



# Community Reinvestment Act

## Public File - 2026







## BRANCH LOCATIONS & GEOGRAPHIES



### **Torrington (Main Office)**

129 Main St  
Torrington, CT 06790  
(860) 256-4523  
Census Tract #3102.00  
M-F: 9 am - 4 pm



### **Bristol Office**

888 Farmington Ave  
Bristol, CT 06010  
(860) 785-0076  
Census Tract #4053.00  
Lobby Hours: M-F: 9 am - 4 pm TH: 9 am - 6 pm SAT: 9 am - Noon  
Drive-up Hours: M-W: 9 am - 4 pm TH: 9 am - 6 pm F: 9 am - 5 pm SAT: 9 am - Noon



### **Burlington Office**

260 Spielman Highway, Route 4  
Burlington, CT 06013  
(860) 675-2601  
Census Tract #4101.02  
Lobby Hours: M-F: 9 am - 4 pm TH: 9 am - 6 pm SAT: 9 am - Noon  
Drive-up Hours: M-F 8:30 am - 4 pm TH: 8:30 am - 6 pm SAT: 8:30 am - Noon



### **Falls Village Office**

10 CT - 126  
Falls Village, CT 06031  
(860) 824-3000  
Census Tract #4256.02  
Lobby Hours: M-TH: 9 am - 3 pm FR: 9 am - 5 pm SAT: 9 am - Noon



## Goshen Office

55 Sharon Turnpike, Route 4  
Goshen, CT 06756  
(860) 492-2122  
Census Tract #2961.00  
Lobby Hours: M-F: 9 am – 4 pm TH: 9 am – 6 pm SAT: 9 am - Noon  
Drive-up Hours: M-F 8:30 am – 4 pm TH: 8:30 am – 6 pm SAT: 8:30 am - Noon



## New Hartford Office

518 Main St  
New Hartford, CT 06057  
(860) 738-0200  
Census Tract #3061.00  
Lobby Hours: M-F: 9 am – 4 pm TH: 9 am – 6 pm SAT: 9 am - Noon  
Drive-up Hours: M-F 8:30 am – 4 pm TH: 8:30 am – 6 pm SAT: 8:30 am - Noon



## Torrington (Torrington Office)

235 Dibble St  
Torrington, CT 06790  
(860) 482-2664  
Census Tract #3106.02  
Lobby Hours: M-F: 9 am – 4 pm TH: 9 am – 6 pm SAT: 9 am - Noon  
Drive-up Hours: M-W 8 am – 4 pm TH: 8 am – 6 pm FR: 8 am – 5 pm SAT: 8 am - Noon



## Torrington (North Office)

635 Main St  
Torrington, CT 06790  
(860) 482-5421  
Census Tract #3107.00  
Lobby Hours: M-F: 9 am – 4 pm TH: 9 am – 6 pm SAT: 9 am - Noon  
Drive-up Hours: M-W: 8 am – 4 pm TH: 8 am – 6 pm F: 8 am – 5 pm SAT: 8 am - Noon



## ADDITIONAL OFFICES



### Commercial Lending

30 Mason Street  
Torrington, CT 06790  
(860) 496-4486  
Census Tract #3102.00  
M-F 8:30 am - 4:30 pm



### Trust Department

Old Post Office Square  
8 Church Street  
Torrington, CT 06790  
(860) 595-2083  
Census Tract #3102.00  
M-F 8:30 am - 4:30 pm



## BRANCHES OPENED & CLOSED

There were no Branches opened within the last two calendar years and YTD 2026.

There were no Branches closed within the last two calendar years and YTD 2026.



## CRA PUBLIC COMMENTS FILE

Torrington Savings Bank has not received any comments from the public regarding its performance in meeting community credit needs for the current year and preceding two calendar years.



## HOME MORTGAGE DISCLOSURE ACT

HMDA Data about Torrington Savings Bank's residential mortgage lending is available for review and can be obtained on the Consumer Financial Protection Bureau's Website at [www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda).

**Kimberley Brown**

CRA Officer

March 2026



## LOAN TO DEPOSIT RATIO

### Loan to Deposit

12/31/2025	96.58%
12/31/2024	98.01%
12/31/2023	89.46%



## PRODUCTS AND SERVICES

### Personal

- Checking Accounts
- Savings Accounts
- Certificates of Deposit
- Health Savings Accounts
- Retirement Accounts

### Mortgage

- Fixed Rate
- Jumbo
- First-Time Home Buyer
- Adjustable Rate
- Construction
- FHLB Grant Programs
- Refi Boost

### Home Equity

- Home Equity Loan
- Home Equity Line of Credit

### Unsecured Personal Loan

### Overdraft Line of Credit

### Credit Cards

### Business

- Checking Accounts
- Savings Accounts
- Certificates of Deposit
- Interest on Lawyers Trust Account (IOLTA)
- Interest on Real Estate Brokers Trust Account (IOREBTA)

### Lending

- Commercial Mortgages
- Letters of Credit
- Lines of Credit
- Term Loans

### Treasury Services

- ACH Origination
- Wire Transfer (Domestic & Foreign)
- Remote Deposit Capture
- Mobile Check Deposit
- Merchant Services
- Sweep Services
- Positive Pay
- Payroll Processing
- Account Reconciliation
- Lockbox Services
- Insured Cash Sweep

### Personal and Business

#### Digital Banking

- Online Banking
- Mobile Banking App
- Digital Wallet
- Early ACH Posting (Early Pay)
- Mobile Deposit
- MX Money
- TSB Customer to Customer Transfers
- Bill Pay
- External Transfers
- Account Alerts
- eStatements
- eNotices
- Electronic Tax Documents
- Credit Sense
- Card Controls
- Greenlight - Youth Debit Card Program

#### Convenience Services

- 24-Hour Telephone Banking
- ATMs
- Mastercard® Debit Card
- Instant Issue Debit Card
- Direct Deposit
- Debit Card Round-Up Match
- Wire Transfer (Domestic & Foreign)
- Night Deposit
- Official Checks
- Overdraft Services
- Safe Deposit Box
- Self-Service Coin Machines
- Refer a Friend Reward Program

# Common Fee Schedule

Effective Date: July 1, 2025



ITEM	AMOUNT	ADDITIONAL DETAILS
Account Research	\$50.00	Per hour or any portion thereof. Includes account balancing assistance.
Card Reissue	\$10.00	Per card
Check Printing	Varies	Amount depends on check style and quantity ordered.
Certified Check	\$25.00	Per Check
Bill Pay Check Copy	\$7.50	Per Copy
Deposit Verification	\$10.00	Per request
Foreign Item Processing	\$25.00	Per item drawn on a foreign bank including items payable in U.S. Dollars.
Photo Copy	\$3.00 per copy	Includes check, deposit, payment item, ticket or other item.
Dormancy	\$2.00	For savings and checking only. Does not apply to First Time Savers.
Insufficient Funds	\$35.00	Per item paid or returned when account is overdrawn by more than \$15.00. Fee will be charged for each item or transaction up to 4 items per business day. Applies to any debit against the account balance including ACH, bill pay, checks, electronic banking transfers and recurring point of sale transactions.
Legal Process	\$125.00	For processing bank executions, garnishments, levies, subpoenas, and other legal items.
Night Deposit Bag	\$15.00	Per bag
Notary Service (non-customers)	\$5.00	Per document
Official Check	\$5.00 per check	One free Official check per customer, per day.
Overdraft Protection Transfer	\$5.00 per transfer	For automatic transfer of funds linked from a deposit account to cover checking account overdrafts.
	\$300 per transfer	OD Protection Fee for Journey Savings.
Paper Statements	\$5.00	Applies to My Generation Checking, Journey Checking, Business Checking accounts and duplicate statement requests.
	\$2.00	BankRight Checking account paper statement fee.
Retirement Account Transfer Out	\$25.00	Per account. Applies to IRA's being transferred out of TSB.
Returned Mail	\$2.00	Per month for mail returned to TSB by the USPS for an incorrect address.
Safe Deposit Box Drilling	Varies	Pricing is based on the vendors current fees.
Late Charge	\$25.00	
Lost Key Charge	\$50.00	
Rental Fee	Varies	Amount depends on box size which is subject to location and availability. See Safe Deposit Fee Schedule for details.
Signature Guarantee	\$25.00	Per transaction/ Medallion Signature Guarantee (STAMP).
Statement Copy	\$5.00	Per statement, does not include check images.
Stop Payment	\$30.00 per item	Applies to check, bill pay, ACH transactions, official checks, and money orders.
Uncollected Funds	\$35.00	Per item paid or returned on items where the available account balance is more than \$15.00. Fee will be charged for each item or transaction up to 4 items per business day. Applies to any debit against the account balance including ACH, bill pay, checks, electronic banking transfers and debit card transactions.
Wire Transfer		
All Incoming Wires	\$15.00	
Outgoing - Domestic	\$25.00	
Outgoing - Foreign	\$45.00	You may incur a charge from the corresponding bank in order to process a foreign wire.



