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BUSINESS REGULATION
DIVISION OF BANKING

AUG 10 2022

July 27, 2022

VIA EMAIL AND FEDERAL EXPRESS

Mr. Scott Chu
Supervisory Analyst
The Federal Reserve Bank of Boston
600 Atlantic Avenue
Boston, Massachusetts 02210-2204

Dear Mr. Chu,

Enclosed please find an application on behalf of BankNewport, a Rhode Island state chartered bank, in connection with a proposed retail branch to be located at 1 Wake Robin Road, Lincoln Rhode Island 02865. In accordance with regulatory requirements, BankNewport will arrange for the required notice to be published in The Valley Breeze and The Newport Daily News.

Please contact me at 401.845.8709 or at hollie.lussier@banknewport.com should you have any questions.

Best regards,

A handwritten signature in dark ink, appearing to read "Hollie Lussier" with a stylized flourish at the end.

Hollie Lussier
EVP, Chief Legal and Compliance Officer

cc: Sara Paterson Cabral w/enc.



STATE OF RHODE ISLAND AND PROVIDENCE
PLANTATIONS DEPARTMENT OF BUSINESS
REGULATION DIVISION OF BANKING
233 RICHMOND STREET, SUITE 231 PROVIDENCE,
RHODE ISLAND 02903-4231
Telephone (401) 222-2405 - Fax (401) 222-5628

APPLICATION FOR APPROVAL TO
ESTABLISH AND MAINTAIN A BRANCH
OFFICE

PURSUANT TO RHODE ISLAND GENERAL LAWS TITLE 19, CHAPTER 2
APPLICATION IS HEREBY MADE BY:

Name of Applicant: BankNewport
Address: 10 Washington Square
City: Newport
State & Zip Code Rhode Island 02840

Mailing Address If Different:
184 John Clarke Road
Middletown, RI 02842

Telephone Number: (401) 845-8746

FOR WRITTEN CONSENT OF THE DIRECTOR OF BUSINESS REGULATION
("DIRECTOR") TO ESTABLISH AND MAINTAIN A BRANCH OFFICE AT:

Address: 1 Wake Robin Road
Lincoln
State & Zip Code: Rhode Island 02865

**ANSWERS MUST BE PROVIDED FOR EACH QUESTION CONTAINED IN THIS
APPLCAITON. USE SUPPORTING SCHEDULES WHERE NECESSARY.**

AN APPLICATION FEE BASED UPON HOURS SPENT BY THE DIVISION OF
BANKING REVIEWING AND PROCESSING THE APPLICATION MUST BE
SUBMITTED UPON RECEIPT OF A DECISION BY THE DIRECTOR.
APPLICATION COORDINATOR:

Name: Mary E. Leach
Title: Executive Vice President
Address: 184 John Clarke Road, Middletown, RI 02842
Telephone Number: (401) 845-8746
Date of Filing: July 27, 2022

SECTION ONE - PROPOSED BRANCH OFFICE

1. REASONS FOR ESTABLISHING THE PROPOSED BRANCH

BankNewport, a \$2.3 billion state chartered financial institution, maintains an 18-branch network in Bristol, Newport, Kent, Washington and Providence counties in Rhode Island. The Bank desires to establish a new retail space at 1 Wake Robin Road, Lincoln, Rhode Island. This site is located at the intersection of Wake Robin Road and West Greenville Rd (Route 116) and is adjacent to the entrance of a large retail shopping plaza known as Lincoln Mall. The proposed site is an un-developed Pad location at the entrance to a high traffic retail plaza.

Over the past five years, BankNewport has been executing on its Phase I strategic plan to grow organically and to establish a state-wide presence within the Rhode Island market. After completing an extensive market study in 2017, the decision was made to expand our Retail Branch office presence in the Providence/West Bay market which would gain the Bank an entrance into the Northern Rhode Island markets. The initiative officially began in March, 2013, when BankNewport established an LPO in the Chapel View shopping center in Cranston. This new LPO enabled the Bank to successfully attract mortgage loan customers from competing banks, many of whom also expressed a desire to have a branch facility located in the Cranston area. As a result of that success, on January 17, 2017, the Bank opened a full service retail branch in Chapel View, Cranston. Now in operation for the past five years, the Cranston Office is exceeding all financial projections. The Bank opened a loan production office in Cumberland, Rhode Island in August, 2017. The Bank has also actively expanded its commercial lending efforts outside of Newport County. New commercial customers also expressed a desire for the convenience of a nearby branch closer to the areas where they live and work.

Management realized that in order to continue to attract new retail deposits and to fund loan demand, new branches would have to continue to be built within the West Bay region and beyond. The Bank's market share within Newport County is 50%. Analysis shows that to invest additional dollars to attract new customers in Newport County, which is essentially a "mature market" for BankNewport, will be a slow and expensive process. The decision was made to continue to expand our presence contiguous to the West Bay market and management believes more branches are necessary to establish the "critical mass" needed to attract new customers and compete effectively with established financial institutions in these areas as well as new national competitors who are entering our markets i.e. Chase Bank. To support this growth, the Bank opened two new branches in 2018. Both of these branches are located in Providence. One in the financial district, the other is on Providence's east Side.

In November, 2019, BankNewport opened a branch in Johnston, Rhode Island. The geographic area has attractive demographics and is largely served by a mix of both community and national competitors i.e. (BankRI, Santander, TD Bank, Bank of America and Citizens). The Johnston Branch has been one of BankNewports most successful branch openings, with current deposits at \$34 million. We believe that BankNewport's products, services, and reputation for strong community involvement has been well received in the Johnston community.

In December 2021, BankNewport opened its newest branch location at 27 Strawberry Field Road, Warwick, Rhode Island. Since its opening, the branch has had tremendous success and is surpassing its year-to-date goal with \$11.5 million in deposits compared to its year-one goal of \$15 million in total new deposits.

2. PUBLIC CONVENIENCE AND DEMOGRAPHICS

Lincoln is a town in Providence County, Rhode Island. The population was 22,529 at the 2020 census. Lincoln is located in northeastern Rhode Island, north of Providence. Lincoln is part of the Providence metropolitan statistical area and the Greater Boston combined statistical area.

It is located approximately 7 miles north of downtown Providence, 7.1 miles northwest of Central Falls, Rhode Island and 36 miles south of Boston, Massachusetts. The racial makeup of the city is 87.1% White, 2.0% African American, 1.8% Native American, 0.0% Asian, 5.0% Hispanic or Latino, other 4.5%.

Lincoln Household Income:

- \$88,171 (Median 2020)

Lincoln Housing Data:

- Houses: 8,965
- 8,159 occupied:
- 5,614 owner occupied,
- 2,636 renter occupied
- % of renters here: 32% State: 38%
- Housing density: 492 houses/condos per square mile

3. AREA MAPS

Within a 5 mile radius of the proposed new branch, there are a number of competitor banks. We have included a map which identifies these banks and where within the radius of 1-5 miles they are specifically located. (Exhibits A1, A2, A3)

Of the four financial institutions within the immediate surroundings, they contribute approximately \$355 million in deposits as of December, 2021. This is driven by HarborOne with \$84.1 million, BankRI with \$99.5 million, Santander Bank with \$120.4 million, and Citizens Supermarket Branch with \$51.1.

4. SERVICES OFFERED

BANKNEWPORT PRODUCTS AND SERVICES

CONSUMER LOANS:

- Personal Loans (Unsecured)
- Personal Reserve (Overdraft Protection)
- Business Reserve Line of Credit
- Boat Loans
- Savings Account and Certificate of Deposit Loans
- Homeowner Equity Loans/Equity Lines of Credit
- Home Equity Loans/Equity Lines of Credit (Investment Property)

MORTGAGE LOANS:

- Residential (1-4 family properties): Conventional fixed rate and adjustable rate mortgages
- RIH (Rhode Island Housing) Mortgage Programs
- FHA Loan Programs
- FNMA fixed loan programs
- FNMA (Federal National Mortgage Association) Affordable Single Family Primary Jumbo Mortgages, fixed rate and adjustable rate
- Residential Construction/Permanent Mortgages
- Secondary Residence Mortgages
- Unimproved Land Mortgages
- Investment Property Mortgages (1-4 family properties)
- Other Affordable Housing Program Mortgages

COMMERCIAL LOANS:

- Business Loans: General
- Commercial Mortgages, including residential multifamily properties
- Commercial construction mortgages
- SBA (Small Business Administration) Guaranteed Loan Program
- SBA (Small Business Administration) 504 Loan Program
- Business Installment Loans
- Community Development Loans
- Commercial Lines of Credit
- Standby Letters of Credit
- Stock Secured Loans

DEPOSIT AND OTHER SERVICES:

Checking Accounts:
IOLTA Account
Business Select
Select Plus
Business Analysis
Business Non-Profit Checking
Free Checking
Smart Checking
Premier Checking

Savings Accounts:

Statement Savings
Goal Saver Account
Business Statement
Non-Profit Savings
Money Market Personal
Premium Money Market
Platinum Investment
Money Market Business
Certificates of Deposit (also “Relationship” special rates)

Individual Retirement Accounts:
Certificates of Deposits (with Relationship Pricing)

Merchant Services – Priority Payment Systems
Cash Management
Direct Banking
On-line Banking
Bill Pay (personal and business)
Mobile Banking
Personal Teller Machines (PTM's)
ATM/VISA Debit Card
ATM/VISA Business Debit Card
VISA Consumer Credit Card
VISA Business Credit Card
Zelle
Real Time Payments
Direct Deposit Banking
Wire Transfers
Night Depository
Notarization
Signature Guarantee
Foreign Drafts (Issuance and Collection)
Foreign Currency
E-Statements
ACH Origination

Payroll Services – CSC Paymaster
Standard Overdraft Practices
EVM Debit Cards (Chip)

Insurance Services:

OceanPoint Insurance
Property Casualty Insurance – Commercial Lines and Personal Lines
Life and Health Insurance – Group and Individual
Fixed Annuities

Investment Services

Ocean Point Investment Solutions

5. ANTICIPATED OPENING DATE

The anticipated opening date of the proposed Lincoln Branch is May, 2023. The exact date is dependent upon the construction schedule and the receipt of necessary approvals. The planned hours of operation are:

Lobby

Monday – Thursday 9:00a.m. – 4:30p.m.

Friday 8:00a.m. – 6:00p.m.

Saturday 9:00a.m. – 12p.m.

6. PROPOSED BRANCH FACILITIES

The proposed site is located at the entrance of Wake Robin Road and Route 116. The site is adjacent to the entrance of Lincoln Shopping Mall. The location is an existing 18, 654 square foot rough grade PAD site. The building will be 2,690 square feet. Access to the building and to all services offered will be handicap accessible.

Equipment will include two self-service drive-up Personal Teller Machine's (PTM's) including remote video teller service and an interior walk-up ATM, offices for Bank specialists to meet privately with customers; banker cash dispensers, lobby and waiting area. Photos of the proposed branch are attached as (Exhibits B1, B2, B3)

7. SITE DESCRIPTION

Lincoln is a town of approximately 22,000 people (2020) in Providence County, in Northeastern Rhode Island. It includes the villages of Manville, Lonsdale, Saylesville, Limerock, Albion, Fairlawn, and Quinville. It includes a radius of approximately 18.9 square miles. The largest employers in Lincoln include: Amica Insurance, WildTree Foods, PharmaCare Management and Twin River Casino.

STAFFING

The following staffing plan is anticipated for this branch

<u>Position Title</u>	<u>FTE</u>	<u>Duties</u>
Branch Manager	1	Organizes, coordinates and supervises the customer service, sales and operational activities of the branch. Manages all branch sales goals; leads, educates, coaches and motivates branch staff to recognize and fulfill sales and service expectations. Actively makes sales calls on existing and potential customers. Serves as loan officer and originates consumer loans. Maintains an active participation in community affairs. Keeps abreast of competitors and educates staff accordingly. Maintains knowledge of Bank and subsidiary products, services and promotions. Responsible for opening and closing of branch and ensuring that the branch operates effectively.
Relationship Bankers/	3	Opens new accounts, takes consumer loan applications, generates goodwill by building good customer relations, and suggests additional services to meet customers' needs or resolve their problems in conformance with established Bank policies and procedures.
Assistant Manager	1	The Assistant Branch Manager supports the Branch Manager by overseeing the efficient operation of the branch to ensure all operational functions are completely and properly performed.
Residential Loan Officer	1	The Residential Loan Officer (RLO) proactively solicits new residential mortgage business and sells mortgage products to meet established loan quality and production goals. In this on-going sales role, the Residential Loan Officer continually identifies, develops and maintains a quality network of business relationships that serves as a recurring source of referrals for new mortgage lending opportunities
Business Development Officer	1	The Business Development Officer (BDO) is responsible for cultivating relationships with prospects and generating new clients for Business Banking. The BDO prospects and networks in metropolitan markets to identify and develop new Business Banking client relationships with operating companies for the bank. The BDO maintains and builds a network of prospects by working with internal and external centers of influence, commercial referral sources, and prospect lists provided by marketing intelligence
Total	7	

9. MANNER OF OCCUPANCY

The proposed branch site will be leased by BankNewport from Wake Robin Square, LLC. A Rhode Island limited Liability Company. The lease term is for 15 years with 3 consecutive 5 year renewal options. Pursuant to the lease, the premises shall be used for a commercial bank, general office, and/or financial institution, which may include ancillary activities, including, without limitation, deposit gathering, loan production, wealth management, residential and commercial mortgage lending, personal financial planning, stock brokerage, insurance brokerage, title search and insurance, real-estate appraisal, and any other activities which may, from time to time, be customarily conducted at a financial institution branch, including the drive-thru PTM, and for no other purpose whatsoever.

10. INSIDER TRANSACTIONS DISCLOSURE

BankNewport's Board of Directors has reviewed whether or not any insider involvement exists in connection with the establishment and maintenance of this proposed branch office, and whether any direct or indirect inducements were provided to insiders. No evidence of any such involvement was found. (See Board of Directors resolution attached hereto as Exhibit C)

11. PUBLICATION

An affidavit of publication will be filed after the application is submitted.

SECTION TWO - SERVICE AREA

1. COMMUNITIES TO BE SERVICED

Residents, businesses, and all customers working within or visiting Lincoln or the surrounding cities of Smithfield, North Smithfield, Central Falls, or Cumberland will be primarily served by the proposed branch.

2. MARKETING EFFORTS

The BankNewport marketing effort will consist of a strong outreach to local non-profit organizations for sponsorship opportunities as well as target marketing of all bank products, loan programs and services to all area communities. Local newspaper advertising campaigns, local direct mail campaigns, as well as ongoing statewide radio and television campaigns will be used. Special pre-opening and grand-opening product promotions will be provided as well as, ongoing bank-wide promotional offers from time to time. The Bank's website will carry a spotlight page for our newest branch office and also bank employees will be encouraged to participate and support community events on a regular basis.

3. NEW NET BENEFITS

BankNewport anticipates several benefits from the establishment of a new branch office at 1 Wake Robin Road Lincoln, Rhode Island.

- Better service to existing customers. Establishing a retail branch in the town of Lincoln moves the Bank closer to completing its Phase I goal of branch expansion and becoming a state-wide bank. Lincoln is a town, contiguous to the Bank's current footprint. Expanding into Lincoln/northern Rhode Island allows BankNewport to bring its brand, products and services to a new and vibrant market with existing customers and the opportunity to grow and develop new customers and new households.
- Ability to attract new customers. BankNewport actively utilizes television and radio advertisements to increase name recognition statewide. Management believes that its products, services, reputation, and the proposed location will attract new customers whose needs are not being fully met by current competitors, and present a new convenient location for the Bank's existing customers. Branch bankers and business partners will optimize their referral networks for prospecting new customers and business development.
- Deliver a different kind of customer experience. The new branch will have an exterior design consistent with an urban banking center. Technology will be utilized to streamline transactions in order to allow Relationship Bankers to focus on having conversations with customers to uncover individual needs and provide solutions.
- Ability to cross-sell additional financial services. OceanPoint Insurance Agency, Inc. is a subsidiary and partner with BankNewport in the delivery of financial services to individuals and businesses. Bank customers who visit the new branch will be able to purchase a full line of personal and commercial insurance products. In addition, customers will have a broad range of investment options offered to them through Ocean Point Investment Solutions, Inc.

4. FAIR LENDING ("FL") AND COMMUNITY REINVESTMENT ACT ("CRA") RISK ANALYSIS

Proposed BankNewport Lincoln, RI Branch Fair Lending (FL) and Community Reinvestment Act (CRA) Risk Analysis

BankNewport performed a Fair Lending and Community Reinvestment Act risk analysis of the proposed new Lincoln Branch.

The proposed Lincoln Branch is in an upper income census tract. With the addition of the proposed Lincoln Branch, BankNewport's resulting branch foot print would have one (1) of its branches in a majority-minority census tract (MMCTs) and in a low-moderate-income (LMI) census tract. Having a limited number of branches in either MMCTs or LMI census tracts may increase the FL and CRA risk to the Bank.

However any potential risks are mitigated. When further assessing surrounding geographies to the Bank's branch footprint, the Bank has two (2) branches that border

four (4) MMCTs tracts and three (3) branches that border seven (7) LMI census tracts; these branches offer accessibility to both the MMCT and LMI census tracts as well as MMCT and LMI customers. Further, the Bank does ensure marketing materials and advertisements reach all areas of the Bank's Assessment Area (AA) – [entire State of RI] and community engagement, workshops and seminars are performed throughout the Bank's AA with specific events for majority-minority and LMI communities which is evident in the annual CRA and FL reviews conducted by the Bank's Compliance Management Department. The contiguous BankNewport branch locations to MMCT and LMI census tracts mitigates FL & CRA risks and this close geographic proximity to MMCT and LMI communities and borrowers provides additional benefit. In addition, the Bank maintains robust online and mobile banking platforms where consumers are able to open an account and/or submit a loan application. These platforms can be accessed by MMCT and LMI customers throughout the Bank's AA. Also, the Bank conducts annual fair lending and CRA training with all applicable staff, including executive management, to ensure an understanding of fair lending and CRA regulatory requirements throughout the Bank.

The Bank also maintains fair lending and CRA policies which will be enhanced prior to the planned opening of the Lincoln Branch.

Compliance Management conducted a review of the Bank's peers to determine the peer's branch locations as well as the percentage of their branch locations located in MMCTs and LMI census tracts. The Bank's peers used in this review are following: Bank of America, BankRI, Centreville, Citizens, Santander, and Washington Trust (see table 1).

The review concluded that, in regards to branching in MMCTs, the Bank is comparable to BankRI and Washington Trust and better than Centreville. In review of those banks for branching in LMI tract locations, these banks do exceed BankNewport's percentage of branch locations in LMI tracts. This is not unexpected as these Banks have been operating on the west side of Narragansett Bay for decades. In comparison to BankNewport whose primary area was Newport County and then proceeded with a conservative expansion northward and west into areas of RI where MMCTs are located.

Reviewing the national banks in the listing, BankNewport does lag their branch numbers in MMCT and LMI tracts, as does BankRI, Centreville, and Washington Trust which would be expected given the size and footprint of these national banks.

<i>Table 1</i>	Majority-Minority%			Tract Income				
	<50%	≥50%	%Maj/Min	Low	Moderate	% LMI	Middle	Upper
BankNewport*	18	1	5%	0	1	5%	9	9
Bank of America	20	5	20%	5	3	32%	10	7
BankRI	19	1	5%	0	6	30%	7	7
Centreville	9	0	0%		1	11%	2	6
Citizens	50	7	12%	3	13	28%	27	14
Santander	20	3	13%	4	2	26%	9	8
Washington Trust	23	1	4%	0	5	21%	8	11

* Includes Lincoln branch in count.

In addition to the other mitigating risk factors set forth above, BankNewport, as part of its strategic plan, is currently undertaking a branch expansion project in two phases. Phase I includes the successful expansion of its existing West Bay region and the entry into new markets north of Providence. The Bank's intent of Phase I is to successfully open up to six (6) new branches, expand the Bank's retail network to establish a state-wide footprint and achieve the financial targets established for each location. These financial targets include deposit growth, new loan originations and increased market share. The success of Phase I will provide the groundwork and support to move forward with Phase II.

Phase II of the branch expansion plan will focus on identifying neighboring communities in new markets where further retail opportunities exist. As the Bank's retail network grows, local real estate brokers and developers proactively bring new location opportunities to executive management for consideration. These site locations include, Pawtucket, Providence and Central Falls. As branch expansion progresses and transitions to Phase II, the Bank's focus will shift to "filling in" its new footprint with additional branch locations.

Conclusion

Opening the proposed Lincoln Branch may increase the Bank's FL and CRA risks as the proposed location is not in a MMCT or LMI census tract. However, this risk is mitigated by the fact that the Bank has numerous branch locations that are adjacent to MMCT and LMI census tracts that offer accessibility to financial services to MMCT and LMI customers. In addition, the Bank has a robust online banking and mobile banking presence where MMCT or LMI customers can open an account or apply for a loan. Also, the Bank maintains CRA and fair lending policies which it plans to enhance and conducts annual training with applicable staff, including branch, lending and executive management to ensure its colleagues have an understanding of fair lending and CRA regulatory requirements.

SECTION THREE - FINANCIAL INFORMATION

1. The estimated cost to construct the branch is: \$3,338,969
2. The list of items to be purchased and installed by BankNewport is as follows:

Furniture and Fixtures	\$75,000
PTMs/Recyclers	200,000
Security Equipment	80,000
Merchandising/Signage	60,000
Video Wall	50,000
IT/Telecommunications	50,000
Other Equipment	<u>50,000</u>
a.TOTAL	\$565,000

3. No deposits will be transferred to the proposed new branch office.
4. The following BankNewport Retail branch offices were opened within the last three years:

BankNewport
Johnston Office
2347 Hartford Avenue
Johnston, Rhode Island 02818
Opened for Business: November 2019

BankNewport
Warwick Office
27 Strawberry Field Road
Warwick, RI 02886
Opened for Business: December 2021

6. Provide the information requested below for each branch opened within the past three calendar years designated as Y1, respectively.

