reviewed to ensure that they are meeting the needs of our customers and potential customers and are delivered in a fair, nondiscriminatory manner.

Training

Training is valuable for staff and directors. Attendance at training seminars provides an opportunity to learn from others by sharing differing points of view; it also creates a helpful network of contacts. Training is an excellent way to bring current concerns, issues, and problems to a forum for discussion and to determine ways to address various situations. The Bank views external training, in conjunction with North Shore Bank's internal training program, as a critical component of the overall training and educating of Bank personnel to ensure subsequent compliance with the fair lending regulations.

The Board of Directors will be presented an annual update of fair lending review and monitoring procedures. The results of periodic testing of Bank personnel and loan documentation will be reported to the Board.

PART II: MAP OF THE BANK'S ASSESSMENT AREA

The Bank's Assessment Area is delineated on exhibit #1 (labeled NSB Assessment Area) and attached. To ensure future growth and profitability, the Bank may develop secondary markets outside of its Assessment Area.

PART III: TYPES OF CREDIT AVAILABLE

The types of credit North Shore Bank can make available are limited by State and Federal Regulations. Economic conditions sometimes make it impossible or impractical to make certain types of loans. All financial institutions must, as a matter of law and prudent management, maintain a mix of different types of loans and investments. For these reasons, the Bank must invest its resources in certain kinds of loans and, accordingly, this may result in different types of credit being unavailable.

We offer the following types of credit:

- A. Residential Real Estate Loans (1-4 family units)
 - 1. Owner occupied
 - 2. Non-owner occupied
 - 3. Construction loans
 - 4. In-house First Time Homebuyer Program

B. Consumer Loans

1. Personal loans
5. Automobile loans
6. Overdraft protection
7. Collateral Loans
8. Credit Cards (Serviced by Elan Financial Services)

C. Home Equity Loans

1. Equity lines of credit
2. Equity loans

D. Housing Rehabilitation Loans

1. Subsidy loan programs, when available, in conjunction with local community development agencies. Such loans are administrated through local agencies.
2. MHFA loan programs.

E. First Time Homebuyer Loans

1. In-house owner occupied on 1-4 family & condominium residential no MI with 10% down payment.
2. Owner occupied Mass housing FTHB loans on Single family & condominium residential units for up to 97% financing.
3. Owner occupied Mass housing FTHB loans on 2-4 family residential units for up to 95% financing.
4. Mass housing FTHB Workforce Advantage (WFA 3.0) Down payment assistance program.
5. FHLB Equity Builder Program
6. FHLB Housing our workforce Program.
7. FHLB Lift Up Homeownership Program.
8. Home Possible & Home Ready Program.
9. Local cities and towns grant Programs.

F. Commercial Real Estate Loans

1. Non-owner occupied Residential (1-4 families)
2. Multi-family properties (5+ units)
3. Office, commercial, and industrial buildings (subject to area supply and demand and current economic climate).
4. Construction loans (subject to area supply and demand and current economic climate).

G. Small Business Loans

1. Lines of credit
2. Term loans
3. Letters of credit
4. SBA 504 Loan Program
5. SBA 7a Term Loans
6. SBA Express Line of Credit
7. Condo Association Loans

PART IV: COMMUNITY REINVESTMENT ACT NOTICE

Under the Community Reinvestment Act (CRA), the Federal Deposit Insurance Corporation (FDIC) and the Commissioner of Banks evaluate our record of helping to meet the credit needs of this community consistent with safe and sound operations. The FDIC and the Commissioner also take this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches, such as their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the FDIC and the Commissioner of Banks; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the FDIC publishes a nationwide list of

the banks that are scheduled for CRA examination in that quarter. This list is available from the Division of Supervision and Consumer Protection, Federal Deposit Insurance Corporation, New York Regional Office, 350 Fifth Avenue, Suite 1200, New York, NY 10118 and the Commissioner of Banks at 1000 Washington St., 10th floor, Boston, MA 02118-2218. You may send written comments about our performance in helping to meet community credit needs to Kevin M. Tierney, Chief Executive Officer, North Shore Bank, 248 Andover Street, Peabody, MA 01960 or to the Division of Supervision and Consumer Protection, Federal Deposit Insurance Corporation, New York Regional Office, 350 Fifth Avenue, Suite 1200, New York, NY 10118 and the Commissioner of Banks at 1000 Washington St., 10th floor, Boston, MA 02118-2218. Your letter, together with any response by us, will be considered by the FDIC in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the FDIC Regional Manager and the Commissioner of Banks. You may also request from the FDIC Regional Manager or the Commissioner an announcement of our applications covered by the CRA filed with the FDIC or the Commissioner of Banks.