## ASSESSMENT AREA CENSUS TRACTS

State	Region	Town	State Code	MSA	County Code	Census Tract
CT	Capitol Region COG	Farmington	9	25540	110	4601
CT	Capitol Region COG	Farmington	9	25540	110	4602.02
CT	Capitol Region COG	Farmington	9	25540	110	4602.03
CT	Capitol Region COG	Farmington	9	25540	110	4602.04
CT	Capitol Region COG	Farmington	9	25540	110	4603.01
CT	Capitol Region COG	Farmington	9	25540	110	4603.02
CT	Capitol Region COG	Avon	9	25540	110	4621.01
CT	Capitol Region COG	Avon	9	25540	110	4621.02
CT	Capitol Region COG	Avon	9	25540	110	4622.01
CT	Capitol Region COG	Avon	9	25540	110	4622.02
CT	Capitol Region COG	Canton	9	25540	110	4641.01
CT	Capitol Region COG	Canton	9	25540	110	4641.02
CT	Capitol Region COG	Simsbury	9	25540	110	4661.01
CT	Capitol Region COG	Simsbury	9	25540	110	4661.02
CT	Capitol Region COG	Simsbury	9	25540	110	4662.01
CT	Capitol Region COG	Simsbury	9	25540	110	4662.02
CT	Capitol Region COG	Simsbury	9	25540	110	4663
CT	Capitol Region COG	Simsbury	9	25540	110	4664
CT	Capitol Region COG	Granby	9	25540	110	4681.01
CT	Capitol Region COG	Granby	9	25540	110	4681.02
CT	Capitol Region COG	East Granby	9	25540	110	4701
CT	Capitol Region COG	East Granby	9	25540	110	9800.01

CT	Naugatuck Valley Region COG	Bethlehem	9	47930	140	3421
CT	Naugatuck Valley Region COG	Thomaston	9	47930	140	3491
CT	Naugatuck Valley Region COG	Thomaston	9	47930	140	3492
CT	Naugatuck Valley Region COG	Watertown	9	47930	140	3601
CT	Naugatuck Valley Region COG	Watertown	9	47930	140	3602
CT	Naugatuck Valley Region COG	Watertown	9	47930	140	3603
CT	Naugatuck Valley Region COG	Watertown	9	47930	140	3604
CT	Naugatuck Valley Region COG	Woodbury	9	47930	140	3621.01
CT	Naugatuck Valley Region COG	Woodbury	9	47930	140	3621.02
CT	Naugatuck Valley Region COG	Bristol	9	47930	140	4051
CT	Naugatuck Valley Region COG	Bristol	9	47930	140	4052
CT	Naugatuck Valley Region COG	Bristol	9	47930	140	4053
CT	Naugatuck Valley Region COG	Bristol	9	47930	140	4054.01
CT	Naugatuck Valley Region COG	Bristol	9	47930	140	4054.02
CT	Naugatuck Valley Region COG	Bristol	9	47930	140	4055
CT	Naugatuck Valley Region COG	Bristol	9	47930	140	4056
CT	Naugatuck Valley Region COG	Bristol	9	47930	140	4057
CT	Naugatuck Valley Region COG	Bristol	9	47930	140	4058.01
CT	Naugatuck Valley Region COG	Bristol	9	47930	140	4058.02
CT	Naugatuck Valley Region COG	Bristol	9	47930	140	4059
CT	Naugatuck Valley Region COG	Bristol	9	47930	140	4060.01
CT	Naugatuck Valley Region COG	Bristol	9	47930	140	4060.02
CT	Naugatuck Valley Region COG	Bristol	9	47930	140	4061
CT	Naugatuck Valley Region COG	Plymouth	9	47930	140	4253
CT	Naugatuck Valley Region COG	Plymouth	9	47930	140	4254
CT	Naugatuck Valley Region COG	Plymouth	9	47930	140	4255
CT	Northwest Hills COG	North Canaan	9	99999	160	2602
CT	Northwest Hills COG	Salisbury	9	99999	160	2611
CT	Northwest Hills COG	Sharon	9	99999	160	2621
CT	Northwest Hills COG	Cornwall	9	99999	160	2632
CT	Northwest Hills COG	Warren	9	99999	160	2651
CT	Northwest Hills COG	Kent	9	99999	160	2661
CT	Northwest Hills COG	Washington	9	99999	160	2671
CT	Northwest Hills COG	Roxbury	9	99999	160	2681
CT	Northwest Hills COG	Barkhamsted	9	99999	160	2901

CT	Northwest Hills COG	Colebrook	9	99999	160	2931
CT	Northwest Hills COG	Goshen	9	99999	160	2961
CT	Northwest Hills COG	Harwinton	9	99999	160	2983
CT	Northwest Hills COG	Harwinton	9	99999	160	2984
CT	Northwest Hills COG	Litchfield	9	99999	160	3001
CT	Northwest Hills COG	Litchfield	9	99999	160	3004
CT	Northwest Hills COG	Litchfield	9	99999	160	3005
CT	Northwest Hills COG	Morris	9	99999	160	3031
CT	Northwest Hills COG	New Hartford	9	99999	160	3061
CT	Northwest Hills COG	Torrington	9	99999	160	3101
CT	Northwest Hills COG	Torrington	9	99999	160	3102
CT	Northwest Hills COG	Torrington	9	99999	160	3103
CT	Northwest Hills COG	Torrington	9	99999	160	3104
CT	Northwest Hills COG	Torrington	9	99999	160	3105
CT	Northwest Hills COG	Torrington	9	99999	160	3106.01
CT	Northwest Hills COG	Torrington	9	99999	160	3106.02
CT	Northwest Hills COG	Torrington	9	99999	160	3107
CT	Northwest Hills COG	Torrington	9	99999	160	3108.01
CT	Northwest Hills COG	Torrington	9	99999	160	3108.03
CT	Northwest Hills COG	Torrington	9	99999	160	3108.04
CT	Northwest Hills COG	Winchester	9	99999	160	3201.01
CT	Northwest Hills COG	Winchester	9	99999	160	3201.02
CT	Northwest Hills COG	Winchester	9	99999	160	3202
CT	Northwest Hills COG	Hartland	9	99999	160	3301
CT	Northwest Hills COG	Burlington	9	99999	160	4101.01
CT	Northwest Hills COG	Burlington	9	99999	160	4101.02
CT	Northwest Hills COG	Norfolk	9	99999	160	4256.01
CT	Northwest Hills COG	Canaan	9	99999	160	4256.02
CT	Western COG	Bridgewater	9	14860	190	2501
CT	Western COG	New Milford	9	14860	190	2531
CT	Western COG	New Milford	9	14860	190	2532
CT	Western COG	New Milford	9	14860	190	2534
CT	Western COG	New Milford	9	14860	190	2535
CT	Western COG	New Milford	9	14860	190	4257

## **PUBLIC DISCLOSURE**

September 8, 2025

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The Torrington Savings Bank  
Certificate Number: 16636

129 Main Street  
Torrington, Connecticut 06790

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

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

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

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## INSTITUTION RATING

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

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

**The Lending Test is rated Satisfactory.**

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans and other lending-related activities are in the institution's assessment area.
- The geographic distribution of loans reflects excellent dispersion throughout the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.
- The bank did not receive any CRA-related complaints since the prior evaluation; therefore, this factor did not affect the Lending Test rating.

**The Community Development Test is rated Satisfactory.**

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

## DESCRIPTION OF INSTITUTION

### **Background**

The Torrington Savings Bank (TSB) is a mutual savings bank headquartered in Torrington, Connecticut (CT). The Federal Deposit Insurance Corporation (FDIC) previously evaluated the bank's CRA performance on February 22, 2022, using the Federal Financial Institutions Examination Council (FFIEC) Interagency Intermediate Small Institution (ISI) Examination Procedures. The bank received an overall rating of Satisfactory, with ratings of Outstanding for the Lending Test and Satisfactory for the Community Development Test. The bank wholly owns Torrington Savings Mortgage Servicing Company, a passive investment company, and Torrington Savings Foundation, which is dedicated to revitalizing the communities it serves and improving the quality of life for low- and moderate-income individuals and families.

### **Operations**

Including its main office at 129 Main Street in Torrington, the bank operates eight full-service branches throughout the Naugatuck Valley and Northwest Hills Planning Regions (PR), in the following towns: Bristol (1) in the Naugatuck Valley PR; and Burlington (1), Canaan (1), Goshen (1), New Hartford (1), and Torrington (3) in the Northwest Hills PR. All eight branches offer 24-hour deposit-taking automated teller machines (ATMs), six of which offer drive-up services. The bank also operates a remote, non-deposit-taking ATM in Torrington. In addition to the full-service branches, the bank operates a loan office and a trust office in Torrington. The bank did not open or close any branches or ATMs, or engage in any merger or acquisition activity, since the prior evaluation.

TSB offers traditional residential, consumer, and commercial loan products, with a continued primary focus on residential lending. Residential lending products include home mortgage loans, construction loans, and home equity lines of credit. Consumer lending products include secured and unsecured personal loans, home equity loans, and overdraft lines of credit. Commercial lending products include term loans, lines of credit, construction loans, commercial real estate loans, letters of credit, and Small Business Administration (SBA) loans. The bank offers standard personal and commercial deposit products, including interest-bearing and non-interest-bearing checking accounts, savings accounts, and certificates of deposit. The bank also provides advisory and trust services. Alternative banking services include online, mobile, and 24-hour telephone banking, digital wallet, electronic bill pay, and ATMs.

### **Ability and Capacity**

As of June 30, 2025, the bank reported total assets of \$1.0 billion and total deposits of \$806.0 million. Loans totaled \$796.6 million, representing 79.7 percent of total assets. Since the prior evaluation, total assets increased by \$26.6 million (2.7 percent) and total loans increased by \$265.0 million (39.9 percent). The bank is primarily a residential lender, with loans secured by one-to-four family and multifamily properties representing the largest portion of the portfolio at 69.1 percent. Commercial lending, which includes commercial and industrial loans and loans secured by nonfarm

nonresidential properties, represents the second largest portion of the portfolio at 26.6 percent. The following table illustrates the loan portfolio distribution.

<b>Loan Portfolio Distribution as of 06/30/2025</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	33,035	4.1
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	503,690	63.2
Secured by Multifamily (5 or more) Residential Properties	47,147	5.9
Secured by Nonfarm Nonresidential Properties	204,471	25.7
<b>Total Real Estate Loans</b>	<b>788,343</b>	<b>99.0</b>
Commercial and Industrial Loans	7,447	0.9
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	771	0.1
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	20	0.0
Lease Financing Receivables (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>796,581</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

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

### **DESCRIPTION OF ASSESSMENT AREA**

The CRA requires each financial institution to designate one or more assessment areas within which examiners will evaluate its CRA performance. On July 21, 2023, the Office of Management and Budget (OMB) established revised delineations of the nation’s Metropolitan Statistical Areas (MSA), Micropolitan Statistical Areas, and Combined Statistical Areas (CSA) through OMB Bulletin 23-01. The revised delineations reflect the State of Connecticut’s change from using counties as the geographic components of MSAs to using PRs (county equivalents) as the geographic components of MSAs. Examiners used these revised delineations for this evaluation.