Johnston Branch Year 1

Projected Demand Deposits	\$4,050
Actual Demand Deposits	\$2,205,350
Variance	(\$1,844,650)

Projected Time Deposits	\$2,500
Actual Time Deposits	\$3,711,154
Variance	\$1,211,154

Projected Savings Deposits	\$8,200,000
Actual Savings Deposits	\$23,875,632
Variance	\$15,675,632

Projected Income	(\$492,700)
Actual Income	(\$650,017)
Variance	(\$157,317)

Warwick* Year 1

Projected Demand Deposits	\$2,650,000
Actual Demand Deposits	\$3,128,658
Variance	\$478,658

Projected Time Deposits	\$2,000,000
Actual Time Deposits	\$3,505,620
Variance	\$1,505,620

Projected Savings Deposits	\$10,700,000
Actual Savings Deposits	\$5,286,392
Variance	(\$5,413,608)

Projected Income	(\$618,501)
Actual Income	(\$347,100)
Variance	(\$271,401)

* Warwick is as of June, 2022 - 6 months of results
(Including net income).

Section 7 – Projected Financial Information

Address: Lincoln

	Year 1	Year 2	Year 3	Year 4	Year 5
<i>(in thousands)</i>					
Salaries & Benefits	\$ 459	\$ 482	\$ 507	\$ 522	\$ 537
Occupancy					
Rent	120	120	120	120	120
Property Tax	40	42	44	45	47
Utilities	27	28	29	30	31
Depreciation	87	87	87	87	87
Other Occupancy	91	96	100	103	106
Furniture, Fixtures & Equipment					
Depreciation	146	146	146	124	124
Operations					
Data Processing	23	25	26	27	27
Office Supplies	12	4	4	4	4
Postage	1	1	1	1	1
Insurance	1	1	1	1	1
Telephone	11	12	12	13	13
Marketing & Advertising	80	20	5	5	5
Other	24	25	26	27	28
Total Projected Operating Expenses	\$ 1,123	\$ 1,089	\$ 1,110	\$ 1,110	\$ 1,133

Section 8 – Projected Financial Information

	Year 1	Year 2	Year 3	Year 4	Year 5
<i>(in thousands)</i>					
Deposits					
Checking - Non-Interest Bearing	\$ 3,750	\$ 5,625	\$ 8,438	\$ 12,656	\$ 18,984
Checking - Interest Bearing	600	800	1,000	1,280	1,678
Money Market	11,000	18,447	20,148	23,635	27,171
Savings	700	1,050	1,575	2,363	3,544
Certificates of Deposit	2,000	2,775	3,589	4,679	6,144
Deposit - Earned Spread	27	121	244	457	691
Loans					
Residential	\$ 4,250	\$ 8,288	\$ 11,916	\$ 14,974	\$ 17,727
Consumer - HELOC	1,600	3,184	4,768	6,352	7,936
Consumer - Installment	500	925	1,286	1,593	1,854
Commercial	2,500	5,875	10,581	15,052	19,300
Loans - Spread Earned	32	133	286	451	610
Other Income	91	110	139	169	197
Expenses	1,123	1,089	1,110	1,110	1,133
Total Projected Pre-Tax Profit (Loss)	(973)	(726)	(442)	(32)	365
Income Taxes	(234)	(174)	(106)	(8)	88
Total Projected Net Profit (Loss)	(740)	(552)	(336)	(25)	278

Section 9 – Projected Financial Information

<i>(in thousands)</i>	Year 1	Year 2	Year 3	Year 4	Year 5
Total Assets	\$2,545,815	\$2,741,652	\$3,035,417	\$3,217,542	\$3,410,594
Average Assets	2,492,575	2,643,733	2,888,534	3,126,479	3,314,068
Projected Consolidated Bank Profit (Loss)	17,300	20,600	28,900	30,634	32,472
Return on Average Assets	0.69%	0.78%	1.00%	0.98%	0.98%
Fixed Assets to Total Assets	1.36%	1.28%	1.17%	1.11%	1.06%
Regulatory Capital:					
<i>Tier 1 leverage ratio</i>	10.53%	10.55%	10.50%	10.65%	10.80%
<i>Common Equity Tier 1 capital ratio</i>	12.87%	12.53%	12.41%	12.56%	12.71%
<i>Tier 1 capital ratio</i>	12.87%	12.53%	12.41%	12.56%	12.71%
<i>Total capital ratio</i>	13.69%	13.37%	13.27%	13.37%	13.47%

10. Provide a Balance Sheet and Statement of Income and Expenses dated not more than sixty (60) days from the date of application attested to by the president or treasurer.
(See attached financial information hereto as Exhibit D, pages 1-15)

SECTION FOUR - REGULATORY AND BOARD OVERSIGHT

1. OTHER REGULATORY AGENCIES

Division of Banking
R.I. Department of Business Regulation
1511 Pontiac Avenue, Bldg. 68-2
Cranston, RI 02920
Attention: Sara Paterson Cabral, Supervisor of Examinations
Telephone (401) 462-9503

Federal Deposit Insurance Corporation
Attention: Ellen Kosmicki, Case Manager
15 Braintree Hill Park #100
Braintree, MA 02184
Telephone (781) 794-5678

Federal Reserve Board
Attention: Scott Chu, Supervisory Analyst
600 Atlantic Ave #100
Boston, MA 02210

2. BOARD RESOLUTIONS

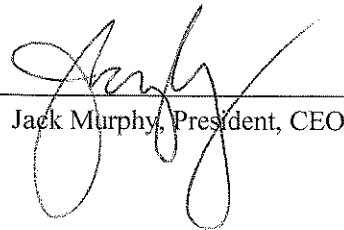
A certified copy of the resolution of the BankNewport Board of Directors authorizing the filing of this application, including the approval of the authorized expenditure and the name of the persons authorized to file the application is attached hereto as Exhibit E.

5.COMMUNITY REINVESTMENT ACT ("CRA")

A copy of BankNewport's most recent "Community Reinvestment Act Performance Evaluation" is attached hereto as Exhibit F.

4. OFFICER CERTIFICATION

I, Jack Murphy, President and CEO of BankNewport do hereby certify that the information contained within this application is true and that all schedules provided correctly represent the true state of the several matters contained within the application to the best of our knowledge and belief.



Jack Murphy, President, CEO

[illegible]

Exhibit A2: Area map of proposed new branch location

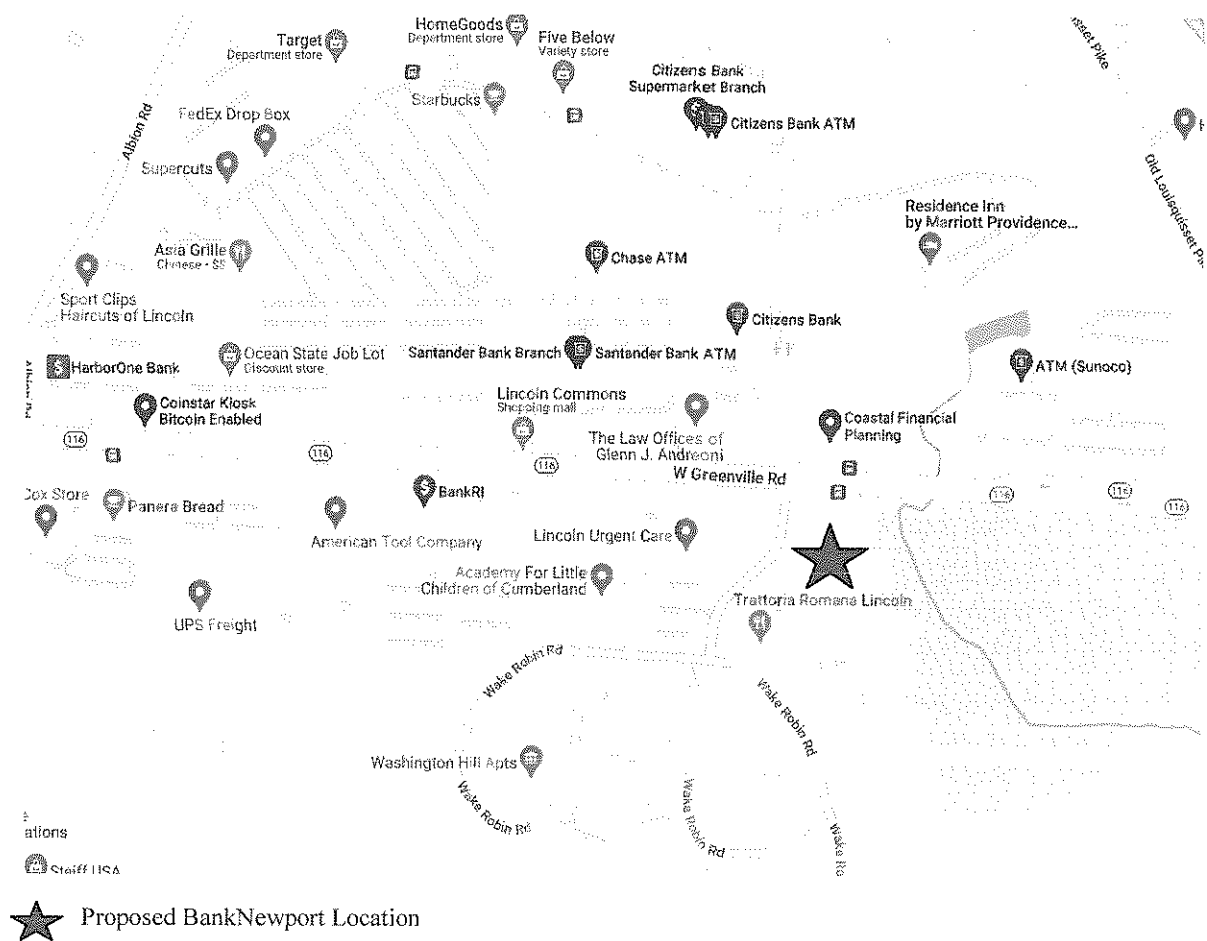


Exhibit B1: Proposed Aerial Site Plan: 1 Wake Robin Road



Exhibit B2: Interior Floor Plan

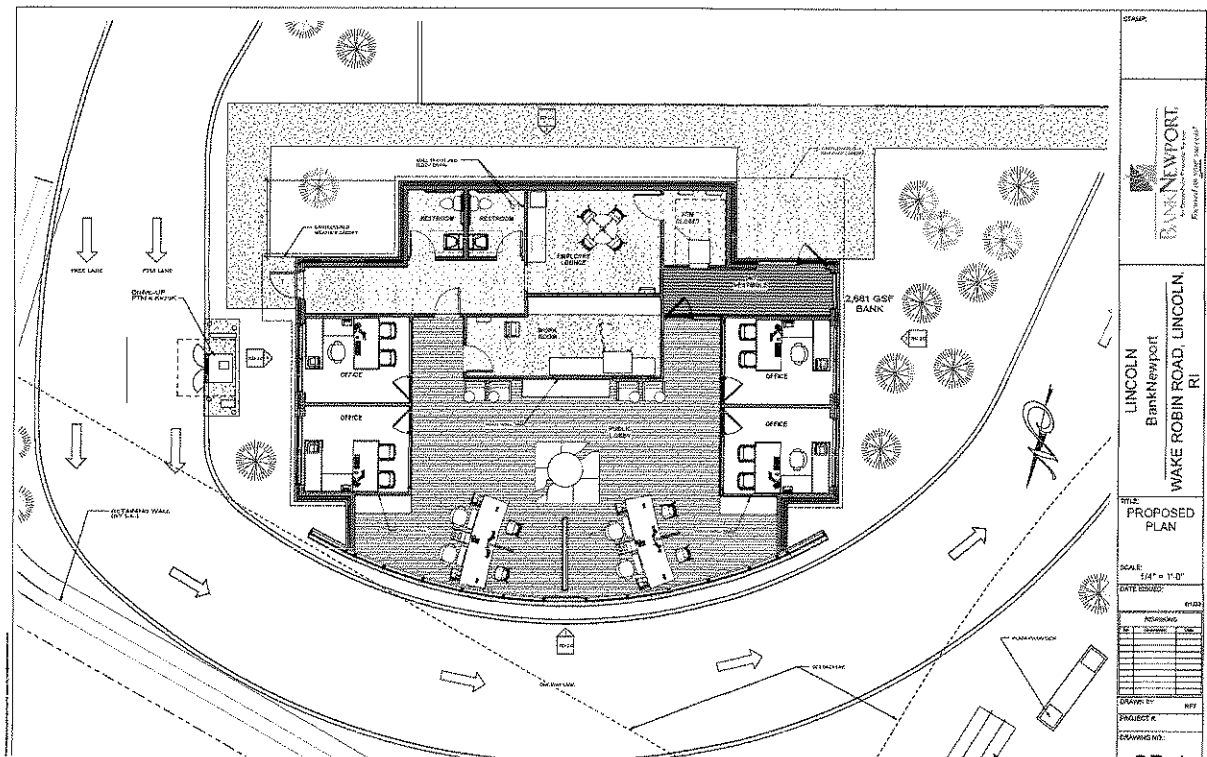
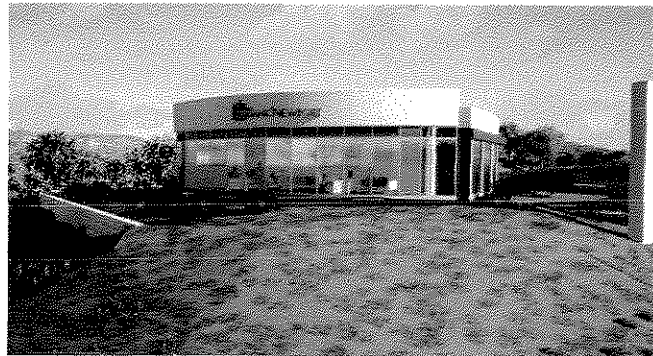


Exhibit B3: Exterior renderings including Drive-Up PTM



CERTIFICATE OF SECRETARY OF BANKNEWPORT

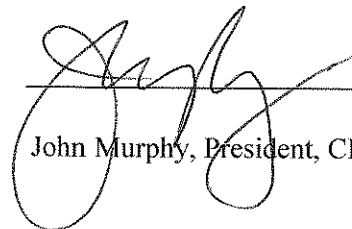
AS TO VOTE OF BOARD OF DIRECTORS

I, John Murphy, President, CEO of BankNewport, hereby certify that the following is a true copy of a resolution adopted by the Board of Directors of BankNewport at a regularly constituted meeting of that Board, duly called and held on July 27, 2022

WHEREAS, the Board of Directors of BankNewport, as the governing body of that Bank, has authorized an application to the Rhode Island Department of Business Regulation, Division of Banking, to establish and maintain a branch office at 1 Wake Robin Road, Lincoln, Rhode Island; and

WHEREAS, the application requires the Board of Directors to review any insider involvement in connection with the establishment and maintenance of the proposed branch office, it is hereby

RESOLVED: That the Board of Directors has made such a review to determine if any insider involvement exists and finds that there is no direct or indirect benefit to any insider as compensation or inducement in assisting or consummating the proposed branch office transaction



John Murphy, President, CEO

Exhibit D (1-15)
BANKNEWPORT CONSOLIDATED
 Detail Income Statement Monthly Comparison
 as of 7/18/2022 15:03:22

INTEREST INCOME												
	6/30/2022		May 2022		Cur vs Pri Mth		6/30/2022		June 2021		Cur vs Pri YTD	
	Cur Mth Activity	Pri Mth Activity	\$ Variance	% Variance	Cur YTD Activity	% Variance	Cur YTD Activity	Pri YTD Activity	\$ Variance	% Variance		
45901000 INT INC-FRB	3,861.35	2,094.86	1,766.49	84.33%	47,821.74	56,472.09	(8,650.35)	(15.32%)				
46000000 INT INC-FHLB IDEAL WAY	1.56	0.26	1.30	500.00%	2.89	2.78	0.11	3.96%				
46001000 INT INC-RAYMOND JAMES	95.31	12.80	82.51	644.61%	203.69	0.00	203.69	100.00%				
46010000 INT INC-PNC	1,278.35	850.77	427.58	50.26%	2,860.17	474.66	2,385.51	502.57%				
FED FUNDS SOLD & OVERNIGHT	5,236.57	2,958.69	2,277.88	76.99%	50,888.49	56,949.53	(6,061.04)	(10.64%)				
44300000 INT - US GOVT AGENCIES	155.17	155.56	(0.39)	(0.25%)	930.55	930.18	0.37	0.04%				
US TREASURY & AGENCY BOND	155.17	155.56	(0.39)	(0.25%)	930.55	930.18	0.37	0.04%				
44400000 INT - MBS - FIXED	239,428.27	238,440.29	987.98	0.41%	1,308,213.60	723,768.64	584,444.96	80.75%				
44410000 INT - MBS - VARIABLE	111,923.23	107,408.23	4,515.00	4.20%	615,449.06	289,766.22	325,682.84	112.40%				
MORTGAGE-BACKED SECURITIES	351,351.50	345,848.52	5,502.98	1.59%	1,923,662.66	1,013,534.86	910,127.80	89.80%				
44600000 INT - ASSET BACKED SECURITY	60,388.60	37,247.70	23,140.90	62.13%	215,464.97	87,542.82	127,922.15	146.13%				
ASSET-BACKED SECURITIES	60,388.60	37,247.70	23,140.90	62.13%	215,464.97	87,542.82	127,922.15	146.13%				
44901000 INT - COMMERCIAL MBS	9,932.49	8,245.70	1,686.79	20.46%	42,341.08	9,014.73	33,326.35	369.69%				
INT - COMMERCIAL MORTGAGE	9,932.49	8,245.70	1,686.79	20.46%	42,341.08	9,014.73	33,326.35	369.69%				
44500000 INT - CMO	2,722.93	2,834.15	(111.22)	(3.92%)	17,573.47	33,617.98	(16,044.51)	(47.73%)				
44501000 INT - NON AGENCY CMO	214,514.21	217,304.62	(2,790.41)	(1.28%)	1,092,934.22	181,041.76	911,892.46	503.69%				
COLLATERALIZED MORTGAGE C	217,237.14	220,138.77	(2,901.63)	(1.32%)	1,110,507.69	214,659.74	895,847.95	417.33%				
44700000 INT - CORPORATE BONDS	262,491.89	255,885.41	6,606.48	2.58%	1,536,985.44	1,458,697.83	78,287.61	5.37%				
CORPORATE BONDS	262,491.89	255,885.41	6,606.48	2.58%	1,536,985.44	1,458,697.83	78,287.61	5.37%				
44800000 INT - MUNICIPAL BONDS - FIXED	19,538.58	17,377.07	2,161.51	12.44%	103,303.04	140,917.55	(37,614.51)	(26.69%)				

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Detail Income Statement Monthly Comparison
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	6/30/2022	May 2022	Cur vs Pri Mth	Cur vs Pri Mth	6/30/2022	June 2021	Cur vs Pri YTD	Cur vs Pri YTD
	Cur Mth Activity	Pri Mth Activity	\$ Variance	% Variance	Cur YTD Activity	Pri YTD Activity	\$ Variance	% Variance
<u>INTEREST INCOME</u>								
45901000 INT INC-FRB	3,861.35	2,094.86	1,766.49	84.33%	47,821.74	56,472.09	(8,650.35)	(15.32%)
46000000 INT INC-FHLB IDEAL WAY	1.56	0.26	1.30	500.00%	2.89	2.78	0.11	3.96%
46001000 INT INC-RAYMOND JAMES	95.31	12.80	82.51	644.61%	203.69	0.00	203.69	100.00%
46010000 INT INC-PNC	1,278.35	850.77	427.58	50.26%	2,860.17	474.66	2,385.51	502.57%
FED FUNDS SOLD & OVERNIGHT								
	5,236.57	2,958.69	2,277.88	76.99%	50,888.49	56,949.53	(6,061.04)	(10.64%)
44300000 INT - US GOVT AGENCIES	155.17	155.56	(0.39)	(0.25%)	930.55	930.18	0.37	0.04%
US TREASURY & AGENCY BOND								
	155.17	155.56	(0.39)	(0.25%)	930.55	930.18	0.37	0.04%
44400000 INT - MBS - FIXED	239,428.27	238,440.29	987.98	0.41%	1,308,213.60	723,768.64	584,444.96	80.75%
44410000 INT - MBS - VARIABLE	111,923.23	107,408.23	4,515.00	4.20%	615,449.06	289,766.22	325,682.84	112.40%
MORTGAGE-BACKED SECURITIES								
	351,351.50	345,848.52	5,502.98	1.59%	1,923,662.66	1,013,534.86	910,127.80	89.80%
44600000 INT - ASSET BACKED SECURITY	60,388.60	37,247.70	23,140.90	62.13%	215,464.97	87,542.82	127,922.15	146.13%
ASSET-BACKED SECURITIES								
	60,388.60	37,247.70	23,140.90	62.13%	215,464.97	87,542.82	127,922.15	146.13%
44901000 INT - COMMERCIAL MBS	9,932.49	8,245.70	1,686.79	20.46%	42,341.08	9,014.73	33,326.35	369.69%
INT - COMMERCIAL MORTGAGE								
	9,932.49	8,245.70	1,686.79	20.46%	42,341.08	9,014.73	33,326.35	369.69%
44500000 INT - CMO	2,722.93	2,834.15	(111.22)	(3.92%)	17,573.47	33,617.98	(16,044.51)	(47.73%)
44501000 INT - NON AGENCY CMO	214,514.21	217,304.62	(2,790.41)	(1.28%)	1,092,934.22	181,041.76	911,892.46	503.65%
COLLATERALIZED MORTGAGE C								
	217,237.14	220,138.77	(2,901.63)	(1.32%)	1,110,507.69	214,659.74	895,847.95	417.33%
44700000 INT - CORPORATE BONDS	262,491.89	255,885.41	6,606.48	2.58%	1,536,985.44	1,458,697.83	78,287.61	5.37%
CORPORATE BONDS								
	262,491.89	255,885.41	6,606.48	2.58%	1,536,985.44	1,458,697.83	78,287.61	5.37%
44800000 INT - MUNICIPAL BONDS - FIXED	19,538.58	17,377.07	2,161.51	12.44%	103,303.04	140,917.55	(37,614.51)	(26.69%)