PART V: ASCERTAINING COMMUNITY CREDIT NEEDS

Goals

It is the goal of this Bank to make an active effort to determine the credit needs of our community, including those individuals who fall into low- and moderate-income levels.

The CRA Officer and senior management will assure that this is done by identifying people who can speak to these needs, such as community organizations, state officials, nonprofit groups, businesses, and trade associations.

We recognize that understanding the community credit needs will not necessarily come to us automatically through the normal course of business. We will, therefore, strive to take special steps to assure that we get the needed input. We believe that making this kind of effort makes us a better bank by deepening our understanding of our market.

Brief Outline of the Program

The CRA Officer's responsibility will be to establish a program to assure that community organizations, state officials, nonprofit groups, businesses, and trade associations will be contacted. Officers, under an officer call program, will conduct face to face interviews and organize meetings to better ascertain the community's credit needs.

The Bank, through periodic CRA meetings, will be responsible, at the direction of the CRA Officer, to collate and disseminate information discussed at such meetings to senior management and bank staff.

PART VI: MARKETING AND THE USE OF INFORMATION ADDRESSING COMMUNITY CREDIT NEEDS

The Bank maintains an active marketing program by use of newspaper advertising for distribution of its lending and non-lending services and products.

The Bank directs its advertising to the community, but frequently targets products to specific segments. For example, the Bank reaches out to First Time Homebuyers using newspaper advertising. New products are put in place when our research among current customers and the real estate community indicate the need.

Targeting Specific Income Groups

The Bank has instituted a loan pre-qualification and pre-approval program, at no cost to anyone interested.

The Bank offers a fixed rate in-house First Time Homebuyer program with no MI with 10% down payment.

The Bank has established loan programs through Massachusetts Housing Finance Agency, as well as other appropriate agencies. It is our intent to participate in community education and housing programs outside of the Bank's own First Time Homebuyer program.

The Bank participates, through The Massachusetts Bankers Council, to cash checks for those persons receiving public assistance.

The Bank also offers a free checking and savings program for individuals who are 65 or older or 18 and younger.

The Bank will continue to respond to its community, through its marketing programs, so that it may continue to address the community's changing needs.

The bank offers a First Time Homebuyer workshop several times a year in conjunction with Harborlight Community Partners.

PART VII: GEOGRAPHIC DISTRIBUTION OF LENDING AND SERVICES

The Bank's delineated CRA Assessment Area contains all the following cities and towns:

Massachusetts

Amesbury Beverly Boxford Danvers Georgetown Groveland
Hamilton Haverhill Ipswich Lynn Lynnfield Melrose Middleton
Marblehead Merrimac Newbury Newburyport North Andover Peabody
Reading North Reading Rowley Salem Saugus Swampscott Topsfield
Wakefield West Newbury Wenham

New Hampshire

Newton Kingston East Kingston Kensington/South Hampton

The CRA Officer reviews on a periodic basis all mortgage and small business, and home equity lines/loans to determine if the Bank is adequately serving the community, especially in low to moderate income areas.

Branch Activities

The Bank provides, through its full-service main office and its full-service branches in Peabody, Danvers, Middleton, Salem, Saugus; Reading, Merrimac; Beverly and Newton, NH, the same uniform products, and services that are available at its main office. Hours of operation are reviewed once a year to determine convenience to our community. The branch managers monitor all activities at the branches and make recommendations to senior management as to changes to better meet the needs and convenience of the Bank's community. The Bank maintains the right, subject to the Commissioner of Banks approval, to open and close branches as part of its policy of having competitive and profitable full-service branches.