TSB’s designated assessment area primarily encompasses the Torrington Micropolitan Statistical Area (CT Non-Metro) and the Waterbury-Shelton, CT MSA. Additionally, the assessment area includes certain communities from the Hartford-West Hartford-East Hartford, CT MSA. Although the bank does not have any branches within the Hartford-West Hartford-East Hartford, CT MSA, the Connecticut Non-Metro, Waterbury-Shelton, CT MSA, and Hartford-West Hartford-East Hartford, CT MSA are all located within the New Haven-Hartford-Waterbury, CT CSA. Finally, the assessment area includes two municipalities in the Bridgeport-Stamford-Danbury, CT MSA, neither of which contain a TSB branch. Because these two towns border the New Haven-Hartford-Waterbury, CT CSA, examiners also included them within the assessment area. The bank has not

changed its assessment area delineations since the prior evaluation; the only changes are due to the OMB Bulletin 23-01. The bank's assessment area includes the following cities and towns:

- **CT Non-Metro** – Barkhamsted, Burlington, Canaan, Colebrook, Cornwall, Goshen, Hartland, Harwinton, Kent, Litchfield, Morris, New Hartford, Norfolk, North Canaan, Roxbury, Salisbury, Sharon, Torrington, Warren, Washington, and Winchester in the Northwest Hills PR (entire PR).
- **Waterbury-Shelton, CT MSA** – Bethlehem, Bristol, Plymouth, Thomaston, Watertown, and Woodbury in the Naugatuck Valley PR.
- **Hartford-West Hartford-East Hartford, CT MSA** – Avon, Canton, East Granby, Farmington, Granby, and Simsbury in the Capitol PR.
- **Bridgeport-Stamford-Danbury, CT MSA** – Bridgewater and New Milford in the Western CT PR.

### **Economic and Demographic Data**

According to 2020 United States (U.S.) Census data, the assessment area consists of 91 census tracts with the following income designations:

- 0 low-income tracts,
- 10 moderate-income tracts,
- 47 middle-income tracts,
- 33 upper-income tracts, and
- 1 tract with no income designation.

The moderate-income tracts are in the following towns: New Milford (2); Bristol (2), Torrington (5), and Winchester (1). There are no low-income tracts or underserved or distressed nonmetropolitan middle-income census tracts within the assessment area. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	91	0.0	11.0	51.7	36.3	1.1
Population by Geography	353,841	0.0	9.7	51.7	38.7	0.0
Housing Units by Geography	158,611	0.0	10.2	52.6	37.2	0.0
Owner-Occupied Units by Geography	106,271	0.0	6.4	51.8	41.8	0.0
Occupied Rental Units by Geography	34,903	0.0	21.2	55.2	23.7	0.0
Vacant Units by Geography	17,437	0.0	11.3	52.5	36.2	0.0
Businesses by Geography	43,730	0.0	9.6	47.1	43.3	0.1
Farms by Geography	881	0.0	2.4	41.4	56.2	0.0
Family Distribution by Income Level	93,449	16.8	16.9	20.8	45.6	0.0
Household Distribution by Income Level	141,174	21.1	15.1	16.9	46.9	0.0
Median Family Income MSA – 14860 Bridgeport-Stamford-Danbury, CT MSA	\$119,192	Median Housing Value				\$ 280,448
Median Family Income MSA – 25540 Hartford-West Hartford-East Hartford, CT MSA	\$102,081					
Median Family Income MSA – 47930 Waterbury-Shelton, CT MSA	\$93,107	Median Gross Rent				\$1,151
Median Family Income Connecticut Non-MSA	\$94,529					
		Families Below Poverty Level				4.2%
<i>Source: 2020 Census And 2024 D&amp;B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.</i>						

The Geographic Distribution criterion compares the bank’s home mortgage loans to the distribution of owner-occupied housing units. Owner-occupied housing units indicate opportunities that may exist for institutions to originate owner-occupied home mortgage loans. There are 158,611 housing units in the assessment area. Of these, 67.0 percent are owner-occupied, 22.0 percent are occupied rental units, and 11.0 percent are vacant. As previously mentioned, there are no low-income census tracts in the area. Further, only 6.4 percent of the owner-occupied housing units are in moderate-income tracts. This data suggests that there are limited opportunities for lenders to originate owner-occupied home mortgage loans in such geographies.

Examiners use the FFIEC-updated median family income (MFI) levels to analyze home mortgage loans under the Borrower Profile criterion. The following table reflects the MFI ranges for the low-, moderate-, middle- and upper-income categories in the assessment area for 2024.

<b>MFI Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥ 120%</b>
<b>Bridgeport-Stamford-Danbury, CT MSA (14860)</b>				
2024 (\$146,500)	<\$73,250	\$73,250 To <\$117,200	\$117,200 To <\$175,800	≥\$175,800
<b>Connecticut Non-MSA</b>				
2024 (\$105,400)	<\$52,700	\$52,700 To <\$84,320	\$84,320 To <\$126,480	≥\$126,480
<b>Hartford-West Hartford-East Hartford, CT MSA (25540)</b>				
2024 (\$123,800)	<\$61,900	\$61,900 To <\$99,040	\$99,040 To <\$148,560	≥\$148,560
<b>Waterbury-Shelton, CT MSA (47930)</b>				
2024 (\$107,000)	<\$53,500	\$53,500 To <\$85,600	\$85,600 To <\$128,400	≥\$128,400
<i>Source: FFIEC</i>				

The Borrower Profile criterion compares the bank’s distribution of home mortgage loans to the percentage of low- and moderate-income families. Given the median housing value of \$280,448 in the assessment area, low- and moderate-income families may face challenges qualifying for home mortgage loans through conventional underwriting standards. Specifically, the median housing value is more than four times the MFI of low-income families in the Connecticut Non-Metro, Hartford-West Hartford-East Hartford, CT MSA, and Waterbury-Shelton, CT MSA, and more than triple that of the Bridgeport-Stamford-Danbury, CT MSA.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of loans to businesses by gross annual revenue (GAR) to D&B data. According to 2024 D&B data, 43,730 non-farm businesses operate in the assessment area. Non-classifiable Businesses represent the largest portion of businesses at 20.4 percent, followed by Professional, Scientific, and Technical Services at 11.2 percent, Construction at 10.1 percent, and the Services Industry at 8.2 percent. Most businesses in the assessment area are small, with 93.4 percent operating from a single location and 70.5 percent employing four or fewer employees. The following reflects the breakdown of businesses by GAR category.

- 89.9 percent have GARs of \$1.0 million or less,
- 2.8 percent have GARs greater than \$1.0 million, and
- 7.3 percent have unknown revenues.

According to the U.S. Bureau of Labor Statistics (BLS), unemployment rates have steadily declined in recent years. In Connecticut, rates have dropped in recent years, reflecting continued economic recovery from the COVID-19 pandemic. In 2024, the Northwest Hills and Western CT PRs reported lower unemployment rates than the state level, whereas the Capitol and Naugatuck Valley PRs reported equal to or above the state level. All unemployment rates within the bank’s assessment area were below the national average. The following table reflects unemployment rates by PR compared to the state and national average unemployment rates in 2024.

Unemployment Rates	
Area	2024
	%
Capitol PR	3.2
Naugatuck Valley PR	3.6
Northwest Hills PR	2.8
Western CT PR	2.8
Connecticut	3.2
National Average	4.0
<i>Source: U.S. BLS</i>	

**Competition**

The bank operates in a moderately competitive market for financial services. According to June 30, 2025 FDIC Deposit Market Share data, 23 financial institutions operated 92 offices in the assessment area. TSB ranked 5<sup>th</sup> with a 7.4 percent deposit market share. Webster Bank, N.A., ranked 1<sup>st</sup> with 18.7 percent deposit market share.

The bank faces a high level of competition for home mortgage loans among community banks, large national banks, and non-depository mortgage lenders in the assessment area. In 2024, aggregate home mortgage lending data showed 341 lenders originated or purchased 8,543 home mortgage loans in the assessment area. TSB ranked 13<sup>th</sup> with a 2.1 percent market share. Among community banks, TSB ranked 3<sup>rd</sup>, only outperformed by Thomaston Savings Bank (4.9 percent market share) and Liberty Bank (3.3 percent market share). TSB outperformed other similarly situated institutions such as Northwest Community Bank, which ranked 16<sup>th</sup> with a 1.6 percent market share.

TSB is not required to report small business lending data. Therefore, the analysis of small business loans under the Lending Test does not include comparisons to aggregate data. Although aggregate data would reflect the competition level for small business loans, aggregate small business lending data for 2024 was not yet available for examiners to review as of the evaluation date; therefore, they could not include this information for performance context purposes.

**Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment area to understand the area’s credit and community development needs. This information helps to determine whether local financial institutions respond to those needs. The information also shows what credit and community development opportunities are available.

Examiners reviewed a contact from 2022 with a local community development organization that promotes affordable housing and community services for low- and moderate-income individuals in the assessment area. Specifically, the organization focuses on developing affordable housing, supporting the homeless population and those struggling with substance abuse, supporting early childhood development programs for low-income children, and feeding the food insecure. The

contact identified affordable housing as a critical need in the area, noting a shortage of available units and aging housing stock in need of rehabilitation. The contact also mentioned that there is a large number of second home buyers in the area, which inflates home prices, and there are limited multi-family and rental housing options available. In addition, the contact noted that there are opportunities for financial institutions to offer affordable credit, such as by providing downpayment assistance options for borrowers. There is also the opportunity for financial institutions to offer long-term financial literacy programs for children, helping them build strong money management habits from a young age. The contact acknowledged that local financial institutions are active in the community, specifically naming TSB.