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Detail Income Statement Monthly Comparison
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	6/30/2022	May 2022	Cur vs Pri Mth	Cur vs Pri Mth	6/30/2022	June 2021	Cur vs Pri YTD	Cur vs Pri YTD
	Cur Mth Activity	Pri Mth Activity	\$ Variance	% Variance	Cur YTD Activity	Pri YTD Activity	\$ Variance	% Variance
MUNICIPAL BONDS	19,538.58	17,377.07	2,161.51	12.44%	103,303.04	140,917.55	(37,614.51)	(26.69%)
45000000 DIVIDEND INC-FHLB STOCK	11,157.92	10,141.31	1,016.61	10.02%	50,171.22	11,407.40	38,763.82	339.81%
45050000 DIVIDEND INC-FRB STOCK	13,454.75	13,454.75	0.00	0.00%	80,728.50	80,728.50	0.00	0.00%
45150000 DIVIDEND INC-CRA INVESTMENT	1,069.09	996.57	72.52	7.28%	5,477.62	6,672.73	(1,195.11)	(17.91%)
TRUST, STOCK & EQUITIES	25,681.76	24,592.63	1,089.13	4.43%	136,377.34	98,808.63	37,568.71	38.02%
TOTAL INVESTMENTS	952,013.70	912,450.05	39,563.65	4.34%	5,120,461.26	3,081,055.87	2,039,405.39	66.19%
40001000 INT - MTG FIXED - 15YR OR LESS	154,444.45	155,384.33	(939.88)	(0.60%)	947,693.32	831,219.47	116,473.85	14.01%
40002000 INT - MTG FIXED - 16+YR	703,246.84	789,024.55	(85,777.71)	(10.87%)	4,187,921.28	3,089,029.94	1,098,891.34	35.57%
40500000 INT - LOANS AVAIL FOR SALE	947.34	70.91	876.43	1,235.98%	14,169.00	64,522.94	(50,353.94)	(78.04%)
41010000 INT - MTG VARIABLE - 1YR	10,079.95	8,756.89	1,323.06	15.11%	57,799.79	64,392.08	(6,592.29)	(10.24%)
41020000 INT - MTG VARIABLE - 2-4YR	13,350.42	15,309.70	(1,959.28)	(12.80%)	81,275.44	103,434.04	(22,158.60)	(21.42%)
41030000 INT - MTG VARIABLE - 5-7YR	20,291.06	22,672.62	(2,381.56)	(10.50%)	141,834.58	230,804.59	(88,970.01)	(38.55%)
41030100 INT - MTG VARIABLE 5YR	20,972.70	19,754.59	1,218.11	6.17%	150,380.01	196,941.03	(46,561.02)	(23.64%)
41030200 INT - MTG VARIABLE 7YR	148,933.82	145,939.39	2,994.43	2.05%	864,862.46	1,072,871.22	(208,008.76)	(19.39%)
41031000 INT - MTG VARIABLE 8 - 9YRS	19,763.04	21,547.47	(1,784.43)	(8.28%)	127,849.58	209,339.55	(81,489.97)	(38.93%)
41040000 INT - MTG VARIABLE - 10YR	268,411.11	257,247.56	11,163.55	4.34%	1,448,130.53	1,506,478.20	(58,347.67)	(3.87%)
42100000 INT - RESIDENTIAL CONST-DLS	36,703.57	44,681.57	(7,978.00)	(17.86%)	246,438.24	256,079.80	(9,641.56)	(3.77%)
42105000 INT - INVESTOR SOLD LOANS	(623.02)	366.76	(989.78)	(269.87%)	3,970.03	(9,467.44)	13,437.47	141.93%
TOTAL MORTGAGES	1,396,521.28	1,480,756.34	(84,235.06)	(5.69%)	8,272,324.26	7,615,645.42	656,678.84	8.62%
42410000 INT - NPT LINE COMM'L-UNSEC	713.61	671.90	41.71	6.21%	3,752.43	4,235.29	(482.86)	(11.40%)
43010000 INT - SBA PPP LOANS	146,579.52	147,316.07	(736.55)	(0.50%)	1,012,786.42	4,503,441.65	(3,490,655.23)	(77.51%)
43011000 INT - CML LOANS FIXED	52,344.89	53,202.70	(857.81)	(1.61%)	306,715.36	311,803.34	(5,087.98)	(1.63%)
43020100 INT - CML LOAN - FHLB MONTHLY	0.00	0.00	0.00	0.00%	0.00	11,422.33	(11,422.33)	(100.00%)
43020200 INT - CML LOAN - FHLB 1YR	0.00	0.00	0.00	0.00%	0.00	2,010.05	(2,010.05)	(100.00%)
43020300 INT - CML LOAN - FHLB 5YR	51,522.44	53,223.48	(1,701.04)	(3.20%)	265,257.31	169,991.69	95,265.62	56.04%
43020500 INT - CML LOAN - PRIME RATE	1,243.80	1,307.01	(63.21)	(4.84%)	7,937.99	18,719.97	(10,781.98)	(57.60%)
43020600 INT - CML LOAN - OTHER VARIAB	205,405.39	213,032.76	(7,627.37)	(3.58%)	1,094,175.23	815,263.17	278,912.06	34.21%
43060000 INT - LINES OF CREDIT	151,233.99	141,703.61	9,530.38	6.73%	795,725.55	696,871.98	98,853.57	14.19%
43490000 INT - LOAN PARTICIPATION	324,647.61	356,212.56	(31,564.95)	(8.86%)	2,070,763.51	1,920,782.49	149,981.02	7.81%

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	Cur Mth Activity	Pri Mth Activity	\$ Variance	% Variance	Cur YTD Activity	Pri YTD Activity	\$ Variance	% Variance
43540000 INT - BAAPLEPIE CML LOANS	31,271.90	30,583.82	688.08	2.25%	104,532.01	0.00	104,532.01	100.00%
TOTAL COMMERCIAL LOANS	964,963.15	997,253.91	(32,290.76)	(3.24%)	5,661,645.81	8,454,541.96	(2,792,896.15)	(33.03%)
43500000 INT - CML CONSTRUCT LOANS	172,340.40	167,258.05	5,082.35	3.04%	896,055.68	642,979.47	253,076.21	39.36%
43550000 INT - CML MORTGAGES-FIXED	153,101.82	157,400.05	(4,298.23)	(2.73%)	871,492.52	669,531.07	201,961.45	30.16%
43580100 INT - CML MTG - FHLB MONTHLY	44,175.88	41,482.01	2,693.87	6.49%	228,305.26	221,409.91	6,895.35	3.11%
43580200 INT - CML MTG - FHLB 1YR	8,036.85	8,192.86	(156.01)	(1.90%)	41,780.70	58,949.92	(17,169.22)	(29.13%)
43580300 INT - CML MTG - FHLB 5YR	1,412,572.76	1,405,781.49	6,791.27	0.48%	8,152,247.64	7,732,270.38	419,977.26	5.43%
43580400 INT - CML MTG - UST 3-5 YR	133.78	139.80	(6.02)	(4.31%)	827.03	919.87	(92.84)	(10.09%)
43580500 INT - CML MTG - PRIME RATE	19,339.31	15,325.94	4,013.37	26.19%	93,497.91	169,305.61	(75,807.70)	(44.78%)
43580550 INT - CML MTG - HILLSIDE 1025	1,089.92	1,129.25	(39.33)	(3.48%)	6,628.72	6,800.31	(171.59)	(2.52%)
43580600 INT - CML MTG - OTHER VARIABLE	194,416.19	183,839.85	10,576.34	5.75%	1,051,683.97	1,256,603.98	(204,920.01)	(16.31%)
43580700 INT - CML MTG - INDEX FLOATS	30,243.74	28,471.03	1,772.71	6.23%	156,040.44	75,153.74	80,886.70	107.63%
43580750 INT - PARTICIPATION-NOT LEAD	553,675.28	555,649.89	(1,974.61)	(0.36%)	3,288,178.92	2,129,754.34	1,158,424.58	54.39%
43580800 INT - PARTICIPATION-LEAD BANK	101,518.14	111,735.64	(10,217.50)	(9.14%)	668,453.51	512,588.79	155,864.72	30.41%
TOTAL COMMERCIAL MORTGAG	2,690,644.07	2,676,405.86	14,238.21	0.53%	15,455,192.30	13,476,267.39	1,978,924.91	14.68%
42330000 INT - NEWPORT LINE - SEC	342,986.47	317,792.09	25,194.38	7.93%	1,800,892.16	1,816,021.80	(15,129.64)	(0.83%)
42350000 INT - NPT RESERVE LOANS	168.38	176.06	(7.68)	(4.36%)	1,077.56	1,091.88	(14.32)	(1.31%)
42355000 INT - PERSONAL RESERVE	1,832.26	1,774.58	57.68	3.25%	10,236.99	9,476.93	760.06	8.02%
42355010 INT - BOAT LOANS - FIXED	58,520.38	53,105.57	5,414.81	10.20%	282,126.62	110,895.35	151,231.27	136.37%
42355020 INT - BOAT LOANS - ADJ	10,676.38	11,079.92	(403.54)	(3.64%)	53,943.71	31,728.51	22,215.20	70.02%
42355021 INT - BOAT LOANS - CONSTRUCT	0.00	0.00	0.00	0.00%	17,404.37	20,702.47	(3,298.10)	(15.93%)
42355030 INT - AUTO LOANS - NEW	148.54	181.11	(32.57)	(17.98%)	1,060.72	819.82	240.90	29.38%
42355040 INT - AUTO LOANS - USED	343.63	394.43	(50.80)	(12.88%)	2,424.10	3,365.50	(941.40)	(27.97%)
42380100 INT - EQUITY FIXED - RI 1-5YR	1,545.63	1,149.82	395.81	34.42%	9,717.24	13,487.28	(3,770.04)	(27.95%)
42380200 INT - EQUITY FIXED - RI 6-10YR	13,286.43	13,368.32	(81.89)	(0.61%)	78,390.01	106,429.00	(28,038.99)	(26.35%)
42380300 INT - EQUITY FIXED - RI 11-15YR	58,603.12	56,329.89	2,273.23	4.04%	339,810.55	323,901.86	15,908.69	4.91%
42380400 INT - EQUITY FIXED - RI 16+YR	37,487.99	36,521.00	966.99	2.65%	205,918.05	159,196.69	46,721.36	29.35%
42380700 INT - EQUITY FIXED - MA 11-15YR	385.43	400.42	(14.99)	(3.74%)	2,386.36	2,145.28	241.08	11.24%
42380800 INT - EQUITY FIXED - MA 16+YR	584.07	590.18	(6.11)	(1.04%)	3,585.54	2,503.93	1,081.61	43.20%
42385000 INT - LENDING CLUB LOANS	708,332.56	666,856.76	41,475.80	6.22%	3,865,388.81	2,167,117.33	1,698,271.48	78.37%
42386000 INT - SOFI LOANS	8,898.47	10,071.49	(1,173.02)	(11.65%)	60,405.42	102,138.40	(41,732.98)	(40.86%)
42390000 INT - INSTALLMENT LOANS	1,108.51	1,118.48	(9.97)	(0.89%)	7,198.17	10,444.68	(3,246.51)	(31.08%)

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	Cur Mth Activity	Pri Mth Activity	\$ Variance	% Variance	Cur YTD Activity	Pri YTD Activity	\$ Variance	% Variance
TOTAL CONSUMER	1,244,908.25	1,170,910.12	73,998.13	6.32%	6,721,966.38	4,881,466.71	1,840,499.67	37.70%
46100000 DOCUMENT PREP FEES	0.00	0.00	0.00	0.00%	1,750.00	2,000.00	(250.00)	(12.50%)
46110000 LATE CHARGES ON INDIVIDUAL L	622.34	1,099.49	(477.15)	(43.40%)	5,333.11	7,001.73	(1,668.62)	(23.83%)
46120000 LATE CHARGES ON MORTGAGE	3,672.31	2,715.49	956.82	35.24%	27,568.13	33,157.90	(5,589.77)	(16.86%)
46121000 LATE CHARGES ON COMMERCIA	3,845.62	3,896.75	(51.13)	(1.31%)	20,883.98	40,371.83	(19,487.85)	(48.27%)
46130000 PREPAYMENT PENALTIES	16,748.41	16,301.25	447.16	2.74%	76,320.31	342,127.38	(265,807.07)	(77.69%)
46140000 INCOME ON LOC	5,300.00	6,800.00	(1,500.00)	(22.06%)	34,550.00	32,250.00	2,300.00	7.13%
46145000 BANCALLIANCE CML LOAN FEES	3,317.65	15,195.47	(11,877.82)	(78.17%)	26,706.16	9,549.60	17,156.56	179.66%
46160000 MODIFICATION, DISCHARGE & O'	11,100.00	116,601.36	(105,501.36)	(90.48%)	168,609.36	45,500.00	123,109.36	270.57%
LOAN FEES	44,606.33	162,609.81	(118,003.48)	(72.57%)	361,721.05	511,958.44	(150,237.39)	(29.35%)
TOTAL LOAN INCOME	6,341,643.08	6,487,936.04	(146,292.96)	(2.25%)	36,472,849.80	34,939,879.92	1,532,969.88	4.39%
TOTAL INTEREST INCOME	7,293,656.78	7,400,386.09	(106,729.31)	(1.44%)	41,593,311.06	38,020,935.79	3,572,375.27	9.40%
INTEREST EXPENSE								
50511000 INT EXP - IOLTA ACCOUNTS	1,209.67	1,296.12	(86.45)	(6.67%)	7,120.70	6,122.61	998.09	16.30%
50550000 INT EXP - PLAT CLUB	1,863.96	1,905.80	(41.84)	(2.20%)	10,253.28	11,722.60	(1,469.32)	(12.53%)
50690000 INT EXP - BN PREM RELATIONSH	8,121.84	8,236.45	(114.61)	(1.39%)	49,410.43	44,210.83	5,199.60	11.76%
INT EXP-TRANSACTION ACCTS	11,195.47	11,438.37	(242.90)	(2.12%)	66,784.41	62,056.04	4,728.37	7.62%
50740000 INT EXP - MONEY MRK PERSONA	12,742.93	13,470.65	(727.72)	(5.40%)	78,933.42	109,208.47	(30,275.05)	(27.72%)
50741000 INT EXP - BN PREM MONEY MARI	29,013.72	28,658.01	355.71	1.24%	165,011.62	154,165.39	10,846.23	7.04%
50743000 INT EXP - PREMIER BANKING PEI	3,062.34	2,552.24	510.10	19.99%	16,084.81	19,291.33	(3,206.52)	(16.62%)
50744000 INT EXP - PREMIER PERSONAL IV	58,377.07	58,200.77	176.30	0.30%	317,101.22	232,500.94	84,600.28	36.39%
50745000 INT EXP - MONEY MRK PROMO P	1,109.97	1,650.05	(540.08)	(32.73%)	12,467.81	6,325.21	6,142.60	97.11%
50750000 INT EXP - MONEY MRK BUSINES	4,166.86	4,320.61	(153.75)	(3.56%)	25,785.03	37,011.84	(11,226.81)	(30.33%)
50751000 INT EXP - PREMIER BANKING BU	4,177.84	4,410.46	(232.62)	(5.27%)	30,325.80	41,437.70	(11,111.90)	(26.82%)
50752000 INT EXP - PREMIER BUSINESS MI	14,973.34	15,537.86	(564.52)	(3.63%)	81,980.77	40,382.54	41,598.23	103.01%
50755000 INT EXP - MONEY MRK PROMO B	0.00	0.00	0.00	0.00%	0.00	0.51	(0.51)	(100.00%)
50760000 INT EXP - BN BUSINESS SELECT	5,683.85	6,047.27	(363.42)	(6.01%)	38,262.91	70,958.84	(32,695.93)	(46.08%)
50950300 INT EXP-ICS-MMK	15,567.79	13,848.39	1,719.40	12.42%	87,741.82	104,284.27	(16,542.45)	(15.86%)

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	Cur Mth Activity	Pri Mth Activity	\$ Variance	% Variance	Cur YTD Activity	Pri YTD Activity	\$ Variance	% Variance
INT EXP-MONEY MARKET ACCTS	148,875.71	148,696.31	179.40	0.12%	853,695.21	815,567.04	38,128.17	4.68%
50705000 INT EXP - STATEMENT SAVINGS	5,090.64	5,227.04	(136.40)	(2.61%)	30,336.13	27,152.58	3,183.55	11.72%
50710000 INT EXP - PLAT PARTNER SVGS	18,523.05	19,125.81	(602.76)	(3.15%)	113,979.13	140,670.72	(26,691.59)	(18.97%)
50720000 INT EXP - BUS/MUNI/STMT SAV	896.87	930.67	(33.80)	(3.63%)	5,964.98	4,878.32	1,086.66	22.28%
50735000 INT EXP - STAT STUDENT	18.87	18.90	(0.03)	(0.16%)	107.25	109.19	(1.94)	(1.78%)
50780000 INT EXP - CLUB ACCOUNTS	23.48	24.22	(0.74)	(3.06%)	140.55	105.71	34.84	32.96%
50940000 INT EXP - IRA SAVINGS	144.81	142.11	2.70	1.90%	811.59	557.82	253.77	45.49%
INT EXP-SAVINGS ACCTS	24,697.72	25,468.75	(771.03)	(3.03%)	151,339.63	173,474.34	(22,134.71)	(12.76%)
50805000 CERTIFICATE PENALTIES	(3,521.03)	(815.21)	(2,705.82)	(331.92%)	(20,272.49)	(20,855.36)	582.87	2.79%
50810000 INT EXP - 90 DAY CERTIFICATE	1,032.89	941.70	91.19	9.68%	4,981.90	3,192.39	1,789.51	56.06%
50820000 INT EXP - 6 MONTH CERTIFICATE	5,492.88	5,745.36	(252.48)	(4.39%)	31,195.91	24,321.25	6,874.66	28.27%
50825500 INT EXP - 8 MONTH CERTIFICATE	0.00	0.00	0.00	0.00%	1,212.27	54,411.34	(53,199.07)	(97.77%)
50850000 INT EXP - 11 MONTH CERTIFICATE	536.80	0.00	536.80	100.00%	536.80	89,819.22	(89,282.42)	(99.40%)
50860000 INT EXP - 1 YEAR CERTIFICATE	16,002.53	16,711.19	(708.66)	(4.24%)	92,961.41	55,423.99	37,537.42	67.73%
50865000 INT EXP - 13 MONTH CERTIFICATE	226.64	0.00	226.64	100.00%	226.64	0.00	226.64	100.00%
50870000 INT EXP - 15 MONTH CERTIFICATE	15,378.97	10,122.21	5,256.76	51.93%	47,063.47	236,796.04	(189,732.57)	(80.12%)
50880000 INT EXP - 18 MONTH CERTIFICATE	17,100.62	17,939.10	(838.48)	(4.67%)	100,575.50	338,460.44	(237,884.94)	(70.28%)
50890000 INT EXP - 2 YEAR CERTIFICATE	13,800.65	13,627.61	173.04	1.27%	79,520.58	60,094.43	19,426.15	32.33%
50900000 INT EXP - 30 MONTH CERTIFICATE	932.53	959.29	(26.76)	(2.79%)	6,448.96	9,049.89	(2,600.93)	(28.74%)
50910000 INT EXP - 3 YEAR CERTIFICATE	29,457.70	35,273.10	(5,815.40)	(16.49%)	323,434.49	1,126,410.75	(802,976.26)	(71.29%)
50920000 INT EXP - 4 YEAR CERTIFICATE	27,171.03	28,182.74	(1,011.71)	(3.59%)	174,088.60	57,959.53	116,129.07	200.36%
50930000 INT EXP - 5 YEAR CERTIFICATE	50,838.09	55,731.92	(4,893.83)	(8.78%)	369,383.91	509,018.15	(139,634.24)	(27.43%)
50931000 INT EXP - BUMP UP CD	0.00	0.00	0.00	0.00%	111.06	315.06	(204.00)	(64.75%)
50950100 INT EXP - CDARS	2,517.12	1,256.53	1,260.59	100.32%	3,773.65	463.37	3,310.28	714.39%
INT EXP-TIME DEPOSITS	176,967.42	185,675.54	(8,708.12)	(4.69%)	1,215,242.66	2,544,880.49	(1,329,637.83)	(52.25%)
TOTAL DEPOSIT INT EXPENSE	361,736.32	371,278.97	(9,542.65)	(2.57%)	2,287,061.91	3,595,977.91	(1,308,916.00)	(36.40%)
50000000 INT EXP - ESCROW	150.47	157.21	(6.74)	(4.29%)	920.61	900.03	20.58	2.29%
50100000 INT EXP - AMORT TERM ADV	24,148.01	24,212.05	(64.04)	(0.26%)	145,017.41	319,226.39	(174,208.98)	(54.57%)
50200000 INT EXP - BORR FUNDS-FHLB	85,791.65	88,651.40	(2,859.75)	(3.23%)	589,168.04	1,008,818.06	(419,650.02)	(41.60%)