COMMUNITY DEVELOPMENT PROGRAMS

Participation in Local Programs

The Bank has, and will continue to, participate in local community development programs, especially those programs that help low to moderate income families. The Bank is especially interested in participating in loan programs that are aimed at economic development and job creation.

The Bank granted loans to several Community Development Programs. These loans are listed in **Appendix A**.

The Bank continues to review local community involvement and will be assessing further participation on community projects for housing and small business in addition to those listed below.

- Citizens Inn
- Danvers Affordable Housing Trust
- Danvers Educational Enrichment Partnership
- Harborlight Community Partners
- Haven from Hunger
- Beverly Bootstraps
- Girls Inc of Lynn and Boston
- North Shore Chamber of Commerce
- Peabody Main Streets
- Planning Office of Urban Affairs
- Massachusetts Community Banking Council
- Northeast Arc, Inc.
- YMCA Metro North
- YMCA of the North Shore

Contributions

The Bank contributes to numerous community organizations. **Appendix B**.

Community Leadership and Participation

Members of the Board of Directors, Corporators, President, and a number of our officers and employees serve or have served as Directors, Treasurers, and members of many public service organizations, without remuneration and in most instances, on their own personal time. Some of these organizations are listed in **Appendix C**.

Board of Directors

North Shore Bank has endeavored to structure its Board of Directors to include members who are representative of the entire community served by the Bank. The present Board of Directors represents seven cities and towns from our delineated community. The Board of Directors reviews, at least annually, the Bank's CRA Statement and sets the internal CRA policy. A CRA Committee, made up of selected members and Bank staff, meet periodically to review the Bank's lending and other officer's community activities.

Appendix A: Community Development Programs:

554 Western LLC
Lowell Community Loan Fund Inc
Massachusetts Business Development Corp
Massachusetts Housing Partnership
North Shore Community Health
One Sylvan LLC
Phoenix Ave Realty LLC
Puddingstone at Chestnut Hill
Vavel, LLC
Whiting Street LLC

Appendix B: Name of Organization

AgeSpan
Beverly Bootstraps
Boys and Girls Club of Lower Merrimack Valley
Boys and Girls Club of Greater Salem
Bridgewell
Citizens Inn
City of Salem
Create and Escape Art Foundation
Danvers Community YMCA
Essex County Community Foundation
Essex County Habitat for Humanity
First Parish Newbury Food Pantry
Girls Incorporated of Lynn
HAWC
Harborlight Community Partners
Lifebridge North Shore
Lynn Community Health Center
Mass Coalition for the Homeless – A Bed for Every child Program
Metro North YMCA

Mission of Deeds
My Brother's Table
Newhall Fields Community Farm
North Shore Children's Museum
North Shore Community Action Programs, Inc.
North Shore Community Development Coalition
Northeast ARC
Our Neighbors' Table
Pathways for Children
Planning Office for Urban Affairs
Sail Salem, Inc
Santa's Magic, Inc
The Open Door
The Salem Pantry
The Samaritan Charitable Society of Salem
YMCA of the North Shore

Appendix C: Name of Activity, Organization or Service

Beverly Council of Aging
Beverly Kiwanis Foundation
Beverly Main Streets
Beverly Rotary club
Center Elementary School
Citizens Inn
Danvers Community YMCA
Essex County community Foundation
Essex County Habitat for Humanity
Fisher & Fuel
Friends of the Salem Council on Aging
Greater Beverly YMCA
International Order of the Rainbow for Girls
Leap for Education
North Andover Lions
Northeast ARC
Order of the Eastern Star, Priscilla Chapter No 52
Our Neighbors Table
Peabody Education Foundation
Peabody Main Streets
Planning Office for Urban Affairs
Portuguese American for Higher Education, Inc
Salem State University Assistance Corp
Salem State University Foundation
Saugus Business Education Collaborative
Wakefield Assembly No 43
YMCA North Shore
YMCA of Metro North

Exhibit #1 NSB Assessment Area

CRA Assessment Area North Shore Bank - 2024