### **Credit and Community Development Needs and Opportunities**

Examiners considered information gathered from the community contact, information from the bank, and demographic and economic data to determine the assessment area's primary credit and community development needs. Examiners determined that affordable housing, community services for low- and moderate-income individuals, and economic development for small businesses are the primary community development needs. Examiners determined that loans to develop affordable housing projects and flexible loans to support small businesses represent the primary credit needs. In addition, opportunities exist for financial institutions to offer flexible and creative financing for affordable housing projects, and to provide downpayment assistance options and financial literacy programs for low- and moderate-income individuals. Opportunities also exist to offer flexible small business loans and make investments to meet the needs of such businesses.

## **SCOPE OF EVALUATION**

### **General Information**

This performance evaluation covers the period from the prior evaluation dated February 22, 2022, to the current evaluation dated September 8, 2025. Examiners used FFIEC ISI Examination Procedures to evaluate the bank's performance. The procedures include the Lending Test and Community Development Test (please see the Appendices for a complete description). Banks must achieve at least a Satisfactory rating under each test to obtain an overall Satisfactory rating. Examiners used full-scope procedures to evaluate the bank's CRA performance in the assessment area.

### **Activities Reviewed**

Examiners determined that the bank's major product lines are home mortgage and small business loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. The bank did not originate any small farm loans during the evaluation period and consumer loans represent a nominal portion of the loan portfolio; therefore, they provide no material support for conclusions or ratings and are not included in this analysis.

Examiners analyzed all home mortgage loans reported on the bank's 2022, 2023, and 2024 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). The bank reported 355

home mortgage loans totaling \$90.9 million in 2022, 342 loans totaling \$73.1 million in 2023, and 244 loans totaling \$52.3 million in 2024. Examiners presented all three years of home mortgage lending data in the Assessment Area Concentration table. For the Geographic Distribution and Borrower Profile criteria, examiners only presented 2024 home mortgage lending data, as there were no significant performance concerns or anomalies between the three years of data, and 2024 is the most recent year for which aggregate data is available. Examiners compared the bank's 2024 home mortgage lending performance to aggregate data and 2020 U.S. Census data.

As an ISI, TSB is not required to collect or report small business data; however, the bank voluntarily collected relevant CRA data, which allowed examiners to analyze the bank's full universe of small business loans for 2022, 2023, and 2024. The bank originated 29 small business loans totaling \$8.3 million in 2022, 23 loans totaling \$8.5 million in 2023, and 13 loans totaling \$4.2 million in 2024. Examiners presented all three years of small business lending data in the Assessment Area Concentration table. For the Geographic Distribution and Borrower Profile criteria, examiners only presented 2024 small business lending data, as 2024 is the most recent full calendar year. Examiners compared the bank's small business lending performance to D&B business demographic data.

For the Lending Test, examiners analyzed the number and dollar volume of home mortgage and small business loans. Although examiners presented the number and dollar volume of loans, they emphasized performance by number of loans, as it is a better indicator of the number of individuals and businesses served. When arriving at overall conclusions and ratings, examiners placed greater weight on the bank's home mortgage lending performance due to the bank's business strategy and origination activity during the evaluation period.

For the Community Development Test, examiners considered the bank's community development loans, qualified investments, and community development services since the prior CRA evaluation dated February 22, 2022, to the current evaluation date of September 8, 2025.

Examiners obtained demographic and economic information referenced in this evaluation from the 2020 U.S. Census data, D&B, and the U.S. BLS. Financial data is based on the June 30, 2025 Report of Income and Condition (Call Report).

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

The bank demonstrated Satisfactory performance under the Lending Test. The bank's performance under each Lending Test criteria support this conclusion. The following sections summarize the bank's performance under each criterion.

#### **Loan-to-Deposit (LTD) Ratio**

The LTD ratio is reasonable given the institution's size, financial condition, and credit needs of the assessment area. The bank's net LTD ratio, calculated from the Call Report data, averaged 86.4 percent over the past 14 calendar quarters from March 31, 2022, through June 30, 2025. The bank's

net LTD ratio has steadily increased since March 31, 2022, experiencing only one minor decrease as of March 31, 2025. As illustrated by the following table, the bank’s LTD ratio is comparable to similarly situated institutions. Examiners selected similarly situated institutions based on asset size, geographic location, and loan composition.

<b>LTD Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 06/30/2025 (\$000s)</b>	<b>Average Net LTD Ratio (%)</b>
<b>The Torrington Savings Bank</b>	<b>1,023,142</b>	<b>86.4</b>
Ascend Bank	1,183,190	82.4
Dime Bank	1,184,796	81.8
Northwest Community Bank	1,163,333	86.3
<i>Source: Reports of Condition and Income 03/31/2022 - 06/30/2025</i>		

**Assessment Area Concentration**

The bank made a majority of its loans within the assessment area. While the bank made a majority of home mortgage loans, by number and dollar amount, and a majority of small business loans by number in its assessment area, it originated a slight majority of small business loans by dollar amount outside the assessment area. The following table illustrates the bank’s performance by loan category and year.

<b>Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollars Amount of Loans</b>				<b>Total \$(000s)</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside \$(000s)</b>		<b>Outside \$(000s)</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
<b>Home Mortgage</b>										
2022	290	82.0	65	18.0	355	52,700	58.0	38,224	42.0	90,924
2023	250	73.0	92	27.0	342	48,154	65.9	24,896	34.1	73,050
2024	180	74.0	64	26.0	244	31,922	61.0	20,384	39.0	52,306
<b>Subtotal</b>	<b>720</b>	<b>76.5</b>	<b>221</b>	<b>23.5</b>	<b>941</b>	<b>132,776</b>	<b>61.4</b>	<b>83,504</b>	<b>38.6</b>	<b>216,280</b>
<b>Small Business</b>										
2022	12	41.0	17	59.0	29	2,582	31.0	5,760	69.0	8,342
2023	16	70.0	7	30.0	23	5,235	61.9	3,217	38.1	8,452
2024	7	54.0	6	46.0	13	1,511	35.6	2,730	64.4	4,241
<b>Subtotal</b>	<b>35</b>	<b>53.8</b>	<b>30</b>	<b>46.2</b>	<b>65</b>	<b>9,328</b>	<b>44.3</b>	<b>11,707</b>	<b>55.7</b>	<b>21,035</b>
<b>Total</b>	<b>755</b>	<b>75.0</b>	<b>251</b>	<b>25.0</b>	<b>1,006</b>	<b>142,104</b>	<b>59.9</b>	<b>95,211</b>	<b>40.1</b>	<b>237,315</b>
<i>Source: Bank Data</i>										

**Geographic Distribution**

The geographic distribution of loans reflects excellent dispersion throughout the assessment area. The bank’s excellent performance in both home mortgage and small business lending supports this

conclusion. Since the assessment area does not contain any low-income census tracts, examiners focused on the percentage, by number, of home mortgage and small business loans in moderate-income census tracts.

**Home Mortgage Loans**

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the assessment area. As shown in the following table, the bank’s lending in moderate-income census tracts exceeded aggregate performance and demographic data in 2024. In addition, 2024 market share data supports the bank’s excellent performance in moderate-income tracts. Specifically, TSB ranked 9<sup>th</sup> out of 143 lenders that originated or purchased home mortgage loans in moderate-income census tracts within the assessment area, achieving a 2.2 percent market share. TSB was the second-ranked community bank, only outperformed by Union Savings Bank (ranked 7<sup>th</sup> with a 2.4 percent market share).

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner Occupied Housing Units	HMDA Aggregate % of #	#	%	\$(000s)	%
Low						
2024	0.0	--	0	0.0	0	0.0
Moderate						
2024	6.4	8.4	16	8.9	1,518	4.8
Middle						
2024	51.8	52.5	92	51.1	15,795	49.5
Upper						
2024	41.8	39.1	72	40.0	14,609	45.8
NA						
2024	0.0	--	0	0.0	0	0.0
<b>Total</b>						
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>180</b>	<b>100.0</b>	<b>31,922</b>	<b>100.0</b>

*Source: 2020 Census; Imported Bank Data; 2024 HMDA Aggregate Data*

**Small Business Loans**

The geographic distribution of small business loans reflects excellent dispersion throughout the assessment area. As shown in the following table, the bank’s performance in moderate-income census tracts significantly exceeded demographic data in 2024. Specifically, the bank originated more than half of its small business loans within moderate-income census tracts.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2024	0.0	0	0.0	0	0.0
Moderate					
2024	9.6	4	57.1	946	62.6
Middle					
2024	47.1	2	28.6	265	17.5
Upper					
2024	43.3	1	14.3	300	19.9
NA					
2024	0.1	0	0.0	0	0.0
<b>Total</b>					
<b>2024</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>	<b>1,511</b>	<b>100.0</b>
<i>Source: 2024 D&amp;B Data; Bank Data</i>					

**Borrower Profile**

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels and businesses of different sizes. The bank’s reasonable performance in both home mortgage and small business lending supports this conclusion.