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	Cur Mth Activity	Pri Mth Activity	\$ Variance	% Variance	Cur YTD Activity	Pri YTD Activity	\$ Variance	% Variance
50201000 INT EXP - OPTION ADVANCE	0.00	3,854.16	(3,854.16)	(100.00%)	34,687.50	46,506.95	(11,819.45)	(25.41%)
50250000 INT EXP - CASH MGR ADV	57,886.61	13,381.12	44,505.49	332.60%	72,924.79	0.00	72,924.79	100.00%
50260000 INT EXP - OTHER BORROWINGS	0.00	0.00	0.00	0.00%	0.00	10.00	(10.00)	(100.00%)
50400000 INT EXP - PROMISSARY NOTE	1,000.02	1,043.76	(43.74)	(4.19%)	7,834.24	19,076.20	(11,241.96)	(58.93%)
INT EXPENSE-BORROWINGS	168,976.76	131,299.70	37,677.06	28.70%	850,552.59	1,394,537.63	(543,985.04)	(39.01%)
TOTAL INTEREST EXPENSE	530,713.08	502,578.67	28,134.41	5.60%	3,137,614.50	4,990,515.54	(1,852,901.04)	(37.13%)
NET INT INC BEFORE LOAN LO	6,762,943.70	6,897,807.42	(134,863.72)	(1.96%)	38,455,696.56	33,030,420.25	5,425,276.31	16.43%
50990000 LOAN LOSS PROVISION	650,000.00	650,000.00	0.00	0.00%	1,800,000.00	500,000.00	1,300,000.00	260.00%
LOAN LOSS PROVISION	650,000.00	650,000.00	0.00	0.00%	1,800,000.00	500,000.00	1,300,000.00	260.00%
NET INT INC AFTER LOAN LOS	6,112,943.70	6,247,807.42	(134,863.72)	(2.16%)	36,655,696.56	32,530,420.25	4,125,276.31	12.68%
NON-INT INCOME								
46200000 COMMISSION PERS LINES	476,562.59	480,079.88	(3,517.29)	(0.73%)	2,478,132.69	2,439,525.72	38,606.97	1.58%
46210000 COMMISSION COMM'L LINES	350,484.78	373,476.31	(22,991.53)	(6.16%)	1,938,834.34	1,765,845.93	172,988.41	9.80%
46240000 CONTINGENCY COMMISSIONS	5,980.40	8,708.58	(2,728.18)	(31.33%)	998,088.04	730,107.62	267,980.42	36.70%
46270000 GROUP LIFE & HEALTH	20,195.22	27,542.66	(7,347.44)	(26.68%)	123,805.75	122,561.78	1,243.97	1.02%
INSURANCE & ANNUITY	853,222.99	889,807.43	(36,584.44)	(4.11%)	5,538,860.82	5,058,041.05	480,819.77	9.51%
46350000 MARINE VOLUME INCENTIVE	0.00	0.00	0.00	0.00%	51,519.37	0.00	51,519.37	100.00%
46351000 MARINE LENDING COMMISSIONS	412,011.46	332,973.46	79,038.00	23.74%	1,786,058.15	1,606,843.11	179,215.04	11.15%
46359000 OPML COMMISSIONS-CONTRA	(3,787.14)	(50,564.06)	46,776.92	92.51%	(123,406.35)	(88,276.84)	(35,129.51)	(39.79%)
46360000 COAST GUARD REGISTRATION F	29,645.00	44,399.00	(14,754.00)	(33.23%)	141,130.00	144,807.70	(3,677.70)	(2.54%)
46370000 MARINE DOC PREP FEES	85,735.78	110,149.02	(24,413.24)	(22.16%)	327,151.18	298,750.90	28,400.28	9.51%
MARINE LENDING INCOME	523,605.10	436,957.42	86,647.68	19.83%	2,182,452.35	1,962,124.87	220,327.48	11.23%
46405000 SVC CHG - STMT SVGS	8,427.24	8,305.76	121.48	1.46%	47,368.76	38,963.43	8,405.33	21.57%
46430000 SVC CHG - PLAT CLUB	20.00	20.00	0.00	0.00%	120.00	120.00	0.00	0.00%
46465000 SVC CHG - MONEY MRK PERSON	1,399.56	1,392.00	7.56	0.54%	7,820.36	7,380.90	439.46	5.95%

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46468000 SVC CHG - MONEY MRK PROMO	0.00	(10.00)	10.00	100.00%	0.00	(30.00)	30.00	100.00%
46469000 SVC CHG - BN PREM MONEY MK	648.00	694.00	(46.00)	(6.63%)	3,563.02	2,630.83	932.19	35.43%
46480000 SVC CHG - SIMPLY CHECKING	(430.00)	(173.88)	(256.12)	(147.30%)	(1,700.31)	(1,846.83)	146.52	7.93%
46481000 SVC CHG - BN FREE CHECKING	598.00	514.97	83.03	16.12%	2,655.65	2,672.78	(17.13)	(0.64%)
46482000 SVC CHG - BN SMART RELATION	10,378.95	10,214.84	164.11	1.61%	61,472.41	63,965.09	(2,492.68)	(3.90%)
46491000 SVC CHG - BN PREM RELATIONS	9,000.32	8,521.97	478.35	5.61%	50,431.91	51,252.19	(820.28)	(1.60%)
46495000 SVC CHG - STUDENT FOCUS	11.00	3.00	8.00	266.67%	133.01	127.90	5.11	4.00%
46510000 SVC CHG - CUSTOMER SERVICE	1,439.00	550.00	889.00	161.64%	6,782.50	11,558.53	(4,776.03)	(41.32%)
46515000 SVC CHG - O/D TRANS FM SAVIN	1,064.00	1,000.00	64.00	6.40%	6,210.00	4,664.00	1,546.00	33.15%
46520100 SVC CHG - NSF & OD INCOME	166,530.00	166,075.00	455.00	0.27%	929,584.28	733,744.01	195,840.27	26.69%
46520120 SVC CHG - NSF & OD FEE REVER	(3,295.00)	(3,885.00)	590.00	15.19%	(19,911.22)	(14,558.41)	(5,352.81)	(36.77%)
46520130 SVC CHG - NSF & OD FEE C/O	(9,290.01)	(9,938.24)	648.23	6.52%	(56,660.78)	(35,694.91)	(20,965.87)	(58.74%)
46520200 SVC CHG - UNCOLLECTED FUND	11,935.00	11,410.00	525.00	4.60%	56,875.00	45,710.00	11,165.00	24.43%
46525000 SVC CHG - CHECK CERTIFICAT	0.00	0.00	0.00	0.00%	0.00	(8.00)	8.00	100.00%
46530000 SVC CHG - CUSTOMER RETURNS	2,060.94	1,520.00	540.94	35.59%	10,166.83	6,689.91	3,476.92	51.97%
46535000 SVC CHG - STOP PAYMENT	2,490.00	2,550.00	(60.00)	(2.35%)	14,610.00	13,290.00	1,320.00	9.93%
46545000 SVC CHG - OD TRANS FM LOC	1,795.00	1,747.00	48.00	2.75%	10,411.00	9,757.00	654.00	6.70%
46546000 DORMANT FEES - PERSONAL	4,009.24	3,986.16	23.08	0.58%	23,151.35	23,919.11	(767.76)	(3.21%)
46550000 CHECKBOOK COMMISSIONS	15,510.31	11,103.27	4,407.04	39.69%	76,408.04	106,167.74	(29,759.70)	(28.03%)
46551000 CDARS FEE INCOME	651.10	1,139.44	(488.34)	(42.86%)	1,957.14	328.96	1,628.18	494.95%
47010000 SVC CHG - BUS/STATE/MUNI	401.19	585.00	(183.81)	(28.99%)	2,635.03	2,083.56	551.47	26.47%
47020000 SVC CHG - MONEY MRK BUSINE	532.00	349.00	183.00	52.44%	2,724.00	2,274.86	449.14	19.74%
47045110 SVC CHG - BN BUSINESS CHECK	11,460.32	11,418.22	42.10	0.37%	67,596.85	71,766.88	(4,170.03)	(5.81%)
47045120 SVC CHG - BN BUSINESS CHECK	6,051.00	5,760.44	290.56	5.04%	34,897.05	36,471.20	(1,574.15)	(4.32%)
47045130 SVC CHG - BN NON PROFIT CHE	90.50	38.70	51.80	133.85%	335.70	57.77	277.93	481.10%
47045140 SVC CHG - BN BUSINESS ANALY	8,037.85	7,474.81	563.04	7.53%	39,414.65	52,584.32	(13,169.67)	(25.04%)
47045200 DORMANT FEES - COMMERCIAL	789.64	755.00	34.64	4.59%	4,237.37	4,540.47	(303.10)	(6.68%)
47300000 MERCHANT ASSESSMENT	9,738.18	7,614.13	2,124.05	27.90%	44,510.29	38,619.04	5,891.25	15.25%
47310000 CREDIT CARD FEES	45,963.38	28,139.51	17,823.87	63.34%	157,255.40	122,565.35	34,690.05	28.30%
47310100 SHORELINE ATM/DEBIT CARD INC	0.00	0.00	0.00	0.00%	8.95	258.45	(249.50)	(96.54%)
47320000 DEBIT FEE - SIG CARD	269,380.47	402,372.11	(132,991.64)	(33.05%)	1,662,566.19	1,564,953.99	97,612.20	6.24%
47325000 POS FEES	36,220.93	34,404.18	1,816.75	5.28%	208,050.43	198,652.00	9,398.43	4.73%
47330000 ATM SURCHARGE FEES	18,133.50	17,066.00	1,067.50	6.26%	86,771.21	86,949.75	(178.54)	(0.21%)
47335000 ATM SURCHARGE REBATE	(11,242.47)	(10,375.67)	(866.80)	(8.35%)	(59,584.68)	(48,858.48)	(10,726.19)	(21.95%)
47350000 ATM INTERCHANGE FEES	(425.56)	(550.86)	125.30	22.75%	(2,412.47)	(1,783.90)	(628.57)	(35.24%)
47358000 ATM FOREIGN FEE INC	23,716.72	24,203.00	(486.28)	(2.01%)	133,999.19	122,233.39	11,765.80	9.63%

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47359000 THIRD PARTY ATM COMMISSIONS	230.50	189.00	41.50	21.96%	1,377.00	1,477.00	(100.00)	(6.77%)
47360000 ACH FEE INCOME	3,182.14	3,044.19	137.95	4.53%	17,921.92	15,897.60	2,024.32	12.73%
55800000 WAIVED CHECKBOOK CHARGES	(9,506.11)	(12,367.74)	2,861.63	23.14%	(70,124.42)	(86,239.05)	16,114.63	18.69%
SERVICE CHARGES & ATM/CAR	637,706.83	736,839.31	(99,132.48)	(13.45%)	3,563,628.61	3,255,308.42	308,320.19	9.47%
47110000 GROUP INS. TRUST INC.	62,200.00	10,000.00	52,200.00	522.00%	265,910.00	289,910.00	(24,000.00)	(8.28%)
GROUP INSURANCE TRUST	62,200.00	10,000.00	52,200.00	522.00%	265,910.00	289,910.00	(24,000.00)	(8.28%)
47200000 SERVICE FEES - MORT SOLD	81,578.27	82,972.67	(1,394.40)	(1.68%)	492,397.86	501,125.15	(8,727.29)	(1.74%)
47220000 AMORTIZATION OF MSR	(61,769.87)	(45,841.64)	(15,928.23)	(34.75%)	(310,986.22)	(404,171.91)	93,185.69	23.06%
47270000 COLLECTION INCOME	2,000.00	1,000.00	1,000.00	100.00%	6,000.00	7,000.00	(1,000.00)	(14.29%)
47271000 MORTGAGE CUSTOMER SERVIC	1,926.00	1,250.00	676.00	54.08%	7,507.06	21,794.60	(14,287.54)	(65.56%)
49400000 PROV MARKET LOSSES - MSR	(6,334.88)	0.00	(6,334.88)	(100.00%)	37,727.66	146,071.11	(108,343.45)	(74.17%)
LOAN SERVICING INCOME (EXPI	17,399.52	39,381.03	(21,981.51)	(55.82%)	232,646.36	271,818.95	(39,172.59)	(14.41%)
INTEREST RATE SWAP INCOME	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%
47600000 BOLI	40,768.96	42,899.46	(2,130.50)	(4.97%)	246,822.94	249,269.08	(2,446.14)	(0.98%)
BOLI INCOME	40,768.96	42,899.46	(2,130.50)	(4.97%)	246,822.94	249,269.08	(2,446.14)	(0.98%)
47800000 OP INV SOLUTIONS INCOME	8,817.45	3,616.31	5,201.14	143.82%	28,117.30	24,078.58	4,038.72	16.77%
OP INV SOLUTIONS INCOME	8,817.45	3,616.31	5,201.14	143.82%	28,117.30	24,078.58	4,038.72	16.77%
49200000 PROFIT & LOSS ON MORT SALES	5,521.25	29,503.85	(23,982.60)	(81.29%)	294,829.86	1,526,478.91	(1,231,649.05)	(80.69%)
49210000 P&L MORT DERIVATIVE	(20,533.01)	(109,161.12)	88,628.11	81.19%	(266,793.89)	(24,961.69)	(241,832.20)	(968.81%)
49211000 FAS91 DEFER COST RECAPTURE	(1,877.63)	(3,344.10)	1,466.47	43.85%	(34,493.10)	(119,923.78)	85,430.68	71.24%
49300000 PROFIT & LOSS ON SERV RIGHT	5,020.00	13,775.00	(8,755.00)	(63.56%)	191,075.45	461,476.52	(270,401.07)	(58.59%)
49700000 PROVISION MKT LOSSES-LIFS	0.00	17,943.75	(17,943.75)	(100.00%)	0.00	0.00	0.00	0.00%
GAIN/LOSS ON MORTGAGE SAL	(11,869.39)	(51,282.62)	39,413.23	76.85%	184,618.32	1,843,069.96	(1,658,451.64)	(89.98%)

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	Cur Mth Activity	Pri Mth Activity	\$ Variance	Cur YTD Activity	Pri YTD Activity	\$ Variance	% Variance
49005000 UNREALIZED GAIN/(LOSS)-EQUIT	(11,184.90)	2,796.22	(13,981.12)	(78,294.30)	(14,913.15)	(63,381.15)	(425.00%)
49100000 GAIN/(LOSS)-BONDS	0.00	0.00	0.00%	24,247.00	7,758.23	16,488.77	212.53%
GAIN/LOSS ON INVESTMENTS	(11,184.90)	2,796.22	(13,981.12)	(54,047.30)	(7,154.92)	(46,892.38)	(655.39%)
45950000 ICS ONE-WAY MMK INCOME	70.31	101.01	(30.70)	171.32	0.00	171.32	100.00%
47400000 SAFE DEPOSIT BOX RENTALS	16,418.65	15,506.56	912.09	98,920.60	103,751.36	(4,830.76)	(4.66%)
47410000 BN PERKS ENROLLMENT FEE	12,807.22	12,865.45	(58.23)	77,953.70	84,016.33	(6,062.63)	(7.22%)
47420000 MONEY ORDERS/CASHIERS CKS	2,103.00	2,032.00	71.00	11,928.00	11,768.00	160.00	1.36%
47450000 WIRE TRANSFER FEES	14,323.50	13,610.00	713.50	79,285.00	83,334.38	(4,049.38)	(4.86%)
47451000 FOREIGN CURRENCY FEES	414.50	317.50	97.00	1,728.13	0.00	1,728.13	100.00%
47452000 FOREIGN WIRE SPREAD	4,178.71	3,327.86	850.85	15,615.93	603.67	15,012.26	2,486.83%
47500000 STUDENT LOAN REFERRAL FEES	0.00	325.24	(325.24)	1,221.36	0.00	1,221.36	100.00%
47510000 FOREIGN FEE INCOME	100.00	25.00	75.00	577.00	1,154.01	(577.01)	(50.00%)
47520000 LEVY,ATTACH & RECLAIM	0.00	0.00	0.00	0.00	225.00	(225.00)	(100.00%)
47540000 CASH MANAGEMENT SERVICES	3,554.31	3,488.20	86.11	18,819.85	10,616.59	8,203.26	77.27%
47550000 MISCELLANEOUS INCOME	570.15	229.00	341.15	3,596.70	4,534.65	(937.95)	(20.68%)
47558000 RENTAL INCOME	4,250.00	3,000.00	1,250.00	14,250.00	10,500.00	3,750.00	35.71%
49500000 GAIN/(LOSS)-DISPOSAL OF FIXE	0.00	0.00	0.00	909.04	0.00	909.04	100.00%
55801000 WAIVED SAFE DEPOSIT FEES	115.00	(150.00)	265.00	(348.33)	(124.00)	(224.33)	(180.91%)
OTHER INCOME	58,905.35	54,657.82	4,247.53	324,628.30	310,379.99	14,248.31	4.59%
TOTAL NON-INT INCOME	2,179,571.91	2,165,672.38	13,899.53	12,513,637.70	13,256,845.98	(743,208.28)	(5.61%)
NON INTEREST EXPENSE							
51000000 SALARIES	2,184,790.45	2,349,112.32	(164,321.87)	13,363,821.71	12,392,974.27	970,847.44	7.83%
51100000 SALARIES - OVERTIME	2,676.19	2,884.38	(208.19)	13,970.93	11,923.49	2,047.44	17.17%
51200000 EICP BONUS PLAN	188,539.87	188,539.87	0.00	1,204,482.74	1,008,748.42	195,734.32	19.40%
51201000 CML LENDING INCENTIVE	58,333.33	58,333.33	0.00	320,651.98	268,706.96	51,945.02	19.33%
51202000 VP BONUS PLAN	56,013.46	56,013.46	0.00	351,613.24	155,613.98	195,999.26	125.95%
51203000 OTHER PROGRAM INCENTIVES	158,804.37	8,554.37	150,250.00	279,858.74	43,500.00	236,358.74	543.35%
51250000 LONG TERM INCENTIVE PLAN	63,620.83	(36,809.17)	100,430.00	281,296.98	390,428.56	(109,131.58)	(27.95%)
51300000 DISCRETIONARY BONUS EXP	4,500.00	4,500.00	0.00	27,000.00	24,999.96	2,000.04	8.00%
51301000 RETAIL INCENTIVE	44,166.66	44,166.66	0.00	264,999.96	254,999.94	10,000.02	3.92%

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	Cur Mth Activity	Pri Mth Activity	\$ Variance	% Variance	Cur YTD Activity	Pri YTD Activity	\$ Variance	% Variance
51400000 COMMISSIONS	113,402.30	129,922.77	(16,520.47)	(12.72%)	885,114.88	1,146,428.56	(261,313.68)	(22.79%)
51500000 TEMPORARY HELP EXPENSE	1,460.00	0.00	1,460.00	100.00%	26,786.62	40,350.54	(13,563.92)	(33.62%)
51800000 FAS91 DEFERRED SALARIES	(118,375.00)	(115,140.00)	(3,235.00)	(2.81%)	(698,435.00)	(1,006,875.00)	308,440.00	30.63%
52800000 PAYROLL TAXES	188,218.12	158,856.08	29,362.04	18.48%	1,410,342.73	1,268,572.86	141,769.87	11.18%
SALARIES	2,946,150.58	2,848,934.07	97,216.51	3.41%	17,731,505.51	16,000,372.54	1,731,132.97	10.82%
51302000 EMPLOYEE RECOGNITION	2,557.55	1,016.49	1,541.06	151.61%	12,187.61	18,196.91	(6,009.30)	(33.02%)
51820000 FASB106 EXPENSE	361.75	361.75	0.00	0.00%	2,170.50	1,125.96	1,044.54	92.77%
52010000 CEO DEF COMPENSATION	12,500.00	12,500.00	0.00	0.00%	75,000.00	37,500.00	37,500.00	100.00%
52100000 NON-QUALIFIED PLAN EXP	3,628.82	3,628.82	0.00	0.00%	21,772.92	21,784.98	(12.06)	(0.06%)
52200000 SERP EXPENSE BOLI	23,293.66	23,293.66	0.00	0.00%	139,761.96	156,253.32	(16,491.36)	(10.55%)
52201000 SPLIT DOLLAR EXPENSE	4,148.33	4,148.33	0.00	0.00%	24,889.98	21,532.98	3,357.00	15.59%
52300000 401(K) BANK CONTRIBUTIONS	107,732.64	78,537.77	29,194.87	37.17%	506,580.65	488,672.26	17,908.39	3.66%
52400000 PROFIT SHARING PLAN	29,166.66	29,166.66	0.00	0.00%	174,999.96	125,000.00	49,999.96	40.00%
52500000 MEDICAL PLAN EXPENSE	239,118.04	238,149.94	968.10	0.41%	1,438,765.75	1,333,004.62	105,761.13	7.93%
52501000 DENTAL PLAN EXPENSE	(28,788.62)	(7,272.49)	(21,516.13)	(295.86%)	(9,371.83)	58,399.38	(67,771.21)	(116.05%)
52502000 VISION PLAN EXPENSE	644.93	381.83	263.10	68.91%	3,039.26	1,615.10	1,424.16	88.18%
52503000 GTL EXPENSE	6,722.69	(3,089.93)	9,812.62	317.57%	43,948.41	34,637.27	9,311.14	26.88%
52504000 HSA EMPLOYER FUNDING EXP	923.10	865.39	57.71	6.67%	27,057.72	0.00	27,057.72	100.00%
52600000 OTHER EMPLOYEE BENEFITS	740.88	740.88	0.00	0.00%	4,445.28	5,555.52	(1,110.24)	(19.98%)
52700000 EMP TUITION REIMBURSEMENT	0.00	5,520.00	(5,520.00)	(100.00%)	5,232.99	6,431.99	(1,199.00)	(18.64%)
52900000 WORKERS COMP EXPENSE	3,918.58	4,561.56	(642.98)	(14.10%)	25,182.26	24,801.63	380.63	1.53%
BENEFITS	406,669.01	392,510.66	14,158.35	3.61%	2,495,663.42	2,334,511.92	161,151.50	6.90%
TOTAL SALARIES & BENEFITS	3,352,819.59	3,241,444.73	111,374.86	3.44%	20,227,168.93	18,334,884.46	1,892,284.47	10.32%
53010000 DEPRECIATION - LAND IMPROVE	5,014.33	5,014.33	0.00	0.00%	30,085.98	29,172.72	913.26	3.13%
53015000 DEPRECIATION - BUILDINGS	22,720.90	22,720.90	0.00	0.00%	136,325.40	123,210.54	13,114.86	10.64%
53020000 DEPRECIATION - BUILDING IMPR	61,996.77	61,557.04	439.73	0.71%	369,174.70	371,139.53	(1,964.83)	(0.53%)
53025000 DEPRECIATION - LEASEHOLD	31,514.65	31,514.49	0.16	0.00%	188,334.60	150,570.67	37,763.93	25.08%
53030000 DEPRECIATION - BANK EQUIP	36,829.97	35,551.29	1,278.68	3.60%	213,302.36	175,145.19	38,157.17	21.79%
53035000 DEPRECIATION - FURN & FIX	40,052.38	39,986.11	66.27	0.17%	242,431.90	249,631.89	(7,199.99)	(2.88%)
53040000 DEPRECIATION - AUTO	705.76	705.76	0.00	0.00%	4,234.56	0.00	4,234.56	100.00%
53045000 DEPRECIATION - COMPUTER EQUI	29,381.91	29,465.99	(84.08)	(0.29%)	170,161.07	155,489.08	14,671.99	9.44%

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	Cur Mth Activity	Pri Mth Activity	\$ Variance	% Variance	Cur YTD Activity	Pri YTD Activity	\$ Variance	% Variance
53050000 DEPRECIATION - SOFTWARE	(28,374.69)	20,781.81	(49,156.50)	(236.54%)	63,491.48	83,601.12	(20,109.64)	(24.05%)
53100000 MAINT & REPAIR EXPENSE	79,260.63	59,719.90	19,540.73	32.72%	508,859.45	463,283.55	45,575.90	9.84%
53200000 PROPERTY TAX EXPENSE	60,823.07	68,685.03	(7,861.96)	(11.45%)	389,657.68	397,408.94	(7,751.26)	(1.95%)
53300000 UTILITIES EXPENSE	28,644.87	30,924.04	(2,279.17)	(7.37%)	265,039.09	253,871.37	11,167.72	4.40%
53400000 RENT EXPENSE	144,544.56	144,544.56	0.00	0.00%	865,051.15	844,924.11	20,127.04	2.38%
53500000 MISC OCCUPANCY EXPENSE	0.00	0.00	0.00	0.00%	0.00	9,499.93	(9,499.93)	(100.00%)
53600000 SECURITY MAINTENANCE	32,414.76	36,135.66	(3,720.90)	(10.30%)	171,608.58	104,248.41	67,360.17	64.62%
OCCUPANCY EXPENSE	545,529.87	587,306.91	(41,777.04)	(7.11%)	3,617,758.00	3,411,197.05	206,560.95	6.06%
54100000 FURN & FIX - LEASE EXPENSE	868.84	793.17	75.67	9.54%	3,750.84	2,863.40	887.44	30.99%
54310000 FURN & FIX - REPAIR & MAIN	1,249.78	1,825.21	(575.43)	(31.53%)	6,591.90	9,719.30	(3,127.40)	(32.18%)
54320000 EXPENSED FF&E	0.00	0.00	0.00	0.00%	0.00	2,356.32	(2,356.32)	(100.00%)
54350000 MOTOR VEHICLE MAINT EXP	5,549.35	5,433.60	115.75	2.13%	31,137.41	47,777.25	(16,639.84)	(34.83%)
54400000 PC EQUIPMENT EXPENSE	3,333.91	5,856.46	(2,522.55)	(43.07%)	27,133.10	13,010.16	14,122.94	108.55%
FURNITURE & FIXTURE	11,001.88	13,908.44	(2,906.56)	(20.90%)	68,613.25	75,726.43	(7,113.18)	(9.39%)
54200000 IT LICENSE & MAINTENANCE FEE	171,503.80	249,723.82	(78,220.02)	(31.32%)	1,397,560.80	1,148,114.63	249,446.17	21.73%
55000000 CORE PROC & ENHANCEMENTS	98,311.10	115,146.16	(16,835.06)	(14.62%)	654,754.49	556,345.10	98,409.39	17.69%
55010000 CARD@ONCE EXPENSE	178.33	961.62	(783.29)	(81.46%)	11,340.53	17,408.05	(6,067.52)	(34.85%)
55100000 OFFICE SUPPLIES	26,701.68	12,560.76	14,140.92	112.58%	150,704.46	105,955.38	44,749.08	42.23%
55150000 POSTAGE EXPENSE	43,505.46	32,713.18	10,792.28	32.99%	194,026.83	258,301.69	(64,274.86)	(24.88%)
55151000 ARMORED CAR EXPENSE	18,438.20	17,249.00	1,189.20	6.89%	86,886.00	0.00	86,886.00	100.00%
55200000 INSURANCE EXPENSE	39,258.64	38,394.88	863.76	2.25%	226,661.20	214,123.59	12,537.61	5.86%
55300000 TELEPHONE EXPENSE	65,442.81	72,180.46	(6,737.65)	(9.33%)	406,962.43	394,105.31	12,857.12	3.26%
55400000 FDIC ASSESSMENT EXPENSE	53,141.29	53,333.33	(192.04)	(0.36%)	314,545.44	258,425.61	56,119.83	21.72%
OPERATIONS	516,481.31	592,263.21	(75,781.90)	(12.80%)	3,443,442.18	2,952,779.36	490,662.82	16.62%
55900000 ADVERTISING EXPENSE	166,809.63	100,936.19	65,873.44	65.26%	971,020.91	746,986.37	224,034.54	29.99%
55901000 WEB SITE MAINTENANCE	9,547.50	3,325.00	6,222.50	187.14%	53,052.09	47,872.42	5,179.67	10.82%
55910000 BUSINESS DEVELOPMENT EXP	41,628.23	135,047.24	(93,419.01)	(69.18%)	348,107.12	101,994.62	246,112.50	241.30%
MARKETING	217,985.36	239,308.43	(21,323.07)	(8.91%)	1,372,180.12	896,853.41	475,326.71	53.00%

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	Cur Mth Activity	Pri Mth Activity	\$ Variance	% Variance	Cur YTD Activity	Pri YTD Activity	\$ Variance	% Variance
56000000 RECRUITMENT EXPENSE	983.76	2,038.68	(1,054.92)	(51.75%)	18,165.64	5,204.03	12,961.61	249.07%
56100000 TRAINING EXPENSE	1,800.00	0.00	1,800.00	100.00%	22,318.25	40,180.02	(17,861.77)	(44.45%)
56400000 CONSULTANT FEES	77,028.32	72,907.90	4,120.42	5.65%	283,102.29	307,204.17	(24,101.88)	(7.85%)
56401000 ACCOUNTING & AUDIT EXPENSE	27,679.16	27,679.16	0.00	0.00%	134,565.46	133,856.50	708.96	0.53%
56402000 LEGAL EXPENSE	25,026.50	23,736.96	1,289.54	5.43%	90,553.31	61,571.14	28,982.17	47.07%
56600000 TRUSTEES & DIRECTORS FEES	42,000.00	42,000.00	0.00	0.00%	264,433.32	203,525.54	60,907.78	29.93%
56601000 N/Q PLAN - BOD	1,500.00	1,500.00	0.00	0.00%	9,000.00	6,624.00	2,376.00	35.87%
PROFESSIONAL	176,017.74	169,862.70	6,155.04	3.62%	822,138.27	758,165.40	63,972.87	8.44%
56500000 BUSINESS TRAVEL	6,968.34	24,504.25	(17,535.91)	(71.56%)	96,967.46	59,099.24	37,868.22	64.08%
56500100 CONFERENCE TRAVEL	(4,154.67)	(3,200.55)	(954.12)	(29.81%)	8,605.24	0.00	8,605.24	100.00%
56501000 AUTO ALLOWANCE	7,100.00	7,100.00	0.00	0.00%	44,100.00	37,500.00	6,600.00	17.60%
56505000 MEALS & ENTERTAINMENT (50%)	24,371.22	4,068.80	20,302.42	498.98%	80,295.03	31,594.83	48,700.20	154.14%
56510000 MEALS & ENTERTAINMENT (0%)	700.00	362.43	337.57	93.14%	1,642.43	1,200.00	442.43	36.87%
56515000 MEALS & ENTERTAINMENT (100%)	388.01	0.00	388.01	100.00%	2,028.01	0.00	2,028.01	100.00%
56620400 SALES EXPENSE	312.00	426.50	(114.50)	(26.85%)	2,037.50	2,864.16	(826.66)	(28.86%)
TRAVEL AND ENTERTAINMENT	35,684.90	33,261.43	2,423.47	7.29%	235,675.67	132,258.23	103,417.44	78.19%
56150000 EDUCATION & CONFERENCE EXP	3,900.06	5,719.26	(1,819.20)	(31.81%)	20,281.76	11,229.09	9,052.67	80.62%
56200000 PUBLICATNS & SUBSCRIP EXP	1,183.54	579.73	603.81	104.15%	5,854.26	4,878.74	975.52	20.00%
56300000 DUES & MEMBERSHIPS	11,623.80	9,959.53	1,664.27	16.71%	69,321.67	62,306.25	7,015.42	11.26%
EDUCATION AND PUBLICATION	16,707.40	16,258.52	448.88	2.76%	95,457.69	78,414.08	17,043.61	21.74%
56404000 INDEPENDENT SALES REP COMI	62,268.73	62,699.79	(431.06)	(0.69%)	305,999.88	364,829.44	(58,829.56)	(16.13%)
56405000 INDEPENDENT CONTRACTOR EX	0.00	0.00	0.00	0.00%	10,379.27	27,658.47	(17,279.20)	(62.47%)
58010000 MARINE LENDING REFERRAL EXI	61,390.88	66,187.62	(4,796.74)	(7.25%)	297,826.01	239,395.32	58,430.69	24.41%
58020000 COAST GUARD REGISTRATION E	7,647.02	3,718.98	3,928.04	105.62%	28,216.00	38,777.00	(10,561.00)	(27.24%)
58050000 MISC MARINE LENDING EXP	1,996.18	3,145.00	(1,148.82)	(36.53%)	12,457.24	10,991.52	1,465.72	13.34%
MARINE LENDING EXPENSE	133,302.81	135,751.39	(2,448.58)	(1.80%)	654,878.40	681,651.75	(26,773.35)	(3.93%)
55600000 MISC LOAN EXP	4,788.00	6,467.47	(1,679.47)	(25.97%)	40,489.05	47,374.02	(6,884.97)	(14.53%)
55650000 COMM'L & RES APPRAISAL EXP/C	(1,600.00)	(1,750.00)	150.00	8.57%	(8,415.00)	(3,267.01)	(5,147.99)	(157.58%)

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55650100 MORTGAGE UNDERWRITING FEE	(82.45)	(926.85)	(926.85)	844.40	91.10%	(151.72)	37,037.85	37,037.85	(37,189.57)	(100.41%)		
55680000 EQUITY/NPT LINES CLEARING	(25,299.45)	38,945.60	38,945.60	(64,245.05)	(164.96%)	(12,688.15)	3,842.31	3,842.31	(16,530.46)	(430.22%)		
55690000 MORTGAGE REFERRAL FEE EXP	3,176.00	70.00	70.00	3,106.00	4,437.14%	15,176.00	41,738.51	41,738.51	(26,562.51)	(63.64%)		
55700000 FLOOD ZONE DETERMINATION	(189.00)	(350.00)	(350.00)	161.00	46.00%	(546.00)	(2,527.00)	(2,527.00)	1,981.00	78.39%		
55750000 CREDIT REPORT EXPENSE	48.95	4,096.32	4,096.32	(4,047.37)	(98.81%)	9,787.33	8,465.43	8,465.43	1,321.95	15.62%		
55775000 TAX SERVICE FEE	992.00	454.00	454.00	538.00	118.50%	8,552.00	8,185.00	8,185.00	367.00	4.48%		
55775100 INVESTOR EXPENSE	964.00	1,052.00	1,052.00	(88.00)	(8.37%)	4,975.45	5,316.95	5,316.95	(341.50)	(6.42%)		
55776100 LLR COMMITMENT EXPENSE	1.00	0.00	0.00	1.00	100.00%	1.00	1,116.00	1,116.00	(1,115.00)	(99.91%)		
LOAN PRODUCTION EXP	(17,200.95)	48,058.54	(65,259.49)	(135.79%)		57,180.01	147,282.06	(90,102.05)	(61.18%)			
55830000 BN PERKS EXPENSE	7,272.75	7,249.60	7,249.60	23.15	0.32%	43,391.85	44,491.30	44,491.30	(1,099.45)	(2.47%)		
55831000 RDC SCANNER EXPENSE	(393.34)	398.13	398.13	(791.47)	(198.80%)	0.00	(467.15)	(467.15)	467.15	100.00%		
55841000 CASH BACK DEBIT REWARDS	14,864.24	14,617.01	14,617.01	247.23	1.69%	86,717.12	87,458.13	87,458.13	(741.01)	(0.85%)		
55845000 DEPOSIT ACCT/B@W INCENTIVE	1,300.00	3,250.00	3,250.00	(1,950.00)	(60.00%)	25,200.00	0.00	0.00	25,200.00	100.00%		
55850000 CDARS FEE EXP	2,137.53	3,433.77	3,433.77	(1,296.24)	(37.75%)	5,571.30	319.63	319.63	5,251.67	1,643.05%		
55852000 ICS MMK FEE EXP	10,325.67	11,656.98	11,656.98	(1,331.31)	(11.42%)	72,987.66	54,713.12	54,713.12	18,274.54	33.40%		
DEPOSIT PRODUCT EXPENSE	35,506.85	40,605.49	(5,098.64)	(12.56%)		233,867.93	186,515.03	47,352.90	25.39%			
57100000 COMMUNITY FUND CONTRIBUTIC	45,833.33	48,776.35	48,776.35	(2,943.02)	(6.03%)	284,943.00	249,999.96	249,999.96	34,943.04	13.98%		
57200000 MANAGEMENT CONTRIBUTIONS	8,566.66	5,377.66	5,377.66	3,189.00	59.30%	31,598.46	27,619.96	27,619.96	3,978.50	14.40%		
57250000 SPONSORSHIP EXPENSE	28,333.33	35,833.33	35,833.33	(7,500.00)	(20.93%)	178,419.98	157,500.00	157,500.00	20,919.98	13.28%		
CONTRIBUTIONS	82,733.32	89,987.34	(7,254.02)	(8.06%)		494,961.44	435,119.92	59,841.52	13.75%			
57304000 NPL PROPERTY EXP	0.00	60.00	60.00	(60.00)	(100.00%)	80.00	60.00	60.00	20.00	33.33%		
57304100 NPL LEGAL & COLLECTION EXPE	14,535.13	7,146.46	7,146.46	7,388.67	103.39%	44,263.18	31,412.63	31,412.63	12,850.55	40.91%		
REAL ESTATE / OREO	14,535.13	7,206.46	7,328.67	101.70%		44,343.18	31,472.63	12,870.55	40.89%			
57400000 ELAN ATM & CARD EXPENSE	31,693.10	28,544.12	28,544.12	3,148.98	11.03%	166,438.95	135,558.90	135,558.90	30,880.05	22.78%		
57400100 THIRD PARTY ATM LEASE EXP	450.00	450.00	450.00	0.00	0.00%	2,650.00	1,550.00	1,550.00	1,100.00	70.97%		
57400500 POS INTERCHANGE EXPENSE	3,846.85	3,642.79	3,642.79	204.06	5.60%	22,949.94	22,798.93	22,798.93	150.96	0.66%		
57400600 SIGNATURE INTERCHANGE EXPE	28,054.26	22,247.38	22,247.38	5,806.88	26.10%	222,049.69	196,966.64	196,966.64	25,083.05	12.73%		
57401000 SHORELINE ATM/DEBIT CARD EX	4,456.64	2,766.06	2,766.06	1,690.58	61.12%	20,386.71	27,162.93	27,162.93	(6,776.22)	(24.95%)		

BANKNEWPORT CONSOLIDATED

Detail Income Statement Monthly Comparison
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	6/30/2022	May 2022	Cur vs Pri Mth	6/30/2022	June 2021	Cur vs Pri YTD	Cur vs Pri YTD
	Cur Mth Activity	Pri Mth Activity	\$ Variance	% Variance	Cur YTD Activity	Pri YTD Activity	\$ Variance
57430000 ATM/PTM MAINT EXP	44,475.70	28,895.84	15,579.86	53.92%	244,472.78	134,066.78	110,406.00
	112,976.55	86,546.19	26,430.36	30.54%	678,948.07	518,104.23	160,843.84
ATM / CARD EXPENSE							31.04%
57410000 ONLINE BANKING EXPENSE	35,138.44	33,938.42	1,200.02	3.54%	199,087.85	206,777.22	(7,689.37)
57410100 ONLINE ACCOUNT SETTLEMENT	208.96	122.25	86.71	70.93%	841.01	711.55	129.46
57420000 ZELLE P2P EXPENSE	2,669.35	2,705.24	(35.89)	(1.33%)	11,293.51	11,886.96	(593.45)
57440000 ONLINE ACCOUNT OPENING EXP	1,703.86	2,018.39	(314.53)	(15.58%)	11,424.21	11,482.94	(58.73)
57440100 MOBILE BANKING EXPENSE	11,640.05	11,609.11	30.94	0.27%	66,065.53	55,280.59	10,784.94
57440200 MOBILE REMOTE DEPOSIT CAPT	5,086.65	5,292.36	(205.71)	(3.89%)	17,755.56	27,772.64	(10,017.08)
	56,447.31	55,685.77	761.54	1.37%	306,467.67	313,911.90	(7,444.23)
ONLINE SERVICE EXPENSE							(2.37%)
57500000 CASH OVER/SHORT	(316.26)	209.51	(525.77)	(250.95%)	(1,658.13)	(2,311.55)	653.42
57505000 ATM OVER/SHORT	(3,249.34)	(659.40)	(2,589.94)	(392.77%)	(6,364.32)	239.11	(6,603.43)
57510000 C/O & RECOV - BAD CKS	16,897.72	7,928.78	8,968.94	113.12%	108,627.45	62,758.98	45,868.47
57510100 SECURITY C/O & RECOVERY	116.00	(4,660.00)	4,776.00	102.49%	(8,561.12)	(5,376.07)	(3,185.05)
57520000 C/O - DEBIT CARD / ATM	4,203.96	19,504.11	(15,300.15)	(78.45%)	51,662.28	59,773.03	(8,110.75)
57540000 ZELLE LOSSES	749.99	4,436.66	(3,686.67)	(83.10%)	69,402.65	0.00	69,402.65
57581000 RECLAMATION LOSSES	0.00	0.00	0.00	0.00%	0.00	3,532.84	(3,532.84)
57582000 C/O - UNIDENTIFIABLE POD ITEM	0.00	0.00	0.00	0.00%	0.00	(0.01)	0.01
57590000 MISC PROFIT & LOSS	1,405.32	4,473.17	(3,067.85)	(68.58%)	11,790.70	6,597.21	5,193.49
	19,807.39	31,232.83	(11,425.44)	(36.58%)	224,899.51	125,213.54	99,685.97
LOSSES							79.61%
58420230 INTANG AMORT - JBL	875.00	875.00	0.00	0.00%	5,250.00	0.00	5,250.00
58420310 CUSTOMER LIST - RAYMOND	2,806.00	2,806.00	0.00	0.00%	16,836.00	0.00	16,836.00
58420400 CUSTOMER LIST - C&R	12,715.33	12,715.33	0.00	0.00%	76,291.98	0.00	76,291.98
58420500 CUSTOMER LIST - PAQUIN	3,174.82	3,174.82	0.00	0.00%	19,048.92	0.00	19,048.92
58420600 COVENANTS - C&R	0.00	0.00	0.00	0.00%	12,412.92	18,619.08	(6,206.16)
58420610 COVENANTS - PAQUIN	2,243.42	2,243.42	0.00	0.00%	13,460.52	0.00	13,460.52
	21,814.57	21,814.57	0.00	0.00%	143,300.34	149,506.50	(6,206.16)
INTANGIBLE AMORTIZATION							(4.15%)
58500000 GOODWILL EXPENSE	31,350.72	31,350.72	0.00	0.00%	188,104.32	188,104.32	0.00
58500100 GOODWILL EXP - MESSINGER	93.77	93.77	0.00	0.00%	562.62	562.62	0.00