***Home Mortgage Loans***

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. As shown in the following table, the bank’s lending to low-income borrowers was similar to aggregate performance in 2024. Although TSB and aggregate performance both trailed demographic data, examiners considered the maximum incomes of low-income families, the percentage of families below the poverty level, and the median home price of \$280,448, and determined that these factors help explain the gap between the percentage of low-income families and bank and aggregate performance. Lastly, the bank’s lending to moderate-income borrowers was similar to aggregate performance and exceeded demographic data in 2024, further supporting the bank’s reasonable performance.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	HMDA Aggregate % of #	#	%	\$(000s)	%
Low						
2024	16.8	7.2	12	6.7	810	2.5
Moderate						
2024	16.9	21.7	37	20.6	3,796	11.9
Middle						
2024	20.8	24.5	47	26.1	6,953	21.8
Upper						
2024	45.6	34.4	83	46.1	19,830	62.1
NA						
2024	0.0	12.2	1	0.6	533	1.7
<b>Total</b>						
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>180</b>	<b>100.0</b>	<b>31,922</b>	<b>100.0</b>
<i>Source: 2020 Census; Imported Bank Data; 2024 HMDA Aggregate Data</i>						

**Small Business**

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. As shown in the following table, the bank’s lending to businesses with GARs of \$1.0 million or less fell below demographic data in 2024. However, the bank originated more than half of its small business loans to businesses with GARs of \$1.0 million or less, demonstrating its commitment to lending to these businesses. In addition, the bank originated a low volume of small business loans within the assessment area in 2024, which resulted in a higher per loan percentage that could impact performance in either direction with just a single loan difference.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<= \$1,000,000					
2024	89.9	4	57.1	511	33.8
> \$1,000,000					
2024	2.8	3	42.9	1,000	66.2
Revenue Not Available					
2024	7.3	0	0.0	0	0.0
<b>Total</b>					
<b>2024</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>	<b>1,511</b>	<b>100.0</b>
<i>Source: 2024 D&amp;B Data; Bank Data</i>					

**Response to Complaints**

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

**COMMUNITY DEVELOPMENT TEST**

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

**Community Development Loans**

During the evaluation period, TSB originated 13 community development loans totaling \$12.6 million. This level of activity represents 1.3 percent of average total assets and 1.9 percent of average total loans. The bank’s community development lending activity decreased by number and increased by dollar amount since the prior evaluation, during which time the bank originated 77 community development loans totaling \$10.7 million. However, nearly all community development loans (97.4 percent) at the prior evaluation were SBA Paycheck Protection Program (PPP) loans. The SBA PPP expired in May 2021; therefore, the bank did not have the opportunity to originate any PPP loans during the current evaluation period.

The bank’s community development loans, by number and dollar volume, primarily supported affordable housing initiatives, demonstrating its responsiveness to the assessment area’s community development needs and opportunities. Since the bank was responsive to the community development credit needs of the assessment area, examiners also considered community development loans made outside of the assessment area, but within the broader statewide area. Of the 13 community development loans, 7 loans totaling approximately \$5.2 million directly benefited the assessment area, and 6 loans totaling approximately \$7.5 million benefited the broader statewide area. The following tables illustrate the bank’s community development lending activity by year, purpose, and area.

<b>Community Development Lending</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2022 (Partial)	4	6,655	-	-	-	-	-	-	4	6,655
2023	2	2,100	-	-	-	-	-	-	2	2,100
2024	3	2,786	1	125	-	-	-	-	4	2,911
2025 (YTD)	1	517	1	210	-	-	1	250	3	977
<b>Total</b>	<b>10</b>	<b>12,058</b>	<b>2</b>	<b>335</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>250</b>	<b>13</b>	<b>12,643</b>
<i>Source: Bank Data</i>										

<b>Community Development Lending by Area</b>										
<b>Area</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Assessment Area	4	4,587	2	335	-	-	1	250	7	5,172
Broader Statewide	6	7,471	-	-	-	-	-	-	6	7,471
<b>Total</b>	<b>10</b>	<b>12,058</b>	<b>2</b>	<b>335</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>250</b>	<b>13</b>	<b>12,643</b>
<i>Source: Bank Data</i>										

The following are notable examples of the bank’s community development loans.

- In 2022 and 2023, the bank originated two loans totaling \$2.1 million to support an affordable housing project in Torrington. The project included developing 60 residential apartment units, of which 45 units (or 75.0 percent) are reserved for low- and moderate-income individuals, with rents below the U.S. Department of Housing and Urban Development (HUD) Fair Market Rents. These loans qualify for community development by supporting affordable housing within the assessment area.
- In 2025, the bank originated a \$250,000 loan to support the operations of the Warner Theatre, which is in a moderate-income census tract in downtown Torrington. The funds were used to meet the working capital needs of the theater, which employs area residents in the box office, administrative offices, facilities department, and artistic/education department. The theatre’s operation helps retain local businesses by attracting patrons to downtown Torrington throughout the year, which benefits surrounding bars, cafes, restaurants, and shops. This loan qualifies for community development by supporting the rehabilitation and stabilization of a moderate-income census tract in the assessment area.

**Qualified Investments**

During the evaluation period, TSB made 312 qualified investments to 46 organizations totaling \$1.5 million. This activity comprises two prior period investments with a combined book value of \$548,000 and 310 donations totaling \$984,000. The total dollar amount of qualified investments represents 0.2 percent of average total assets and 1.0 percent of average total securities since the prior evaluation. The total volume of qualified investments increased since the prior evaluation period, during which the bank made 106 qualified investments totaling \$1.0 million. Specifically, qualified investments nearly tripled by number and increased 50.0 percent by dollar amount since the prior evaluation. Further, TSB’s qualified investment activity exceeded those of two similarly situated institutions at the current evaluation.

Qualified investments mainly supported community services for low- and moderate-income individuals and affordable housing initiatives, demonstrating responsiveness to the assessment area’s needs and opportunities. As the bank was responsive to the community development needs of the assessment area, examiners also considered qualified investments made outside of the assessment area, but within the broader statewide area. Of the 312 qualified investments, 2 prior

period investments and 9 donations, totaling \$636,897, benefited the broader statewide area. The following tables illustrate the qualified investments by year, purpose, and area.

<b>Community Development Qualified Investments</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Prior Period	1	448	-	-	1	100	-	-	2	548
2022 (Partial)	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-
2025 (YTD)	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	1	448	-	-	1	100	-	-	2	548
Qualified Grants & Donations	3	10	246	758	4	55	57	161	310	984
<b>Total</b>	4	458	246	758	5	155	57	161	312	1,532

*Source: Bank Data*

<b>Community Development Qualified Investments by Area</b>										
<b>Area</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Assessment Area	3	10	241	725	-	-	57	161	301	896
Broader Statewide	1	448	5	33	5	155	-	-	11	636
<b>Total</b>	4	458	246	758	5	155	57	161	312	1,532

*Source: Bank Data*

Prior Period Investments

The bank maintained two prior period investments with a combined current book value of \$548,000. The following points detail these investments.

- In 2016, the bank invested in a community economic development fund that provides financing to low- and moderate-income small business owners in Connecticut, who are otherwise unable to obtain traditional financing. The funds are used to launch new or sustain and grow existing small businesses. The current book value of the investment is approximately \$100,000. This investment qualifies for community development by supporting economic development through financing small businesses in the broader statewide area.
- In 2017, the bank invested in a bond fund that supports affordable housing projects. The bank’s investments were earmarked to benefit the (historical) Hartford County, CT. For example, a portion of the bank’s investment was earmarked to provide funding to the SANA Apartments, an affordable housing community for low-income families and seniors in Hartford, CT. The current book value of the investment is approximately \$448,000. This

investment qualifies for community development by supporting affordable housing in the broader statewide area.

Donations

The following are notable examples of the bank’s qualified donations.

- **Friendly Hands Food Bank, Inc. (FHFB)** – Throughout the evaluation period, the bank made several donations to the FHFB, totaling \$23,000. The organization’s mission is to alleviate hunger, prevent food waste, and nourish local communities. This organization primarily serves low- and moderate-income individuals in Torrington. This donation qualifies for community development by supporting community services for low- and moderate-income individuals in the assessment area.
- **Women’s Business Development Council, Inc. (WBDC)** – In 2024 and 2025, the bank made four donations totaling \$55,000 to the WBDC. The organization provides assistance to low- and moderate-income female clients who own businesses in Connecticut. These donations qualify for community development by promoting economic development through supporting low- and moderate-income small business owners in the broader statewide area.

Community Development Services

During the evaluation period, bank employees provided 139 instances of financial expertise or technical assistance to 47 different community development-related organizations. TSB’s community development services increased since the prior evaluation, during which the bank provided 115 instances of financial expertise or technical assistance to 27 community development-related organizations. The number of services provided during the evaluation period exceeds two similarly situated institutions.

The bank’s community development services primarily supported organizations that provide community services for low- and moderate-income individuals, which was an identified community development need. Since the bank was responsive to the community development needs of the assessment area, examiners also considered community development services made in the broader statewide area. Of the 139 services, 11 benefited the broader statewide area. The following tables illustrate the bank’s community development services by year, purpose, and area.

Community Development Services					
Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Total
	#	#	#	#	#
2022 (Partial)	1	29	-	3	33
2023	2	48	-	1	51
2024	-	31	-	1	32
2025 (YTD)	1	22	-	-	23
<b>Totals</b>	<b>4</b>	<b>130</b>	<b>-</b>	<b>5</b>	<b>139</b>

*Source: Bank Data*

Community Development Services by Area					
Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Assessment Area	4	119	-	5	<b>128</b>
Broader Statewide	-	11	-	-	<b>11</b>
<b>Total</b>	<b>4</b>	<b>130</b>	<b>-</b>	<b>5</b>	<b>139</b>
<i>Source: Bank Data</i>					

The following are notable examples of the bank’s community development services.

- **Warner Theatre** – An executive manager served on the organization’s Board of Directors throughout the evaluation period. This service qualifies for community development by supporting the rehabilitation and stabilization of a moderate-income census tract in the assessment area.
- **Friends in Service to Humanity (FISH) of Northwestern CT** – The mission of FISH is to meet the most basic human needs, such as food and shelter, of low-income individuals and families in northwestern CT. The organization operates an emergency homeless shelter and food pantry. In 2023 and 2024, an assistant vice president served on the Board of Directors and as a Treasurer on the Finance Committee. This service qualifies for community development by supporting community services for low-income individuals in the assessment area.

## DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank’s compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

## APPENDICES

### INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

#### **Lending Test**

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

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

#### **Community Development Test**

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

## 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.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

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

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

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

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

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

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

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

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

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

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

**Community Development Loan:** A loan that:

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

**Community Development Service:** A service that:

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

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

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

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

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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

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

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

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

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

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

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

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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

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

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

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

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

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

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

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

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

**Nonmetropolitan Area** (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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

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

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

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

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

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

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

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

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

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



STATE OF CONNECTICUT  
DEPARTMENT OF BANKING

**COMMUNITY REINVESTMENT  
PERFORMANCE EVALUATION**

The Torrington Savings Bank  
Certificate Number: 16636

129 Main Street  
Torrington, Connecticut 06790

Date of Examination July 20, 2020

Examiner-in-Charge Terralyn Cooper

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**THIS CRA EVALUATION IS AVAILABLE FOR PUBLIC REVIEW AND COMMENT**

This evaluation reflects the Banking Commissioner's assessment pursuant to Connecticut General Statutes §36a-30 of the performance of this bank in helping to meet the credit needs of its local communities, 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 herein does not represent an analysis, conclusion, or opinion of the State of Connecticut Department of Banking concerning the safety and soundness of this financial institution.

**JORGE L. PEREZ  
BANKING COMMISSIONER**

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## **GENERAL INFORMATION**

Connecticut General Statutes (C.G.S.) section 36a-30(3)(b) Connecticut Community Reinvestment (CRA) requires the Banking Commissioner to assess the record of each bank in satisfying its continuing and affirmative obligations to help meet the credit needs of its local communities, including low- and moderate-income neighborhoods, consistent with safe and sound operations of such banks. Upon conclusion of such assessment, the Commissioner shall prepare a written evaluation of the bank's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods.

This document reflects an evaluation of the CRA performance of The Torrington Savings Bank prepared by the State of Connecticut Department of Banking as of July 20, 2020. This agency rates CRA performance of state chartered banks, under its supervision, consistent with the provisions set forth in subsection (a) of section 36a-32 of the C.G.S.

This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Connecticut Department of Banking concerning the safety and soundness of this financial institution.

## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**. An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Torrington Savings Bank's Satisfactory Community Reinvestment Act (CRA) performance under the Lending Test and Satisfactory performance under the Community Development Test supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal practices.

### **Lending Test**

The Lending Test is rated **Outstanding**.

- The bank's loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank originated a substantial majority of its home mortgage loans and small business loans within the assessment area.
- The geographic distribution of loans reflects an excellent dispersion throughout the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, an excellent penetration among individuals of different income levels and strong penetration of businesses of different sizes.
- Neither the bank nor the Banking Commissioner received any complaints related to the bank's CRA performance during this review period. As such, this criterion did not affect the rating under the Lending Test.

### **Community Development Test**

The Community Development Test is rated **Satisfactory**.

- The institution demonstrated adequate responsiveness to community development needs in its assessment area(s) through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area(s).
- The bank provides a variety of programs to assist unemployed and underemployed delinquent residential borrowers to help prevent foreclosures when practicable.

- The bank regularly offers escrow accounts pursuant to subsection (h) of section 47a-21 of the Connecticut General Statutes to facilitate landlord/tenant security deposit transactions.

## SCOPE OF EVALUATION

### **General Information**

The State of Connecticut Department of Banking (CTDOB) conducted an offsite evaluation of Torrington Savings Bank's ("TSB") CRA performance. Based on asset size, TSB is an Intermediate Small Bank under the CRA regulations. Therefore, examiners used the Federal Financial Institution Examination Council's (FFIEC) CRA Examination Procedures for Intermediate Small Institutions. These procedures include evaluating the bank's performance under the CRA Small Bank Lending Test and the Community Development Test. This evaluation period includes a review of the bank's activities since the previous FDIC evaluation dated December 3, 2018 through July 20, 2020.

In conducting this evaluation, examiners relied on records provided by the bank, public loan and financial information, demographic and economic data from the U.S. Census Bureau's 2015 American Community Survey (2015 ACS), the U.S. Bureau of Labor Statistics, and Dun and Bradstreet (D&B), as well as, loan information reported under the Home Mortgage Disclosure Act (HMDA). As an Intermediate Small Bank, TSB does not meet the asset size threshold required to report its small business lending activities pursuant to the CRA. Financial data used in this evaluation was obtained from the bank's March 31, 2020 Report of Condition and Income (Call Report).

The Small Bank Lending Test considered the institution's performance according to the following criteria:

- Loan-to-deposit (LTD) ratio
- Assessment area concentration
- Geographic distribution of loans
- Borrower's profile
- Response to substantiated CRA complaints

The Community Development Test considered the following criteria:

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

In addition to performance under the two tests, subsection (a) of section 36a-32 of the C.G.S. also requires examiners consider the following:

- Bank's record of offering escrow accounts for purposes of compliance with subsection (h) of 47a-21 (Rental Security Deposits),
- Efforts of the Bank to work with delinquent residential mortgage customers who are unemployed or underemployed to facilitate a resolution of the delinquency, and
- Written comments received by the Banking Commissioner.

No intermediate small bank may receive an assigned overall rating of “Satisfactory” unless it receives a rating of at least satisfactory on both the lending test and the community development test.

### **Loan Products Reviewed**

TSB’s major product lines, considering the bank’s business strategy and the number and dollar volume of loans originated during this review period, are home mortgage loans and small business loans. No other loan types, such as small farm or consumer loans, represent a major product line or provide material support for conclusions or ratings; therefore, examiners did not include these products in their analysis. Bank records indicate the lending focus and product mix remained consistent throughout the evaluation period.

This evaluation considered all home mortgage loans reported by the bank on its 2018 and 2019 HMDA Loan Applications Registers (LARs). In 2018, TSB reported 354 home mortgage loans totaling \$67,710,000. In 2019, the bank reported 403 home mortgage loans totaling \$74,655,000. The bank’s lending performance was compared to 2018 and 2019 HMDA aggregate data as well as demographic data from the 2015 ACS.

Pursuant to the CRA, as an ISB, TSB is not required to report its small business lending data and did not do so during this evaluation period. Accordingly, examiners selected a sample of commercial loans originated during 2019 and considered this sample representative of the bank’s performance during the entire evaluation period. In 2019, the bank originated 27 commercial loans totaling \$5.4 million. Due to the limited number of small business loan originations, examiners included the full universe of loans in this analysis. Since TSB is not required to report its small business lending data, the bank’s performance was not compared to aggregate market performance, but instead was measured against the 2019 D&B Business Demographic data.

In evaluating the bank’s performance under the Lending Test, examiners considered both the number and dollar volume of home mortgage loans and small business loans. While this evaluation presents both the number and dollar volume of loans, examiners emphasized performance by number of loans because it is a better indicator of the number of individuals and businesses served.

For the Community Development Test, management provided information about community development loans and community development services since the previous evaluation dated December 3, 2018. Examiners also considered qualified investments made since the previous evaluation as well as qualified investments made in prior periods that remained on the bank’s books as of April 30, 2020. These investments are included in this analysis based on their book values on April 30, 2020.

Conclusions arrived at in this analysis consider a variety of performance context factors that affect the individual assessment areas. Refer to the sections of this evaluation that describe the bank’s performance in each assessment area for further information.

## DESCRIPTION OF THE INSTITUTION

### **Background**

Torrington Savings Bank (“TSB”) is a state-chartered, mutual savings bank headquartered in Torrington, Connecticut. TSB wholly owns The Torrington Savings Bank Mortgage Servicing Company, a passive investment company that holds the majority of mortgage loans originated by the Bank. TSB formed the Torrington Savings Foundation in 2018 to provide grants to local charitable organizations.

The bank received a “Satisfactory” rating at its previous FDIC Performance Evaluation, dated December 3, 2018, based on the FFIEC Interagency Procedures for Intermediate Small Banks.

### **Operations**

TSB operates seven full-service branches, all of which have deposit taking automated teller machines (ATMs) and five of which offer drive-up windows. Six of those full-service branches are located in Litchfield County and one is located in Hartford County. The bank also has a remote, withdrawal-only ATM at Charlotte Hungerford Hospital in Torrington, CT. TSB further operates a separate trust office and a commercial lending office, located in Torrington, CT. The bank did not open, close, or relocate any offices since the prior evaluation, nor did the bank engage in any merger or acquisition activities.

TSB offers a variety of loan products to help meet the needs of retail customers in the bank’s assessment area. Residential mortgage products include fixed rate and adjustable rate mortgages, residential construction loans, jumbo mortgages, and home equity loans and lines of credit. Residential mortgage products include the bank’s first time homebuyers program that allows higher loan-to-value ratios, closing cost credits, and a homeownership education course. In 2020, TSB began to participate in Federal Home Loan Bank Equity Builder and Housing Our Workforce programs. The Equity Builder Program helps low- and moderate-income borrowers to achieve home ownership. The bank also offers secured and unsecured consumer loans including overdraft lines of credit.

Commercial loans offered by the bank include commercial real estate loans, commercial construction loans, term loans, and revolving lines of credit. TSB also participates in government sponsored loan programs targeted to assist small businesses and small farms. TSB is a participating United States Small Business Administration (SBA) 7a and 504 lender. The bank also participates in United States Department of Agriculture (USDA) government guaranteed loan program. The SBA and USDA programs help small businesses and small farms that might not otherwise qualify under standard underwriting criteria to obtain credit.

TSB also offers a variety of deposit accounts for retail and commercial customers. For retail customers, the bank offers checking accounts, savings accounts, money market accounts, certificate of deposit, and individual retirement accounts. In May 2019, the bank began offering three new business checking products Small Business Checking, Advantage Business Checking, and Commercial Checking. TSB also offers a business money market account.

TSB makes banking both convenient and accessible for its customers. Each full-service branch offers extended hours one day per week. All of the full-service branches also offer limited Saturday hours. The ATMs at all of the full-service branches offer 24-hour access. Drive-up ATMs exist at three of the locations, while the other ATMs offer walk-up service. In addition to the ATMS at the bank's locations and the remote ATM, customers have access to thousands of surcharge-free ATMS on the NYCE, Money Pass and PLUS networks. In addition to visiting the bank's brick and mortar locations, customers can also access banking services through alternate delivery channels, such as direct deposit, mobile banking, telephone banking and online banking and bill pay. The bank issues letters of credit for commercial customers. Additionally, commercial customers have access to various cash management services, such as ACH origination, business mobile deposit, payroll services, and merchant remote deposit capture. The bank also offers Positive Pay to commercial customers, which actively monitors business accounts for unusual or unauthorized transactions.