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Detail Income Statement Monthly Comparison
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	6/30/2022	May 2022	Cur vs Pri Mth	Cur vs Pri Mth	6/30/2022	June 2021	Cur vs Pri YTD	Cur vs Pri YTD
	Cur Mth Activity	Pri Mth Activity	\$ Variance	% Variance	Cur YTD Activity	Pri YTD Activity	\$ Variance	% Variance
58500200 GOODWILL EXP - SMITH MACK	6,907.41	6,907.41	0.00	0.00%	41,444.46	41,444.46	0.00	0.00%
58500300 GOODWILL EXP - RAYMOND	1,041.67	1,041.67	0.00	0.00%	6,250.02	6,250.02	0.00	0.00%
58500400 GOODWILL EXP - C&R	8,719.08	8,719.08	0.00	0.00%	52,314.48	52,314.48	0.00	0.00%
58500500 GOODWILL EXP - PAQUIN	9,614.63	9,614.63	0.00	0.00%	57,687.78	57,687.78	0.00	0.00%
58501000 GOODWILL EXP - NON DEDUCTIE	11,956.14	11,956.14	0.00	0.00%	71,736.84	71,736.84	0.00	0.00%
58501100 GOODWILL NON-DED EXP - NUG	9,775.88	9,775.88	0.00	0.00%	58,655.28	58,655.28	0.00	0.00%
58501200 GOODWILL NON-DED EXP - M&C	2,186.54	2,186.54	0.00	0.00%	13,119.24	13,119.24	0.00	0.00%
GOODWILL EXPENSE	81,645.84	81,645.84	0.00	0.00%	489,875.04	489,875.04	0.00	0.00%
56710000 LICENSE AND TAXES	1,079.05	1,557.10	(478.05)	(30.70%)	6,121.89	7,755.39	(1,633.50)	(21.06%)
58000000 MISCELLANEOUS EXPENSE	1,534.37	1,911.62	(377.25)	(19.73%)	40,052.07	51,071.58	(11,019.51)	(21.58%)
58008000 BAD DEBT EXPENSE	56.74	121.45	(64.71)	(53.28%)	1,242.51	144.19	1,098.32	761.72%
58105000 CORRESPONDENT BANKING FEE	10,870.06	10,190.74	679.32	6.67%	61,978.49	63,383.46	(1,404.97)	(2.22%)
58200000 CORP OVERHEAD EXPENSE	(2,645.36)	(2,271.50)	(373.86)	(16.46%)	(13,403.58)	(40,292.78)	26,889.20	66.73%
58207000 PRIORITY PAYMENT EXPENSE	315.26	249.16	66.10	26.53%	2,597.89	2,062.46	535.43	25.96%
OTHER EXPENSES	11,210.12	11,768.57	(548.45)	(4.66%)	98,589.27	84,124.30	14,464.97	17.19%
TOTAL NON INT EXPENSE	5,425,006.39	5,503,907.36	(78,900.37)	(1.43%)	33,309,744.97	29,803,055.32	3,506,689.65	11.77%
PRE-TAX INCOME (LOSS)	2,867,508.62	2,909,572.44	(42,063.82)	(1.45%)	15,859,589.29	15,984,210.91	(124,621.62)	(0.78%)
65000000 FEDERAL INCOME TAX EXP	550,459.00	559,407.00	(8,948.00)	(1.60%)	3,032,121.00	3,195,651.00	(163,530.00)	(5.12%)
65100000 MA STATE TAX EXP	6,397.00	5,105.00	1,292.00	25.31%	24,893.00	34,327.00	(9,434.00)	(27.48%)
65200000 RI STATE TAX EXP	80,538.00	77,646.00	2,892.00	3.72%	389,028.00	836,667.00	(447,639.00)	(53.50%)
65250000 CT STATE TAX EXP	4,146.00	3,855.00	291.00	7.55%	17,714.00	26,661.00	(8,947.00)	(33.56%)
65300000 NJ STATE TAX EXP	467.00	467.00	0.00	0.00%	2,450.00	2,707.00	(257.00)	(9.49%)
65350000 NH STATE TAX EXP	1,043.00	1,040.00	3.00	0.29%	5,465.00	6,038.00	(573.00)	(9.49%)
65400000 MD STATE TAX EXP	1,477.00	1,343.00	134.00	9.98%	5,872.00	9,789.00	(3,917.00)	(40.01%)
FEDERAL & STATE TAXES	644,527.00	648,863.00	(4,336.00)	(0.67%)	3,477,543.00	4,111,840.00	(634,297.00)	(15.43%)
NET INCOME	2,222,981.62	2,260,709.44	(37,727.82)	(1.67%)	12,382,046.29	11,872,370.91	509,675.38	4.29%

CERTIFICATE OF SECRETARY OF BANKNEWPORT
AS TO VOTE OF BOARD OF DIRECTORS

I, Mary E. Leach, Secretary of BankNewport, hereby certify that the following is a true copy of a resolution adopted by the Board of Directors of BankNewport at a regularly constituted meeting of the Board, duly called and held on July 27, 2022:

RESOLVED: That the Board of Directors hereby authorize the filing of an application with the Rhode Island Department of Business Regulation, Division of Banking, for the establishment of a branch office located at 1 Wake Robin Road, Lincoln, Rhode Island, and we hereby authorize the President John Murphy to file such an application, and we further approve and authorize the expenditure of all funds necessary to the file said application and to establish a branch of BankNewport at the location.

A handwritten signature in cursive script, appearing to read "Mary E. Leach", is written over a horizontal line.

Mary E. Leach, Secretary

PUBLIC DISCLOSURE

January 24, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

BankNewport
RSSD #546003

184 John Clarke Road
Middletown, Rhode Island 02842

Federal Reserve Bank of Boston
600 Atlantic Avenue
Boston, Massachusetts 02210

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, 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.

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INSTITUTION'S CRA RATING: This institution is rated SATISFACTORY.

The following table indicates the performance level of BankNewport (or the bank) with respect to the Lending, Investment, and Service Tests.

	BANKNEWPORT		
	PERFORMANCE TESTS		
PERFORMANCE LEVELS	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			X
Low Satisfactory	X	X	
Needs to Improve			
Substantial Noncompliance			

**The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.*

The major components supporting the ratings in the above referenced table include:

Lending Test

- The bank demonstrates excellent responsiveness to credit needs in its assessment area, taking into account the number and amount of home mortgage and small business loans in its assessment area.
- The bank demonstrates a substantial majority of loans are made in the bank's assessment area.
- The bank demonstrates an adequate geographic distribution of loans in its assessment area.
- The bank demonstrates an adequate distribution, particularly in its assessment area, of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.
- The bank demonstrates an adequate record of serving the credit needs of highly economically disadvantaged areas in its assessment area, low-income individuals, or businesses with gross annual revenues of \$1 million or less, consistent with safe and sound banking operations.
- The bank demonstrates use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or geographies.
- The bank demonstrates it is a leader in making community development loans.

Investment Test

- The bank demonstrates an adequate level of qualified investments, particularly those that are not routinely provided by private investors, although rarely in a leadership position.
- The bank demonstrates occasional use of innovative or complex qualified investments.
- The bank demonstrates good responsiveness to credit and community development needs.

Service Test

- The bank demonstrates its service-delivery systems are reasonably accessible to geographies and individuals of different income levels in its assessment area.
- To the extent changes have been made, the bank's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals.
- The bank demonstrates its services (including, where appropriate, business hours) do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and low- and moderate-income individuals.
- The bank demonstrates it provides a relatively high level of community development services.

DESCRIPTION OF INSTITUTION

BankNewport is a mutual savings bank founded in 1819 and headquartered at 184 John Clarke Road, Middletown, RI. BankNewport is wholly-owned by OceanPoint Financial Partners, LLC, which is owned by OceanPoint Financial Partners, MHC. BankNewport has three wholly-owned subsidiaries: (1) OceanPoint Insurance Agency, an operating subsidiary that provides insurance products to retail and commercial customers; (2) BON Investment Services, Inc., a passive investment company that holds loans transferred from the bank for beneficial tax purposes; and (3) OceanPoint Investment Services, Inc. which is currently inactive.

The bank offers a full range of personal and business banking products and services, as well as asset management activities through its trust division. In addition to its main office, the bank operates 17 full-service branch locations, 7 ATM-only locations, 1 lending center, 1 loan production office, and 1 administrative and operations center. All branch offices are located in the Rhode Island portion of the Providence-Warwick, RI-MA, Metropolitan Statistical Area (MSA). The main branch is located at 10 Washington Square, Newport, RI. Since the previous examination on September 16, 2019, the bank has opened new branches in Johnston, RI, and Warwick, RI. Standalone ATMs were also added in Providence (2), East Providence (1), Newport (2), and Jamestown (1). The bank closed a branch in Quonset, RI, as well as a branch office in North Kingstown, RI. A standalone ATM at Wellington Square in Providence, RI was also closed.

As of September 30, 2021, BankNewport's assets total \$2.3 billion; with loans totaling \$1.6 billion and deposits totaling \$1.9 billion. Assets have increased from the last examination when, according to the FDIC's June 30, 2019 Consolidated Report of Condition and Income (Call Report), the bank had total assets of \$1.7 billion. Loans and deposits have also increased from the prior examination when both totaled approximately \$1.4 billion. The bank's balance sheet has shifted slightly since the previous examination when residential real-estate was the primary product category, at 50.6 percent of the portfolio. Currently, commercial lending accounts for the highest proportion, at 46.2 percent, with commercial real-estate, at 30.6 percent, and commercial and industrial lending, at 15.6 percent. Residential real-estate lending currently accounts for 42.9 percent of the portfolio, with 1-4 family residential lending accounting for 31.4 percent, revolving 1-4 family lending at 6.9 percent, and multi-family lending at 4.6 percent.

Refer to Table 1 for the breakout of the bank's loan portfolio.

Table 1 Loan Distribution as of September 30, 2020		
Loan Type	Dollar Amount \$ (000s)	Percent of Total Loans
Construction and Land Development	80,772	4.9%
Revolving 1-4 Family Residential	113,422	6.9%
1-4 Family Residential	518,869	31.4%
Multi-Family (5 or more) Residential	76,720	4.6%
Commercial RE	504,703	30.6%
Loans to finance agricultural production and other loans to farmers	184	0.0%
Total Real Estate Loans	1,294,670	78.4%
Commercial and Industrial	258,222	15.6%
Consumer	84,776	5.1%
Loans to nondepository financial institutions and other loans	12,680	0.8%
Total Loans	1,650,348	100.0%

Call Report as of September 30, 2021

Total percentages shown may vary by 0.1 percent due to automated rounding differences.

The bank offers a variety of products: mortgages, personal loans, student loans, and boat loans. The bank offers business banking, including debit and credit cards, residential real estate, and Small Business Administration (SBA) loans.

The bank's financial capacity, legal impediments, local economic conditions, demographics, and market competition are all considered when examining the bank's CRA performance. There are no legal impediments that would prevent the bank from fulfilling its responsibilities under the CRA. BankNewport operates primarily in the state of Rhode Island and competes with both regional and national financial institutions. While operating in a competitive market, the bank's market share and ranking in home mortgage and small business lending indicate the bank is competitive. Based on FDIC market share information, BankNewport was ranked 6th in market share of 20 institutions, with 4.5 percent of the deposit market share in the state. In terms of HMDA market share, according to aggregate data, the bank was ranked 16th of 420 institutions in 2019, and 15th of 440 reporters in 2020, who originated or purchased home mortgage loans in the state in those years. The bank ranked 23rd of 118 small business reporters in 2019, and 6th of 147 reporters in 2020.

The previous CRA evaluation was conducted on September 16, 2019, and the bank was rated "Satisfactory."

BankNewport has defined one assessment area for CRA purposes. The assessment area consists of the entire state of Rhode Island. The state is included in the Providence-Warwick, RI-MA MSA. The Providence-Warwick, RI-MA MSA is a multi-state MSA that includes all five counties in Rhode Island (Bristol County, Kent County, Newport County, Providence County, and Washington County), and one county in Massachusetts (Bristol County). All Rhode Island counties are included within the assessment area. The cities and towns within Bristol County are Barrington, Bristol and Warren. Kent County includes the cities and towns of Coventry, East

Greenwich, Warwick, West Greenwich, and West Warwick. Newport County includes the cities and towns of Jamestown, Little Compton, Middletown, Newport, Portsmouth, and Tiverton. Providence County includes the cities and towns of Burrillville, Central Falls, Cranston, Cumberland, East Providence, Foster, Glocester, Johnston, Lincoln, North Providence, North Smithfield, Pawtucket, Providence, Scituate, Smithfield, and Woonsocket.

Table 2 contains pertinent demographic data related to the bank's assessment area.

Table 2 Assessment Area Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	32	13.1	27,489	10.7	8,994	32.7	60,926	23.7
Moderate-income	37	15.2	36,796	14.3	7,133	19.4	41,351	16.1
Middle-income	96	39.3	105,935	41.1	6,764	6.4	50,087	19.4
Upper income	73	29.9	86,632	33.6	2,973	3.4	105,176	40.8
Unknown income	6	2.5	688	0.3	184	26.7	0	0.0
Total Assessment Area	244	100.0	257,540	100.0	26,048	10.1	257,540	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	52,862	11,170	4.5	21.1	33,997	64.3	7,695	14.6
Moderate-income	70,644	24,368	9.9	34.5	38,830	55.0	7,446	10.5
Middle-income	185,233	112,293	45.5	60.6	57,542	31.1	15,398	8.3
Upper income	151,568	98,450	39.9	65.0	31,655	20.9	21,463	14.2
Unknown income	2,593	628	0.3	24.2	1,669	64.4	296	11.4
Total Assessment Area	462,900	246,909	100.0	53.3	163,693	35.4	52,298	11.3
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	4,442	8.6	3,994	8.5	425	9.9	23	5.7
Moderate-income	8,024	15.5	7,023	14.9	933	21.7	68	16.9
Middle-income	19,875	38.3	18,184	38.5	1,550	36.1	141	35.1
Upper income	19,101	36.8	17,614	37.3	1,332	31.0	155	38.6
Unknown income	428	0.8	362	0.8	51	1.2	15	3.7
Total Assessment Area	51,870	100.0	47,177	100.0	4,291	100.0	402	100.0
	Percentage of Total Businesses:			91.0		8.3		0.8

Based on 2015 American Community Survey Information

Total percentages shown may vary by 0.1 percent due to automated rounding differences.

As displayed in Table 2, the bank's assessment area contains 244 census tracts, 32 or 13.1 percent are low-income, 37 or 15.2 percent are moderate, 96 or 39.3 percent are middle-income,

73 or 29.9 percent are upper-income, and 6 or 2.5 percent are census tracts where the income is unknown. The majority of the low- and moderate-income census tracts are located in northern Rhode Island in Providence County where 31 low-income census tracts and 31 moderate-income census tracts are located. The low-and moderate-income tracts are concentrated in the city of Providence, which contains 16 low-income census and 12 moderate-income census tracts. Also within Providence County, 7 low-income census tracts are in Woonsocket, RI, while Central Falls and Pawtucket, RI each contain 4 low-income census tracts. The remainder of Providence County's moderate-income census tracts are in the municipalities of Woonsocket (2), Valley Falls (1), Cranston (2) Pawtucket (9), East Providence (4) and Cumberland, RI (1). Outside of Providence County, there are additional moderate-income census tracts in West Warwick (2), Bristol (1), Westerly (1) and Warren (1), RI. The City of Newport contains one low- and one moderate income census tract located outside of Providence County. Headquartered in southern Rhode Island, the bank has historically focused its lending activities on the cities and towns in the Narragansett Bay area and has gradually expanded its presence to the northern portion of the state. Providence County was added to the bank's assessment area as of 2016. The bank now operates four branch offices within Providence County, one of which was opened since the previous CRA evaluation.

The bank's ability to compete within a relatively new market was considered as a factor in performance context. In terms of competition, there are large national banks and established local banks and credit unions that have a larger branch presence with whom the bank must compete in the northern portion of the state. As previously mentioned, the bank ranked 6th in deposit market share with 4.5 percent within the state; however, in Providence County, BankNewport ranked 10th of 14 institutions with branch offices in the county with a deposit market share of 0.66 percent. The leading institutions in Providence County were Citizens Bank, N.A, ranked first (45.1 percent), followed by Bank of America, N.A (28.5 percent), Santander Bank, N.A. (9.0 percent), and Bank Rhode Island (6.8 percent). Specifically, within the city of Providence, BankNewport ranked 9th of 11 institutions, with 0.3 percent of the deposit market share. The same institutions captured the majority of the deposit market share within the city, with Citizens Bank holding 48.6 percent of the deposit market share, Bank of America with 33.7 percent, Santander Bank, N.A., with 8.9 percent, and Bank Rhode Island with 3.7 percent of the deposit market share.

Housing

The assessment area includes 462,900 housing units, of which 11.4 percent are in low-income tracts, 15.3 percent are in moderate-income tracts, 40.0 percent are in middle-income census tracts, 32.7 percent are in upper-income census tracts, and 0.6 percent are located in tracts where the income is unknown. Of the total housing units, 53.3 percent are owner-occupied, 35.4 percent are rental, and 11.3 percent are vacant.

Based on 2015 American Community Survey (ACS) data, the median housing value in the assessment area in 2015 was \$237,994. Housing prices have increased since 2015 in the assessment area. Data obtained from The Warren Group, Peabody, MA, shows that the median housing sales price for a single-family home in Rhode Island was \$272,000 in 2019, and \$301,000 in 2020. Home values in the assessment area vary by county with more affordable prices in Kent and Providence counties and higher value homes in Bristol and Newport counties. Table 3 displays the median sales price for each county in the assessment area in the years under

review based on data released by the Warren Group.

Table 3 Median Sales		
County	2019 Median Sales Price	2020 Median Sales Price
Kent County, RI	\$245,000	\$274,250
Providence County, RI	\$245,000	\$275,000
Washington County, RI	\$365,000	\$399,900
Bristol County, RI	\$369,450	\$406,556
Newport County, RI	\$406,000	\$465,000

Source: The Warren Group

Business Characteristics

In 2019, there were 50,582 businesses in the assessment area, according to Dun & Bradstreet, Short Hills, NJ (D&B) data: 8.4 percent were in low-income census tracts, 15.3 percent were in moderate-income census tracts, 38.2 were in middle-income census tracts 37.2 were in upper-income census tracts, and 0.8 percent were in unknown income census tracts. According to data from 2020 there were 51,870 businesses in the assessment area; 8.6 percent of businesses were in low-income census tracts, 15.5 percent were in moderate-income census tracts, 38.3 percent were in middle income census tracts, 36.8 percent were located in upper-income census tracts and 0.8 percent were in unknown census tracts. The data would suggest that some businesses that were open in 2020 were no longer operating in 2021, presumably because of the COVID-19 pandemic. In 2021, there were 51,069 businesses in the assessment area; of those, 8.8 percent were in low-income census tracts, 15.6 percent were in middle-income census tracts, 36.3 were in upper income census tracts and 0.8 were unknown income census tracts. The number of businesses in low-income census tracts increased from 4,442 to 4,482 between 2020 and 2021; however, the data would indicate that total businesses in moderate-income census tracts decreased by 36, while there were 375 fewer businesses in middle-income census tracts.. There were 419 fewer businesses in upper-income census tracts and 11 fewer in tracts where the income was un-known.

Population

The total population in the assessment area is 1,053,661 based on the 2015 ACS. Of this total population, 12.1 percent reside in low-income tracts, 15.5 percent reside in moderate-income tracts, 39.6 percent reside in middle-income tracts, 31.8 percent reside in upper-income tracts, and 1.0 percent reside in tracts with unknown income. The assessment area contains 257,540 families, of which 23.7 percent are low-income, 16.1 percent are moderate-income, 19.4 percent are middle-income, and 40.8 percent are upper income. The percentage of families below the poverty level is 10.1 percent.

Income

The Federal Financial Institutions Examination Council (FFIEC) adjusts the median family income (MFI) of metropolitan areas annually based on estimates. The MFI for low-income is defined as family income less than 50 percent of the area median income; moderate-income is defined as income of at least 50 percent and less than 80 percent of median income; middle-

income is defined as income of at least 80 percent but less than 120 percent of median income; and upper income is defined as 120 percent of median income and above. The MFI income for the assessment area was \$85,100 in 2019 and \$89,00 in 2020. For 2021, the MFI declined slightly to \$87,500.

Employment Statistics

The unemployment rate in the State of Rhode Island in December 2019 was 3.6 percent. In 2020, the unemployment rate drastically increased due to economic shutdowns precipitated by the COVID-19 pandemic, reaching a high of 17.4 percent in April 2020. The unemployment rate remained at elevated levels for six months, eventually decreasing to 10.9 percent in September 2020. Since then, the unemployment rate has trended downwards, reflecting improved economic conditions. The unemployment rate in December 2020 was 7.9 percent, and in November 2021 was 5.1 percent.

SCOPE OF EXAMINATION

BankNewport's performance review was based on CRA activities conducted using the FFIEC Examination Procedures for Large Institutions¹. These procedures evaluate banks under three tests: the Lending Test, the Investment Test, and the Service Test.

The Lending Test evaluates the bank's lending performance pursuant to the following criteria: lending activity, assessment area concentration of loans, geographic distribution of loans, borrower's profile, responsiveness of credit needs, community development lending activity, and product innovation. The Investment Test evaluates the bank's performance pursuant to the following criteria: investment and grant activity, responsiveness to credit and community development needs, and community development initiatives. The Service Test evaluates the bank's performance pursuant to the following criteria: accessibility of delivery systems, changes in branch locations, reasonableness of business hours and services, and community development services.

The data used for the evaluation and the applicable timeframes are discussed below.

The Lending Test evaluated residential loans and small business loans originated by the bank from January 1, 2019, to December 31, 2020. Home mortgage lending data was obtained from Loan Application Registers (LARs) maintained by the bank pursuant to the Home Mortgage Disclosure Act (HMDA). The LARs record data for home purchase loans, home improvement loans, and refinance loans for one-to-four family and multi-family (five or more unit) properties. Changes in HMDA reporting requirements for 2018 included the determination of whether a loan is HMDA-reportable and includes the new loan type of "other purpose." "Other purpose" loans are for purposes other than home purchase, refinancing, or home improvement. This evaluation does not include analysis of "other purpose" loans reported on the bank's LARs.

Aggregate HMDA data consists of lending information from all HMDA reporters that originated or purchased HMDA-reportable loans in the bank's assessment area. The bank's residential loan

¹ "Large institutions" are banks or savings associations with assets of at least \$1.322 billion as of December 31 of both of the prior two calendar years.

performance was compared to applicable aggregate data that was obtained from the Consumer Finance Protection Bureau (CFPB). "Other purpose" loans were excluded from the aggregate. Finally, the bank's home mortgage lending performance was compared to demographics from the 2015 ACS, unless otherwise noted.

Data for small business lending was derived from the small business loan registers maintained by the bank pursuant to CRA data reporting requirements, which include information regarding originated commercial real estate and commercial and industrial loans with original loan amounts of \$1 million or less. The bank's 2019 and 2020 small business lending performance was compared to aggregate data and business demographics obtained from D&B.

Given the composition of the bank's loan portfolio, slightly more emphasis was placed on small business lending than home mortgage lending for the Lending Test. The bank's lending and operations occurred in the State of Rhode Island and the Providence-Warwick, RI-MA MSA; accordingly, a full-scope review was performed using this assessment area.

Community development activities are not evaluated using a separate test, but are included as a component of the Lending, Investment, or Service Test, depending on the nature of the activity. For the community development component of the Lending Test, the Investment Test, and the Service Test, the evaluation period spanned from the prior CRA examination on September 16, 2019, through the current examination on January 24, 2022. The bank provided data related to its CRA qualified donations through December 31, 2021.

Community Contacts

As part of the evaluation process, third parties that are active in community affairs are contacted to assist in assessing the housing and credit needs in the bank's assessment area. Relevant information from this practice assists in determining whether local financial institutions are responsive to the credit needs of the community, and whether additional opportunities are available. Two community contacts were conducted in conjunction with this examination. One was conducted with an organization that creates and maintains affordable housing in Bristol County. The contact stated that there is a need for affordable housing, and that the communities the organization serves are primarily home ownership communities with few apartments, which makes developing affordable housing more difficult and expensive. The contact stated that fraud protection for seniors and financial education such as budgeting and savings are also needed. The contact noted that there was more interaction from financial institutions prior to the pandemic but providing information in other formats such as pamphlets could benefit the individuals the organization serves. The contact mentioned BankNewport as being involved in the community.

The second contact was with a regional nonprofit economic development corporation with the mission of empowering entrepreneurs, strengthening local economies, and creating jobs by financing small businesses in Massachusetts and Rhode Island. Speaking specifically to the state of RI, the contact stated that there is a shortage of funding from community development financial institutions (CDFIs) within the state. The organization receives most of its clients through referrals from banks that are unable to extend loans to small businesses based on their risk portfolio or entrepreneurs' credit history; the contact would like to increase awareness that

they are able to provide financing options when financial institutions may not. The contact discussed the Paycheck Protection Program (PPP) loan program as being a saving grace for the entire state. The contact stated that during the COVID crisis, the organization experienced an increase in the request for start-up capital. The organization also partners with banks through providing gap funding and has partnered with BankNewport in the past.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

BankNewport's performance under the Lending Test is rated Low Satisfactory.

The following information further details the data compiled and reviewed, as well as conclusions on the bank's performance.

Lending Activity

The bank demonstrates excellent responsiveness to credit needs in its assessment area, taking into account the number and amount of home mortgage and small business loans in its assessment area.

As previously mentioned, in 2019, the bank originated 124 small business loans and was ranked 23rd in CRA small business lending of 118 reporters in that year. In 2020, the bank considerably increased the number of small business loans extended in that year by making 1,559 small business loans. This was attributed to the bank's participation in the PPP loan program. PPP loans are administered by the SBA as part of the Coronavirus Aid, Relief, and Economic Security Act. PPP loans were designed to help small businesses retain workers and staff during the economic crisis due to the COVID-19 pandemic. The bank extended loans to businesses with gross annual revenues (GAR) under \$1 million; and businesses located in low- and moderate-income census tracts which is considered highly responsive to the needs of small businesses during the COVID-19 pandemic. The bank was a leading PPP lender and was ranked 6th overall in small business lending of 147 small business reporters in 2020. As mentioned, these loans were noted by a community contact as being vital to the state's effort in enduring the crisis.

The bank extended 601 home mortgage loans in 2019. According to aggregate data, the bank was ranked 16th of 420 institutions that originated or purchased a home mortgage loan in the bank's assessment area in that year. In 2020, the bank extended 970 home mortgage loans and ranked 15th of 440 reporters that originated or purchased home mortgage loans in the bank's assessment area in that year. The increase was attributed to refinance loans due to the low-rate environment. In 2019, the bank extended 271 refinance loans, which increased to 651 refinance loans in 2020.

Distribution of Lending within the Assessment Area

This criterion evaluates the concentration of loans originated by the bank within its assessment area. Table 4 demonstrates a substantial majority of loans were made in the bank's assessment area. The table presents the bank's levels of lending inside and outside the assessment area for the evaluation period.

Table 4 Lending Inside and Outside the Assessment Area								
Loan Type - Description	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Small Business	1,683	87.4	139,839	82.9	243	12.6	28,899	17.1
Total Small Bus. related	1,683	87.4	139,839	82.9	243	12.6	28,899	17.1
Home Purchase	502	91.8	172,341	88.4	45	8.2	22,516	11.6
Home Purchase - FHA	29	100	7,101	100	0	0	0	0
Home Improvement	81	94.2	7,670	93.4	5	5.8	540	6.6
Multi-Family Housing	37	94.9	27,166	93.3	2	5.1	1,939	6.7
Refinancing	922	92	265,685	87.3	80	8	38,675	12.7
Total HMDA related	1,571	92.2	479,963	88.3	132	7.8	63,670	11.7
TOTAL LOANS	3,254	87.5	619,802	87.0	375	10.3	92,569	13.0

HMDA and small business data for 2019 & 2020

Total percentages shown may vary by 0.1 percent due to automated rounding differences.

The bank extended the substantial majority of its loans, by number and dollar amount, within the assessment area. A substantial majority of small business loans, by number and dollar amount, were also extended in the assessment area. In 2019, 89.9 percent of small business loans were extended within the assessment area. The percentage decreased slightly in 2020, when 87.2 percent of small business loans were extended in the assessment area. The slight increase in small business lending outside was attributable to the bank's participation in the PPP loan program, whereby the bank did not limit lending to current customers or those located within its assessment area. Given the bank ranked sixth in small business lending in the assessment area in that year, the credit needs of the assessment area were met.

The substantial majority of home mortgage loans, 92.2 percent by number, were made within the assessment area during the review period. A high percentage of home mortgage loans were extended in the assessment area in both years under review, with 94.2 percent of HMDA loans inside the assessment area in 2019 and 91.1 percent inside in 2020. As shown, mortgage loans through the Federal Housing Administration (FHA) Affordable Housing Program were made within the assessment area. The majority of loans by dollar volume were also extended within the assessment area.

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of loans to census tracts of all income levels. The bank demonstrates an adequate geographic distribution of loans in its assessment area. There were no conspicuous gaps in the bank's lending in any income category unexplained by performance context.

Small Business Lending

Table 5 represents the distribution of small business loans by census tract income level. The bank's geographic distribution of small business loans is adequate.

Table 5
Geographic Distribution of Small Business Loans

PRODUCT TYPE			Bank & Aggregate Lending Comparison																
			Tract Income Levels		2019 Total Businesses	2019						2020		2020					
						Count			Dollar			Total Businesses	Count			Dollar			
						Bank		Agg	Bank		Agg		Bank		Agg	Bank		Agg	
						%	#	%	%	\$ 000s	\$ %		\$ %	%	#	%	%	\$ 000s	\$ %
SMALL BUSINESSES	Low	8.4%	4	3.2%	8.0%	\$809	2.9%	6.3%	8.6%	54	3.5%	8.2%	\$2,674	2.4%	7.3%				
	Moderate	15.3%	12	9.7%	15.2%	\$3,036	10.9%	17.7%	15.5%	149	9.6%	15.7%	\$11,912	10.6%	18.5%				
	Middle	38.2%	48	38.7%	36.5%	\$9,362	33.7%	35.6%	38.3%	509	32.6%	36.8%	\$39,572	35.3%	35.2%				
	Upper	37.2%	60	48.4%	38.7%	\$14,603	52.5%	38.9%	36.8%	846	54.3%	38.3%	\$57,846	51.6%	37.8%				
	Unknown	0.8%	0	0.0%	0.5%	\$0	0.0%	0.9%	0.8%	1	0.1%	0.6%	\$25	0.0%	1.1%				
	Tr Unknown		0	0.0%	1.1%	\$0	0.0%	0.5%		0	0.0%	0.4%	\$0	0.0%	0.2%				
	Total	100.0%	124	100.0%	100.0%	\$27,810	100.0%	100.0%	100.0%	1,559	100.0%	100.0%	\$112,029	100.0%	100.0%				

D&B 2019 & 2020. Small business data for 2019 and 2020.

Total percentages shown may vary by 0.1 percent due to automated rounding differences.

As displayed, the bank extended four small business loans in low-income census tracts in 2019, accounting for 3.2 percent of total small business loans made within the assessment area in that year. This was below the percentage of small businesses located in those tracts, at 8.4 percent. The aggregate was able to mirror the demographics more closely, whereby 8.0 percent of the aggregate's small business loans were extended in low-income geographies. The bank made 12 loans, or 9.7 percent, within moderate-income census tracts in that year, which again lagged the aggregate's percentage (15.2 percent), and the percentage of businesses in moderate-income census tracts (15.3 percent). The bank extended 48 loans, or 38.7 percent, in middle-income geographies and 60 loans, or 48.4 percent, in upper income geographies in that year. In 2019, the bank extended loans in 23.4 percent of the 244 census tracts in its assessment area.

The bank increased its small business lending by 1,435 loans, between 2019 and 2020, attributable to the bank's participation in the PPP loan program. While the bank's percentages of loans in low- and moderate-income census tracts did not adjust markedly between 2019 and 2020, the number of originations increased substantially. The bank made 54 loans, or 3.5 percent, to businesses located in low-income census tracts in 2020. The bank made 149 small business loans, or 9.6 percent, in moderate-income tracts in that year. PPP loans in low- and moderate-income census tracts are considered particularly responsive. The bank made 509 small business loans in middle-income tracts, 846 in upper-income census tracts and 1 in an unknown census tract. In 2020, the bank extended small business loans in 186, or 76.2 percent, of the 244 census tracts in its assessment area reflecting an adequate distribution of loans throughout the assessment area.

Residential Lending

Table 6 provides a comparison of the bank's lending by census tract income level to the aggregate lending data and demographics of the assessment area. The bank's geographic distribution of loans including the number and amount of loans in low-, moderate-, middle-, and upper-income geographies, is adequate.

Table 6
Geographic Distribution of HMDA Loans

PRODUCT TYPE	Tract Income Levels	Owner Occupied Units	Bank & Aggregate Lending Comparison									
			2019					2020				
			Count		Dollar			Count		Dollar		
			Bank	Agg	Bank	Agg	Bank	Agg	Bank	Agg	Bank	Agg
		%	#	%	\$ (000s)	%	#	%	\$ (000s)	%	\$ (000s)	%
HOME PURCHASE	Low	4.5%	12	4.4%	\$2,198	5.6%	2	0.8%	\$306	0.3%	\$306	0.3%
	Moderate	9.9%	28	10.3%	\$5,948	9.4%	20	7.7%	\$3,955	4.3%	\$3,955	4.3%
	Middle	45.5%	85	31.3%	\$22,816	38.4%	76	29.3%	\$23,253	25.3%	\$23,253	25.3%
	Upper	39.9%	142	52.2%	\$55,505	46.2%	159	61.4%	\$63,555	69.2%	\$63,555	69.2%
	Unknown	0.3%	5	1.8%	\$1,122	0.4%	2	0.8%	\$784	0.9%	\$784	0.9%
	Total	100.0%	272	100.0%	\$87,589	100.0%	259	100.0%	\$91,853	100.0%	\$91,853	100.0%
REFINANCE	Low	4.5%	3	1.1%	\$322	2.9%	5	0.8%	\$1,222	0.6%	\$1,222	0.6%
	Moderate	9.9%	12	4.4%	\$2,073	6.8%	45	6.9%	\$10,139	5.0%	\$10,139	5.0%
	Middle	45.5%	86	31.7%	\$17,375	35.5%	135	20.7%	\$33,344	16.6%	\$33,344	16.6%
	Upper	39.9%	170	62.7%	\$44,990	54.4%	465	71.4%	\$155,884	77.6%	\$155,884	77.6%
	Unknown	0.3%	0	0.0%	\$0	0.3%	1	0.2%	\$336	0.2%	\$336	0.2%
	Total	100.0%	271	100.0%	\$64,760	100.0%	651	100.0%	\$200,925	100.0%	\$200,925	100.0%
HOME IMPROVEMENT	Low	4.5%	0	0.0%	\$0	2.9%	2	5.0%	\$370	9.1%	\$370	9.1%
	Moderate	9.9%	2	4.9%	\$150	6.1%	2	5.0%	\$230	5.7%	\$230	5.7%
	Middle	45.5%	8	19.5%	\$502	35.0%	13	32.5%	\$974	24.0%	\$974	24.0%
	Upper	39.9%	31	75.6%	\$2,952	55.8%	23	57.5%	\$2,492	61.3%	\$2,492	61.3%
	Unknown	0.3%	0	0.0%	\$0	0.2%	0	0.0%	\$0	0.0%	\$0	0.0%
	Total	100.0%	41	100.0%	\$3,604	100.0%	40	100.0%	\$4,066	100.0%	\$4,066	100.0%
MULTIFAMILY	Low	19.1%	2	11.8%	\$488	19.9%	4	20.0%	\$1,430	10.9%	\$1,430	10.9%
	Moderate	20.4%	9	52.9%	\$7,839	16.5%	6	30.0%	\$4,607	35.1%	\$4,607	35.1%
	Middle	38.8%	4	23.5%	\$2,715	40.6%	7	35.0%	\$5,628	42.8%	\$5,628	42.8%
	Upper	20.5%	2	11.8%	\$2,983	22.5%	3	15.0%	\$1,476	11.2%	\$1,476	11.2%
	Unknown	1.3%	0	0.0%	\$0	0.5%	0	0.0%	\$0	0.0%	\$0	0.0%
	Total	100.0%	17	100.0%	\$14,025	100.0%	20	100.0%	\$13,141	100.0%	\$13,141	100.0%
HMDA TOTALS	Low	4.5%	17	2.8%	\$3,008	5.4%	13	1.3%	\$3,328	1.1%	\$3,328	1.1%
	Moderate	9.9%	51	8.5%	\$16,010	8.7%	73	7.5%	\$18,931	6.1%	\$18,931	6.1%
	Middle	45.5%	183	30.4%	\$43,408	37.2%	231	23.8%	\$63,199	20.4%	\$63,199	20.4%
	Upper	39.9%	345	57.4%	\$106,430	48.3%	650	67.0%	\$223,407	72.1%	\$223,407	72.1%
	Unknown	0.3%	5	0.8%	\$1,122	0.4%	3	0.3%	\$1,120	0.0%	\$1,120	0.0%
	Total	100.0%	601	100.0%	\$169,978	100.0%	970	100.0%	\$309,985	0.0%	\$309,985	0.0%

*Distribution of multifamily units by census tract income
2015 ACS, 2018 & 2019 Aggregate HMDA Data, and 2018 & 2019 HMDA LARs.
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

**Aggregate percentages include all loans required to be reported by lenders comprising the aggregate. Aggregate percentages may include loan types not required to be reported by the bank.

In 2019, the bank made 17 home mortgage loans, or 2.8 percent, within low-income census tracts. The bank's percentage was below the percentage of owner-occupied units located within those tracts, at 4.5 percent. The aggregate achieved a percentage that exceeded the percentage of owner-occupied units in these tracts, at 5.5 percent. The bank extended home mortgage loans within just 11 of the assessment area's 32 low-income census tracts in that year.

Generally, the census tracts the bank was unable to penetrate were areas with less opportunity. None of the 21 census tracts with no loans had an owner occupancy rate over 30.0 percent; within 12 of the census tracts the percentage of owner-occupied units was between 0.0 percent and 19.6 percent. However, opportunity to lend does exist based upon the percentage achieved by the aggregate. Of the 21 census tracts that were not penetrated, 11 were in Providence, 3 were in Central Falls, 5 were in Woonsocket, 1 was in Newport, and 1 was in Pawtucket. While ranked 16th in lending within the assessment area in 2019 overall, the bank was ranked 30th in

lending just within low-income geographies, competing with 163 institutions which originated or purchased home mortgage loans within the assessment area's low-income census tracts.

Given the more limited opportunity to lend within low-income census tracts and the bank's relative newness to the Providence market, its performance is reasonable.

The bank extended 51 home mortgage loans in moderate-income census tracts in 2019, or 8.5 percent. The bank's percentage was slightly below the percentage of owner-occupied units in moderate-income tracts, at 9.9 percent, and the percentage of loans extended by the aggregate, at 10.2 percent. The bank extended 183 loans, or 30.4 percent, in middle-income census tracts. The bank's percentage of lending in middle-income tracts was lower than the percentage of owner-occupied units in those tracts and the percentage achieved by the aggregate, at 43.5 percent. The majority of the bank's loans, 345, or 57.4 percent, were located in upper-income geographies. The bank extended 5 loans within the census tracts with unknown incomes.

While overall lending in the assessment area increased in 2020, lending within low-income census tracts decreased by both number and percent, whereby 13 loans or 1.3 percent were made within low-income census tracts. Of the 651 refinance loans extended in 2020, just 5 or 0.8 percent were in low-income census tracts, while 465 were in upper-income census tracts.

The bank extended 73 loans, or 7.5 percent, in moderate-income census tracts in 2020, slightly lagging the aggregate, at 8.9 percent. The bank extended 231 loans, or 23.8 percent, in middle income census tracts, which was below the aggregate, and the majority of the bank's loans, 650 or 67.0 percent, were extended within upper-income census tracts.

Borrowers' Profile

This criterion analyzes the distribution of loans to borrowers of different income levels as well as businesses with different revenues. The bank demonstrates an adequate distribution, particularly in its assessment area, of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.

Small Business Lending

The bank's small business loans originated within the assessment area were analyzed to determine the distribution among businesses of various sizes. Table 7 details the bank's lending to small businesses according to revenue size. The bank's performance in lending to businesses with GARs of \$1 million or less is excellent.

Table 7 Distribution of Small Business Loans By Gross Annual Revenue of Business															
Product Type			Total Businesses	Bank & Aggregate Lending Comparison											
				2019						2020					
				Count			Dollar			Count			Dollar		
				Bank	Agg		Bank	Agg		Bank	Agg		Bank	Agg	
			%	#	%	%	\$ 000s	\$ %	\$ %	#	%	%	\$ 000s	\$ %	\$ %
Small Business	Revenue	\$1 Million or Less	91.0%	78	62.9%	41.4%	\$15,800	56.8%	29.9%	39	2.5%	34.5%	\$7,690	6.9%	21.3%
		Over \$1 Million	8.3%	46	37.1%					39	2.5%				
		Total Rev. available	99.3%	124	100.0%					78	5.0%				
		Rev. Not Known	0.8%	0	0.0%					1,481	95.0%				
		Total	100.0%	124	100.0%					1,559	100.0%				
	Loan Size	\$100,000 or Less		36	29.0%	93.9%	\$1,828	6.6%	39.1%	1,269	81.4%	86.2%	\$37,447	33.4%	31.0%
		\$100,001 - \$250,000		47	37.9%	3.2%	\$7,829	28.2%	15.6%	189	12.1%	7.6%	\$29,640	26.5%	20.6%
		\$250,001 - \$1 Million		41	33.1%	3.0%	\$18,153	65.3%	45.4%	101	6.5%	6.1%	\$44,942	40.1%	48.4%
		Total		124	100.0%	100.0%	\$27,810	100.0%	100.0%	1,559	100.0%	100.0%	\$112,029	100.0%	100.0%

D&B 2019 & 2020. Small business data for 2019 and 2020.

Total percentages shown may vary by 0.1 percent due to automated rounding differences.

As displayed in Table 7, the bank exceeded the aggregate in extending small business loans to businesses with gross annual revenues under \$1 million in 2019. The bank made 62.9 percent of loans to businesses in this revenue category, while the aggregate extended just 41.4 percent. While the bank's percentage was below the demographic indicator, for purposes of this analysis, more emphasis was placed on lending performance in comparison to aggregate lending data. The table also provides a breakout of the bank's lending by loan size, as small-sized loans sometimes can serve to demonstrate a bank's willingness to meet the need of small businesses when the actual revenues of the businesses is unavailable.

In 2020, the vast majority of the bank's loans, 1,481 or 95.0 percent, were to businesses where revenues were not known. These loans were made under the PPP program. The PPP did not require the collection of revenue data and given the unique circumstances affecting borrowers and banks resulting from the COVID-19 pandemic, it is expected that banks participating in the program would make a large volume of loans for which gross annual revenue information is not available, PPP borrowers are eligible for loan forgiveness when the loan procedures were used for eligible payroll costs, payments on business mortgage interest payments, rent, or utilities. As shown in Table 7, the bank made 81.4 percent of its loans in amounts under \$100,000 in 2020. As mentioned above, smaller loan amounts may sometimes serve as a proxy for determining if loans were extended to smaller businesses; the majority of PPP loans had loan sizes of \$100,000 or less, indicating that the bank is helping to serve the needs of small businesses in the assessment area.

Residential Lending

Table 8 provides a comparison of the bank's lending by income level of the borrower to the income distribution of families in the assessment area and demographic data. The table further outlines the bank's performance by loan type in comparison to the aggregate group. The bank's performance in lending to individuals of different income levels, including low- and moderate-income borrowers, is poor.