### **Ability and Capacity**

Based on TSB's March 31, 2020 Call Report, the bank had total assets of \$825.6 million and total deposits of \$656.5 million. Total loans were \$535.6 million, representing 64.9% of total assets and 81.6% of total deposits. As of the same date, investments totaled \$160.7 million or 19.5% of total assets. Since the previous evaluation, total assets increased 0.8%, total loans increased 5.9%, and total investments decreased 18.3%. Total deposits increased 0.7% during the same period.

The following table shows the composition of the bank's loan portfolio as of March 31, 2020:

<b>Loan Portfolio Distribution as of March 31, 2020</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction and Land Development	2,485	0.5
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	487,388	91.0
Secured by Multifamily (5 or more) Residential Properties	2,194	0.4
Secured by Nonfarm Nonresidential Properties	38,174	7.1
<b>Total Real Estate Loans</b>	<b>530,241</b>	<b>99.0</b>
Commercial and Industrial Loans	4,149	0.8
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	1,160	0.2
Other Loans	14	0.0
Lease Financing Receivables	0	0.0
<b>Total Loans</b>	<b>535,564</b>	<b>100.0</b>

The composition of the loan portfolio is consistent with the bank's overall business strategy. As reflected in the above table, home mortgage loans, including loans secured by 1-4 family properties, and loans secured by multifamily residential properties represent the largest portion of the bank's portfolio at 91.4%. Commercial real estate and commercial and industrial loans comprise the next largest portion of the loan portfolio at 7.9%. Construction and land development loans and consumer loans make up the remainder of the portfolio and represent a nominal portion of the portfolio. No significant changes have occurred in the composition of the bank's loan portfolio since the previous evaluation.

Examiners did not identify any financial or other legal impediments that would affect the bank's ability to help meet the credit and community development needs of the assessment areas.

## **DESCRIPTION OF THE ASSESSMENT AREA**

Section 36a-30(3)(c) of the Connecticut General Statutes requires each Connecticut bank to, in accordance with the provisions of the Federal CRA and without excluding low- and moderate-income neighborhoods, delineate one or more assessment areas in which it intends to focus its lending efforts. The Banking Commissioner uses these areas when evaluating the bank's CRA performance.

TSB delineated a single contiguous assessment area consisting of Litchfield County and portions of Hartford County. The following sections detail the municipalities that form the assessment area:

### **Litchfield County**

Municipalities comprising the Litchfield County portion of the assessment area include Barkhamsted, Bethlehem, Bridgewater, Canaan, Colebrook, Cornwall, Goshen, Harwinton, Kent, Litchfield, Morris, New Hartford, New Milford, Norfolk, North Canaan, Plymouth, Roxbury, Salisbury, Sharon, Thomaston, Torrington, Warren, Washington, Watertown, Winchester, and Woodbury

### **Hartford County**

Municipalities in the Hartford portion of the assessment area are Avon, Bristol, Burlington, Canton, East Granby, Farmington, Granby, Hartland, and Simsbury.

Litchfield County is located in Connecticut's Non-Metropolitan Statistical Area. While Hartford County is located in the Hartford-West Hartford-East Hartford, CT Metropolitan Statistical Area (MSA #25540). In September 2018, the Office Management and Budget (OMB) released a new set of delineations to reflect results from the 2015 American Community Survey Census Bureau population estimates. As part of this process, the Hartford-West Hartford-East Hartford, CT MSA became the Hartford-East Hartford-Middletown, CT MSA.

To better assess TSB's CRA performance, examiners evaluated the bank's activities within the combined assessment area and in each portion of the assessment area individually.

### **Economic and Demographic Data**

The Combined Assessment Area includes 88 census tracts with the following income designations according to the 2015 ACS:

- 2 low-income tracts
- 14 moderate-income tracts
- 42 middle-income tracts
- 30 upper-income tracts

The area's two low-income tracts are located in Torrington and Bristol. The moderate-income tracts are concentrated in Bristol, New Milford, Torrington, Watertown, Winchester, as follows:

- Bristol (4 moderate)
- New Milford (2 moderate)
- Torrington (5 moderate)
- Watertown (1 moderate)
- Winchester (2 moderate)

There has been no change in income tracts since the last evaluation.

There are no underserved- or distressed-nonmetropolitan middle-income geographies inside the bank's assessment area. There were no federally designated disaster areas in the assessment area during this review period.

The following table includes select 2018 and 2019 demographic characteristics of the Combined Assessment area:

Demographic Information of the Combined Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	88	2.3	15.9	47.7	34.1	0.0
Population by Geography	353,064	1.6	15.4	45.3	37.7	0.0
Housing Units by Geography	157,525	1.9	16.6	46.2	35.2	0.0
Owner-Occupied Units by Geography	107,576	0.5	12.2	47.4	39.9	0.0
Occupied Rental Units by Geography	32,583	5.6	31.0	39.2	24.3	0.0
Vacant Units by Geography	17,366	3.7	17.6	52.1	26.7	0.0
Businesses by Geography	33,187	2.2	12.8	41.2	43.7	0.0
Farms by Geography	1,555	0.5	9.0	51.1	39.4	0.0
Family Distribution by Income Level	94,205	16.5	17.4	21.7	44.4	0.0
Household Distribution by Income Level	140,159	21.6	14.7	18.4	45.3	0.0
Median Family Income MSA - 25540 Hartford-East Hartford-Middletown, CT MSA		\$88,016	Median Housing Value			\$276,089
Median Family Income Non-MSAs - CT		\$89,735	Median Gross Rent			\$974
			Families Below Poverty Level			4.0%
<p>Source: 2015 ACS and 2019 D&amp;B Data            Due to rounding, totals may not equal 100.0%            (*) The NA category consists of geographies that have not been assigned an income classification.</p>						

### **Median Family Incomes (MFI)**

The FFIEC annually adjusts the median family incomes for MSAs and MDs, as well as for non-metropolitan areas within a state. Annually, the FFIEC adjusts the median family income levels

based on changing economic conditions and other factors. The FFIEC adjusted MFI income levels were used to analyze the lending distribution, by borrower income level, for 2018 and 2019. Specifically, borrowers were categorized as low-, moderate-, middle-, or upper-income using these adjusted MFI figures.

The adjusted MFI figures and the corresponding borrower-income ranges by income level for Litchfield County (CT Non-MSA) and the Hartford-West Hartford-East Hartford, CT MSA/Hartford-East Hartford-Middletown, CT MSA and the CT Non-MSA for 2018 and 2019 are shown in the following table:

<b>Median Family Income Ranges of the Combined Assessment Area</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Hartford-West Hartford-East Hartford, CT MSA Median Family Income (25540)</b>				
2018 (\$96,700)	<\$48,350	\$48,350 to <\$77,360	\$77,360 to <\$116,040	≥\$116,040
<b>Hartford-East Hartford-Middletown, CT MSA Median Family Income (25540)</b>				
2019 (\$98,400)	<\$49,200	\$49,200 to <\$78,720	\$78,720 to <\$118,080	≥\$118,080
<b>CT NA Median Family Income (99999)</b>				
2018 (\$96,800)	<\$48,400	\$48,400 to <\$77,440	\$77,440 to <\$116,160	≥\$116,160
2019 (\$100,900)	<\$50,450	\$50,450 to <\$80,720	\$80,720 to <\$121,080	≥\$121,080
<i>Source: FFIEC</i>				

### **Population**

According to the 2015 ACS, the population of the combined assessment area is 353,064 including 94,205 families. Of these families, 16.5% are low-income, 17.4% are moderate-income, 21.7% are middle-income, and 44.4% are upper-income. Nearly 4.0% of families or 24.4% of low-income families residing in the area report incomes below the poverty level. Even under flexible underwriting programs, these individuals would be challenged to afford the cost of obtaining and maintaining home ownership, thus affecting the bank’s ability to lend to this group.

### **Housing**

According to the 2015 ACS, the assessment area contains 157,525 housing units of which 68.3% are owner occupied units and 20.7% are occupied rental units. The area has 11.0% vacancy rate. Of the housing units in the assessment area 89.1% are one-to-four family units and 10.6% are multifamily properties. Almost one-half of the owner-occupied housing units are located in middle-income census tracts, while an additional one-third are concentrated in upper-income census tracts. Only 0.5% of owner-occupied units are located in low-income census tracts and 12.2% in moderate-income census tracts.

### **Business Demographics**

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenues (GAR), with emphasis placed on businesses with GARs of \$1 million or less. According to the 2019 Dun & Bradstreet Business Demographic data approximately 87.7% of the area’s businesses reported GARs of \$1 million or less. Nearly a

combined 85.8% of these business are located in middle-income and upper-income census tracts. Only 2.0% and 12.2% of the area’s businesses operate in low-income and moderate-income geographies, respectively.

**Economic Data**

Unemployment rates for Litchfield County, Hartford County, the State of Connecticut, and United States are shown in the following table:

Unemployment Rates <sup>1</sup>				
Year	Litchfield County (%)	Hartford County (%)	State of Connecticut (%)	United States (%)
2018	3.9	4.3	4.1	3.9
2019	3.5	3.9	3.7	3.7

Source: U.S. Bureau of Labor Statistics

Data obtained from the Bureau of Labor Statistics reflect a general decline in unemployment rates both nationally and locally during this review period. Despite the declining trend, unemployment rates in Hartford County have remained above rates for both Connecticut and the United States. This is likely because Hartford County contains a large urban center that tends to experience higher unemployment. During the same period, Litchfield tied the national average in 2018 but was lower than the state average that year and lower than both the state and national average in 2019.

**Competition**

There is moderate competition for deposits in the assessment area. According to the June 30, 2019 FDIC Deposit Market Share Report, 26 financial institutions operated 122 full service offices in the area. Of these institutions, TSB operated 8 full services offices and ranked fifth with a 7.0% deposit market share.