Table 8 HMDA Distribution by Borrower Income														
PRODUCT TYPE	Borrower Income Levels	Families by Family Income	Bank & Aggregate Lending Comparison											
			2019						2020					
			Count			Dollar			Count			Dollar		
			Bank	Agg		Bank	Agg		Bank	Agg		Bank	Agg	
		%	#	%	%	\$ (000s)	\$ %	\$ %	#	%	%	\$ (000s)	\$ %	\$ %
HOME PURCHASE	Low	23.7%	13	4.8%	5.6%	\$1,624	1.9%	3.2%	9	3.5%	6.5%	\$1,561	1.7%	3.1%
	Moderate	16.1%	33	12.1%	25.2%	\$6,020	6.9%	18.9%	40	15.4%	27.3%	\$7,803	8.5%	17.4%
	Middle	19.4%	69	25.4%	24.2%	\$15,172	17.3%	21.8%	55	21.2%	23.9%	\$15,053	16.4%	18.1%
	Upper	40.8%	137	50.4%	32.8%	\$57,290	65.4%	43.2%	136	52.5%	32.8%	\$60,311	65.7%	35.7%
	Unknown	0.0%	20	7.4%	12.2%	\$7,483	8.5%	12.8%	19	7.3%	9.5%	\$7,125	7.8%	25.7%
	Total	100.0%	272	100.0%	100.0%	\$87,589	100.0%	100.0%	259	100.0%	100.0%	\$91,853	100.0%	100.0%
REFINANCE	Low	23.7%	10	3.7%	6.7%	\$1,273	2.0%	3.6%	25	3.8%	4.6%	\$3,408	1.7%	2.1%
	Moderate	16.1%	50	18.5%	18.7%	\$8,302	12.8%	13.2%	86	13.2%	16.8%	\$16,665	8.3%	10.3%
	Middle	19.4%	64	23.6%	23.4%	\$12,834	19.8%	20.0%	165	25.3%	23.7%	\$38,307	19.1%	17.3%
	Upper	40.8%	142	52.4%	36.7%	\$40,994	63.3%	46.2%	360	55.3%	41.0%	\$138,254	68.8%	41.8%
	Unknown	0.0%	5	1.8%	14.6%	\$1,357	2.1%	17.0%	15	2.3%	13.9%	\$4,291	2.1%	28.4%
	Total	100.0%	271	100.0%	100.0%	\$64,760	100.0%	100.0%	651	100.0%	100.0%	\$200,925	100.0%	100.0%
HOME IMPROVEMENT	Low	23.7%	1	2.4%	8.3%	\$20	0.6%	7.2%	2	5.0%	7.3%	\$55	1.4%	5.1%
	Moderate	16.1%	10	24.4%	18.7%	\$515	14.3%	14.6%	5	12.5%	15.9%	\$170	4.2%	12.3%
	Middle	19.4%	9	22.0%	24.8%	\$534	14.8%	21.0%	7	17.5%	27.0%	\$684	16.8%	22.9%
	Upper	40.8%	20	48.8%	44.1%	\$2,485	69.0%	52.7%	26	65.0%	48.6%	\$3,157	77.6%	57.8%
	Unknown	0.0%	1	2.4%	4.0%	\$50	1.4%	4.6%	0	0.0%	1.3%	\$0	0.0%	1.9%
	Total	100.0%	41	100.0%	100.0%	\$3,604	100.0%	100.0%	40	100.0%	100.0%	\$4,066	100.0%	100.0%
Multifamily	Low	23.7%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	16.1%	0	0.0%	0.4%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Middle	19.4%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	1.3%	\$0	0.0%	0.3%
	Upper	40.8%	0	0.0%	2.0%	\$0	0.0%	0.8%	0	0.0%	2.1%	\$0	0.0%	0.6%
	Unknown	0.0%	17	100.0%	97.6%	\$14,025	100.0%	99.1%	20	100.0%	96.6%	\$13,141	100.0%	99.1%
	Total	100.0%	17	100.0%	100.0%	\$14,025	100.0%	100.0%	20	100.0%	100.0%	\$13,141	100.0%	100.0%
HMDA TOTAL	Low	23.7%	24	4.0%	6.2%	\$2,917	1.7%	3.2%	36	3.7%	5.3%	\$5,024	1.6%	2.5%
	Moderate	16.1%	93	15.5%	21.6%	\$14,837	8.7%	15.2%	131	13.5%	20.1%	\$24,638	7.9%	12.7%
	Middle	19.4%	142	23.6%	23.7%	\$28,540	16.8%	19.6%	227	23.4%	23.8%	\$54,044	17.4%	17.3%
	Upper	40.8%	299	49.8%	35.2%	\$100,769	59.3%	41.9%	522	53.8%	38.5%	\$201,722	65.1%	39.0%
	Unknown	0.0%	43	7.2%	13.3%	\$22,915	13.5%	20.0%	54	5.6%	12.3%	\$24,557	7.9%	28.5%
	Total	100.0%	601	100.0%	100.0%	\$169,978	100.0%	100.0%	970	100.0%	100.0%	\$309,985	100.0%	100.0%

2015 ACS, 2018 & 2019 Aggregate HMDA Data, and 2019 & 2020 HMDA LARs.

Total percentages shown may vary by 0.1 percent due to automated rounding differences.

*Aggregate percentages include all loans required to be reported by lenders comprising the aggregate except for "other" and "NA" loans, which may cause a slight difference from publicly available data. Aggregate percentages may include loan types not required to be reported by the bank.

As displayed in Table 8, the bank made 24 loans to low-income borrowers in 2019, representing 4.0 percent of total loans made in that year. The bank's percentage was below the percentage of low-income families, at 23.7 percent. It is not expected that the bank would match the percentage of low-income families due to the relatively high housing values as compared to MFIs. Based on the MFI, a low-income family in the assessment area in 2019 would earn less than \$42,550 and may have difficulty qualifying for a mortgage under conventional underwriting standards, considering median home values ranging from \$245,000 in Kent County to \$406,000 in Newport County, as shown previously in Table 3. Based on the data, home values increased in 2020 and ranged from \$274,250 to \$465,000.

It is further noted that a high percentage of families, at 10.1 percent, live below the poverty level. Therefore, the demand and opportunity for lending to low-income families is relatively limited. While this may explain the disparity between the bank's lending to low-income families (4.0 percent) and the percentage of low-income families (23.7 percent), the aggregate was able to outperform the bank, extending 6.2 percent of loans to low-income borrowers. Closer analysis of the aggregate revealed that top lenders extending loans to low-income borrowers consisted of

large national banks, credit unions, and mortgage companies. While ranked 16th in overall HMDA lending in the assessment area, BankNewport placed 26th of 135 lenders who reported a loan to a low-income borrower in the assessment area in 2019.

The bank extended 93 loans or 15.5 percent to moderate-income borrowers in 2019, which was slightly below the percentage of moderate-income families, at 16.1 percent. The bank also lagged the aggregate's percentage, at 21.6 percent. However, it is again noted that the bank is operating in a competitive environment. BankNewport was ranked 24th of 219 reporters in extending home mortgage loans to moderate-income borrowers in 2019, with chiefly the larger national banks and credit unions outperforming the bank. The bank made 142 loans, or 23.6 percent, to middle-income borrowers, which was in line with the aggregate, at 23.7 percent. The bank made 299 loans, or 49.8 percent, to upper-income borrowers which was above the percentage extended by the aggregate and the percentage of upper-income families. By dollar amount, the bank's lending also trailed the aggregate in terms of lending to low-, moderate- and middle- income borrowers. The majority of the dollar volume was also extended to upper-income borrowers.

The overall volume of lending in the assessment area increased in 2020, bolstered by an increase in refinance loans, the majority of which were extended to upper-income borrowers. The bank also extended the majority of home improvement loans to upper-income borrowers in that year. The bank extended 36 loans or 3.7 percent of total loans to low-income borrowers, which was below the percentage extended by the aggregate, at 5.3 percent. The bank's percentage was also below the percentage of low-income families, however as discussed, the bank is not expected to match the percentage of low-income families. BankNewport ranked 20th in lending to low-income borrowers in the assessment area in that year. The bank extended 131 loans, or 13.5 percent, to moderate-income borrowers, trailing the aggregate's 20.1 percent. The bank was able to extend 227 loans to middle-income borrowers, closely matching the percentage achieved by the aggregate, at 23.8 percent, and exceeding the percentage of middle-income families, at 19.4 percent. The majority of the bank's loans, 522 or 53.8 percent, were made to upper-income borrowers. The bank's lending to upper-income borrowers exceeded the percentage of upper-income families, at 40.8 percent, and the percentage of upper-income families, at 53.8 percent. Considering the percentage of the institution's total home mortgage loans to low-, moderate-, middle-, and upper-income borrowers compared to the percentage of the population within the assessment area who are low-, moderate-, middle-, and upper-income; and the bank's overall lending performance, room for improvement exists in meeting the credit needs of low- and moderate-income borrowers in the assessment area.

That stated, the bank demonstrates use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals and first-time home buyers.

- The bank extended 49 loans through its internal first-time home buyer program in 2019 and 47 loans through versions of this program in 2020.
- The bank originated 39 loans through programs offered through the Rhode Island Housing Authority in 2019 and 2020. The programs offered down payment assistance to eligible first-time homebuyers in Rhode Island.
- The bank also extended 19 loans through programs in conjunction with the Federal Home Loans FHA program and RIHousing for first time homebuyers.
- The bank made 13 additional loans through the FHA 30-year fixed program, two of

which were for refinance purposes.

- The bank extended one loan through Fannie Mae's HomeReady program in 2020. The HomeReady program offers low down payment mortgages designed to help lenders confidently serve credit-worthy low-income borrowers.
- As previously discussed, the bank made a significant volume of loans through the PPP loan program. In addition to being considered responsive, these loans were considered a flexible product that quickly helped businesses retain workers and staff during the economic hardship resulting from the pandemic.

The bank demonstrates an adequate record of serving the credit needs of highly economically disadvantaged areas in its assessment area, low-income individuals, or businesses with gross annual revenues of \$1 million or less, consistent with safe and sound operations.

Community Development Lending Activities

The bank's community development lending activities are evaluated pursuant to the following criteria: 1) The number and amount of community development loans in the bank's assessment area(s); 2) the extent to which community development lending opportunities have been made available to the institution; 3) the responsiveness to the opportunities for community development lending; 4) the extent of leadership the institution has demonstrated in community development lending; and 5) the innovativeness or complexity involved.

The bank demonstrates it is a leader in making community development loans. BankNewport originated 53 qualified community development loans, totaling \$35.8 million. This is an increase from the previous CRA evaluation when the bank extended 27 community development loans, totaling \$23.2 million. A summary of the bank's community development lending activity during the time period is provided below.

- The bank extended six SBA 504 loans during the period, totaling \$18.5 million. The Certified Development Companies (CDCs) 504 Loan Program provides long-term, fixed rate financing of up to \$5 million for major fixed assets that promote business growth and job creation. CDC 504 loans are available through SBA's community-based partners who regulate nonprofits and promote economic development within their communities. CDCs are certified and regulated by the SBA.
- The bank extended four loans, totaling \$10.5 million, that supported organizations whose mission is to provide services to low- and moderate-income individuals. For example, the bank provided a \$100,000 loan to provide working capital to an organization whose mission is to provide basic needs and resources to community members. The organization's vision is a community without hunger and poverty.
- The bank provided four loans, totaling \$1.5 million, in support of affordable housing, a need highlighted by community contacts. One of the four was a \$1,000,000 loan to a community development financial institution (CDFI) which invests in low- and moderate-income households and neighborhoods using affordable loans that build wealth and improve neighborhoods, particularly in communities of color.
- The bank extended 39 PPP loans to non-profit organizations which supported job retention for low and moderate-income persons and stabilized low- and moderate-income geographies.

INVESTMENT TEST

BankNewport's performance under the Investment Test is rated Low Satisfactory. The Investment Test evaluates the institution's record of meeting the credit needs of its assessment area through its use of qualified investments² that benefit the assessment area or a broader statewide or regional area that includes the institution's assessment area. The bank's investment performance is evaluated pursuant to the following criteria: 1) the number and dollar amount of qualified investments; 2) the innovativeness or complexity of qualified investments; 3) the responsiveness of qualified investments to credit and community development needs; 4) the degree to which the qualified investments are not routinely provided by private investors.

The bank demonstrates an adequate level of qualified investments, particularly those that are not routinely provided by private investors, although rarely in a leadership position. The bank demonstrates occasional use of innovative or complex qualified investments. The bank demonstrates good responsiveness to credit and community development needs.

BankNewport's overall investments totaled \$3.2 million, including \$1.2 million in equity investments and \$2.0 million in grants and donations.

Equity Investments

The bank holds two prior period investments.

- An \$800,000 investment in a CRA Qualified Investment Fund. The fund is a market-rate bond fund that invests in securities whose proceeds are designed to positively impact communities. The fund is earmarked to benefit the bank's assessment area. During the review period the bank invested an additional \$200,000 into this fund, bringing the qualified total to \$1 million.
- BankNewport is also involved with the Business Development Company of Rhode Island, a non-bank entity that provides financing for growth and expansion of companies outside of the traditional lending arena. The bank maintains a \$200,000 investment with this entity.

Grants and Donations

The bank has demonstrated a good responsiveness to credit and community development needs in its assessment area through the provision of community development donations. The bank extended a total of \$2.0 million in CRA donations.

Table 9 displays the bank's qualified grants and donations by year and community development purpose. Donations qualified as community services accounted for the largest share; however, several organizations supported multiple functions that could be assigned to other community development purposes such as affordable housing, revitalization and economic development.

² A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Table 9 Qualified Donations by Purpose								
Community Development Category	(9/16/2019-12/31/2019)		2020		2021		Total	
	#	\$	#	\$	#	\$	#	\$
Affordable Housing	0	0	8	\$17,000	8	\$25,250	16	\$42,250
Community Services	32	\$200,347	159	\$962,474	164	\$758,415	355	\$1,921,236
Economic Development	1	\$200	7	\$25,000	8	\$33,350	387	\$58,550
Revitalization/Stabilization	0	0	0	0	0	0		
Total	33	\$200,547	174	\$1,004,474	180	\$817,015	379	\$2,022,036

Bank provided qualified investment data.

Below are some examples of the bank's contributions.

- The bank made a \$10,000 donation to an organization that develops and manages affordable housing in Pawtucket and Central Falls, RI. The organization also provides home buyer education.
- The bank provided a \$15,000 donation to an organization whose mission is to provide basic needs, resources, and hope to community members. The vision of the organization is a community without hunger and poverty.
- The bank provided a \$10,000 donation to support an organization in its efforts to meet the needs of individuals and the community effected by the COVID-19 pandemic. The bank's funds supported the organization in meeting the increased demand for key programs and community services during the COVID19 pandemic such as grocery cards, personal protective equipment, housing and rental support, increased mental health support, and cost of remote technical systems. The majority of the organization's clients are low-income families, many of whom were struggling with housing insecurity, job loss and other vulnerabilities.
- The bank provided a \$5,000 donation to an organization that supports low-income students in earning college degrees.
- The bank provided a \$2,500 donation to an organization that serves low-income, under-resourced communities, concentrating specifically on school students in Pawtucket, Providence, and Central Falls, RI.

SERVICE TEST

BankNewport's performance under the Service Test is rated High Satisfactory. The Service Test evaluates an institution's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of an institution's systems for delivering retail banking services and the extent and innovativeness of its community development services.

Retail Banking Services

Retail banking services evaluates the availability and effectiveness of an institution's systems for delivering retail banking services, pursuant to the following criteria: 1) the current distribution of the institution's branches among low-, moderate-, middle-, and upper-income geographies; 2) in the context of its current distribution of branches, the record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals; 3) the availability and effectiveness of alternative systems for delivering retail banking services in low- and moderate-income geographies and to low- and moderate-income individuals; and 4) the range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

Table 10 below displays the distribution of the bank's current branch network compared to the percentage of census tracts within the assessment area as well as the percentage of the population that resides in those tracts.

Table 10 Distribution of Branch Offices by Income Category				
Census Tract Income Category	Assessment Area Demographics		Bank Offices by Tract Location	
	Total Census Tracts	Total Population		
	% of #	% of #	#	%
Low	13.1	12.1	0	0.0
Moderate	15.2	15.5	1	5.6
Middle	39.3	39.7	9	50.0
Upper	29.9	31.8	8	44.4
Unknown	2.5	0.9	0	0.0
Total	100.0	100.0	18	100.0

2015 ACS data

While lagging demographic data in low- and moderate-income areas, the bank demonstrates its service delivery systems are reasonably accessible to geographies and individuals of different income levels in its assessment area. As previously noted, the bank operates 18 full-service branch locations, 7 ATM-only locations, 1 lending center, 1 loan production office, and 1 administrative and operations center. The main branch is located at 10 Washington Square, Newport, RI. Since the previous examination on September 16, 2019, new branch locations were opened as part of the bank's ongoing strategic plan to expand as a statewide bank. Specifically, BankNewport opened new branches in Johnston, RI, and Warwick, RI. Standalone ATMs were also added in Providence (2), East Providence (1), Newport (2), and Jamestown (1), R.I. BankNewport closed its Quonset branch in North Kingstown, RI and a standalone ATM at Wellington Square in Providence, RI. The bank's record of opening and closing branches has

generally not adversely affected the accessibility of its delivery systems, no offices have been opened or closed in low- or moderate-income geographies. Each branch office is also equipped with Personal Teller Machines (PTMs). PTMs offer the personal touch of a real-life banker, combined with the convenience of an ATM. The PTM uses secure, two-way video technology that allows customers to see the real-life banker. The PTM has speakers and a built-in microphone for traditional communication.

The bank demonstrates its services (including where appropriate, business hours) do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and low- and moderate-income individuals. Hours at the majority of the bank's branch offices are from 9:00 AM to 4:30 PM, Monday -Thursday, and Fridays 9:00 AM – 6:00 PM, with Saturday hours from 9:00 AM to 12:00 PM. The Providence branch does not offer Saturday hours, but does offer extended weekday hours from 8:30 AM – 5:00 PM Monday – Thursday, and Fridays from 8:30 AM to 6:00 PM.

Community Development Services

A community development service has community development as its primary purpose and is generally related to the provision of financial services or technical assistance. Community development services are evaluated pursuant to the following criteria: 1) The extent to which the institution provides community development services; and 2) the innovativeness and responsiveness of community development services.

The bank demonstrates it provides a relatively high level of community development services.

Due to the ongoing COVID-19 pandemic, most of the bank's community development services were conducted in a virtual environment. Although the bank's community development services are not particularly innovative, the relatively high level of community development services is reflected through bank management and staff service as board or committee members on a wide variety of organizations, which promote financial literacy, affordable housing, economic development, and community services to low- and moderate-income individuals and small businesses.

Examples of involvement in community development activities include:

Employee Services

- **Grow Smart Rhode Island** – A senior vice president serves on the board. This state-wide non-profit organization promotes economic growth through revitalization of urban and town centers and promotion of affordable housing.
- **East Bay Community Action Program (EBCAP)** – An executive vice president serves on the board. EBCAP is a private non-profit corporation that provides a wide array of health and human services to low- and moderate-income residents of the East Bay and beyond. Services include early head start, family health, food pantries, youth programs, assistance to the homeless, senior dining program, heating and energy services, and other social services.
- **Dr. Martin Luther King (MLK), Jr. Community Center** – A vice president serves on the board. The MLK Community Center provides a wide range of social services to

residents in Newport County and surrounding areas. The organization provides free meals through their food pantry and education services through their preschool, afterschool academy, and summer adventure camp. In addition, the organization provides health-related programming and cooking and nutrition classes for community members.

- **Ocean State Business Development Authority (OSBDA)** – A vice president serves on the board. OSBDA is a business development company certified by the SBA that assists small businesses secure low-rate business loans for job creation, thereby promoting economic development.
- **Child and Family Services** – A senior vice president serves on the board. The organization provides social services, which address the needs of low-to-moderate-income individuals, children, at risk youth and families, and the elderly.
- **Providence Revolving Fund (PRF)** – A vice president serves on the board. PRF is a CDFI that invests in low- and moderate-income households and neighborhoods using affordable loans that build wealth and improve neighborhoods, particularly in communities of color. They also provide micro-business loans in and around Providence, and they prioritize commercial lending projects that promote deed restricted mixed-income projects.

Educational Programs and Seminars

- **BNWise** – BankNewport partners with Everfi, Washington, D.C, to provide online financial literacy education for consumers to access at any time. The curriculum engages on topics such as mobile and online banking, certificates of deposit accounts, savings accounts, checking accounts, preventing overdraft fees, credit cards, and vehicle loans. BNWise provides engaging learning experiences through varied and interactive courses designed to help youth and adults strengthen their financial skills and to support good financial decisions with the present and future in mind. During the 2019, 2020, and 2021 school years, BankNewport employees shared their expertise and facilitated financial education classes in area schools. In-person classes were held throughout 2019, and during the COVID-19 pandemic BankNewport held virtual classes. In addition to providing education to area schools, the bank partnered with 29 organizations and participated in 65 workshops within Providence County and Newport County. Workshops were held via in-person presentations and livestream/recorded presentations.

Other Community Development Services

- **Center for Women & Enterprise (CWE)** – The bank's community development officer and vice president serves on the board. CWE is dedicated to helping aspiring women entrepreneurs and business owners launch and grow their business by providing greater access to the resources, tools, and support they need to achieve business success. CWE also operates the Veterans Business Outreach Center of New England (VBOC of NE) that focuses on assisting veterans, active-duty service members, and their families with starting and growing their business.
- **South Eastern Economic Development (SEED) Corporation** – The bank's community development officer and vice president serves on the board. SEED is a regional nonprofit economic development corporation with the mission of empowering entrepreneurs,

strengthening local economies, and creating jobs by financing all types of small businesses in Massachusetts and Rhode Island. SEED offers loan programs ranging from \$1,000 micro loans to \$5.5 million SBA 504 loans, and has a long history of assisting small business owners.

- **Local Return** – The bank’s community development officer and vice president serves on the board. Local Return’s mission is to build community wealth in Rhode Island through ownership and investment, particularly in neighborhoods that have experienced historical disinvestment.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX

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.

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending on population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency (OCC), and the FDIC have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize:

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, the FDIC, and the OCC, based on:
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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.

Demographics: The statistical characteristics of human populations (such as age, race, sex, income, etc.) used specially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan 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 nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders who 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 applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Is calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual 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.

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 family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

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

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

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such

activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

Qualified investment: A qualified investment is defined as any 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.

Small businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were \$1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are secured by either nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

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

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate 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.

For additional information, please see the Definitions section of Regulation BB at 12 C.F.R. 228.12