There is significant competition for home mortgage loans. The 2018 HMDA Peer Market Share Report shows 332 HMDA reporters originated 9,726 home mortgage loans in the assessment area. TSB originated 302 home loans and ranked fifth with a 3.1% market share out of these lenders. According to the 2019 HMDA Peer Market Share Report, the number of lenders reporting activity during 2019 increased to 354, and the number of loans originated by those lenders jumped to 10,904. TSB increased the amount of loans it originated that year to 354. It remained fifth in ranking among all lenders; however, its market share increased slightly to 3.2%. During both years, the top four lenders were the same three large national banks (Bank of America, N.A., Wells Fargo Bank, N.A. and Webster Bank, N.A) and a national mortgage company (Quicken Loans Inc.).

**Credit and Community Development Needs and Opportunities**

After taking into consideration area demographics and additional information received from bank management, examiners identified the assessment area’s community development needs to include activities in support of affordable housing, financial literacy for both retail customers and small businesses and credit for small businesses. The over 30% concentration of low- and moderate-

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<sup>1</sup>Unemployment rates are not seasonally adjusted

income families and the ample percentage of area businesses reporting gross annual revenues of \$1 million or less supports these particular needs.

The assessment area provides opportunities for involvement in community development activities. The assessment area contains three Enterprise Zones in Bristol, Torrington and Winchester. State and local governments designate these areas for revitalization, stabilization or economic development. These areas are established to stimulate economic activities that include job preservation, job creation, and business development and retention.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

TSB performance under the lending test reflects reasonable efforts to address the needs of both borrowers and small businesses within the assessment area. This is supported by the high concentrations of loans originated within the assessment area and adequate loan-to-deposit ratio, geographic distribution of loans and loans to borrowers of different income levels and businesses of varying sizes.

#### **Loan-to-Deposit Ratio**

This performance criterion determines what percentage of the bank’s deposit base is reinvested in the form of loans and evaluates its appropriateness. The bank’s loan-to-deposit ratio is reasonable given the institution’s size, financial condition, and assessment area credit needs.

The bank’s average net LTD ratio for the six quarters since the previous FDIC CRA evaluation is 78.7%. During the previous six quarters, the lowest LTD ratio was 76.6% as of March 31, 2019, and the highest LTD ratio was 80.8%, which was the same in both of the December 31, 2018 and March 30, 2020 quarters. Net loans increased by 5.9%, and total deposits remained relatively stable since the previous CRA evaluation.

Examiners compared the bank’s average net LTD ratio to the ratios of two similarly-situated institutions. The following table reflects average LTD ratios from December 31, 2018 through March 31, 2020:

<b>Loan-to-Deposit Ratio Comparison</b>		
<b>Bank Name</b>	<b>Total Assets \$(000s)</b>	<b>Average Net LTD (%)</b>
<b>The Torrington Savings Bank</b>	<b>825,645</b>	<b>78.7%</b>
Thomaston Savings Bank	1,135,840	76.1%
Northwest Community Bank	418,473	91.4%

TSB’s LTD ratio reflects a reasonable commitment to reinvesting deposits through loans. It is important to note that the assessment area contained limited comparable institutions. The above institutions were chosen based on geographic location and similar lending focus.

### **Assessment Area Concentration**

This performance criterion determines what percentage of the bank’s lending occurs within its assessment area and evaluates its appropriateness. TSB originated a substantial majority of its home mortgage and small business loans by number within the assessment area.

The following table shows the bank’s lending inside and outside of the assessment area:

<b>Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollar Amount of Loans \$(000s)</b>				<b>Total \$(000s)</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
Home Mortgage										
2018	302	85.3	52	14.7	354	53,680	79.3	14,030	20.7	67,710
2019	343	85.1	60	14.9	403	58,575	78.5	16,080	21.5	74,655
<b>Subtotal</b>	<b>645</b>	<b>85.2</b>	<b>112</b>	<b>14.8</b>	<b>757</b>	<b>112,255</b>	<b>78.9</b>	<b>30,110</b>	<b>21.1</b>	<b>142,365</b>
Small Business										
2019	23	85.2	4	14.8	27	3,734	69.7	1,622	30.3	5,356
<b>Total</b>	<b>668</b>	<b>85.2</b>	<b>116</b>	<b>14.8</b>	<b>784</b>	<b>115,989</b>	<b>78.5</b>	<b>31,732</b>	<b>21.5</b>	<b>147,721</b>
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%</i>										

### **Home Mortgage Loans**

During this review period, the bank originated 645 home mortgage loans inside the combined assessment area, constituting 85.2% of its home mortgage lending. Although examiners assigned greater weight to the number of loans, TSB also originated a majority of its dollar volume of home mortgage loans within the assessment area. The bank’s lending activities reflect a reasonable effort to address the needs of residents within its assessment area.

### **Small Business Loans**

During 2019, the bank originated 23 small business loans inside the combined assessment area, constituting 85.2% of its small business lending. Similarly, TSB also originated a majority of its dollar volume of small business loans within the assessment area. The bank’s lending activities reflect a reasonable effort to address the needs of the area’s small businesses.

### **Geographic Distribution**

This criterion emphasizes lending within low- and moderate-income census tracts. The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area. This is supported by the bank’s reasonable performance in both home mortgage and small business loans.

### **Home Mortgage Loans**

The geographic distribution of home mortgage loans reflects excellent penetration within moderate-income census tracts and reasonable penetration within the area’s low-income tracts.

The following table shows bank's home mortgage lending by census tract income level in the Combined Assessment Area:

<b>Geographic Distribution of Home Mortgage Loans Combined Assessment Area</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2018	0.5	0.7	4	1.3	260	0.5
2019	0.5	0.7	1	0.3	205	0.4
<b>Moderate</b>						
2018	12.2	12.2	56	18.5	6,480	12.1
2019	12.2	11.7	60	17.5	6,560	11.2
<b>Middle</b>						
2018	47.4	45.0	158	52.3	26,220	48.8
2019	47.4	45.1	180	52.5	28,290	48.3
<b>Upper</b>						
2018	39.9	42.1	84	27.8	20,720	38.6
2019	39.9	42.4	102	29.7	23,520	40.2
<b>Not Available</b>						
2018	0.0	0.0	0	0.0	0	0.0
2019	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>						
<b>2018</b>	<b>100.0</b>	<b>100.0</b>	<b>302</b>	<b>100.0</b>	<b>53,680</b>	<b>100.0</b>
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>343</b>	<b>100.0</b>	<b>58,575</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2018 &amp; 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

The assessment area contained two low-income census tracts. In 2018, the bank originated four home mortgage loans in the low-income tracts, comprising 1.3% of its total home mortgage lending. The bank's performance was higher than the aggregate performance of 0.7% and exceeded the percentage of owner-occupied housing units of 0.5%.

In 2019, the bank originations declined to one home mortgage loan in these tracts, which comprised 0.3% of its total. The bank's performance was below both the aggregate performance and the percentage of owner-occupied housing units. In 2019, there were 44 lenders originating 80 loans in the assessment area's low-income tracts. TSB dropped significantly in ranking to 25<sup>th</sup>, representing 1.3% of the market share. Worth noting is nearly half of the lenders originated only one home mortgage loan within the low-income census tracts. TSB ranked 25<sup>th</sup> among all lenders due to average loan amount. The top three lenders were large, national banks and a large, national mortgage company that collectively originated 16 loans and secured 20% of the market share. These top lenders

were substantially larger than TSB and, thus, had more resources to lend in the low-income tracts.

In 2018, the bank originated 56 home mortgage loans in the moderate-income tracts, comprising 18.5% of its total home mortgage lending. The bank's performance was significantly higher than both the aggregate market performance and the percentage of owner-occupied housing units located in moderate-income census tracts, both of which were 12.2%.

The number of loans the bank originated in moderate-income tracts grew to 60 in 2019. Although the bank's performance decreased slightly to 17.5% of its total home mortgage lending by number, the bank's performance remained significantly higher than the aggregate market performance of 11.7% and the percentage of owner-occupied housing units at 12.2%. The decline in the level of lending in moderate-income tracts is due to an overall increase in the bank's lending levels.

Given the bank's lending data and comparison to the aggregate market, TSB's overall lending in the low- and moderate-income tracts appeared reasonable. Although the bank's lending in the low-income tracts declined year-over-year during the evaluation period, its lending in the moderate-income tracts augmented lending in the low-income tracts and was strong, which supports the reasonableness of the bank's overall performance.

#### **Small Business Loans**

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. During 2019, the bank did not originate any small business loans in the area's low-income census tracts. Given that the assessment area contains just two low-income tracts and only 2.0% of the area's small businesses operate within those geographies, the bank's performance does not appear unreasonable. While TSB did not originate any small business loans in the area's low-income tracts, the lack of lending in these tracts is somewhat mitigated by strong performance in the area's moderate income census tracts. During 2019, the bank originated 39.1% of its small business loans in moderate-income tracts.

The table on the following page displays the distribution of small business loans by census tract income level and comparable business demographics in the Combined Assessment Area.

<b>Geographic Distribution of Small Business Loans Combined Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	2.2	0	0.0	0	0
Moderate	12.8	9	39.1	1,085	29.1
Middle	41.2	12	52.2	1,708	45.7
Upper	43.7	2	8.7	941	25.2
Not Available	0.0	0	0.0	0	0
<b>Totals</b>	<b>100.0</b>	<b>23</b>	<b>100.0</b>	<b>3,734</b>	<b>100.0</b>
<i>Source: 2019 D&amp;B Data; Bank Data Due to rounding, totals may not equal 100.0%</i>					

**Borrower Profile**

The distribution of loans by borrower income and business revenue level was reviewed to determine the extent to which the bank is addressing the credit needs of the area’s residents and businesses, particularly those individuals with low- and moderate-income and small businesses. The distribution of borrowers reflects, given the demographics of the assessment area, a reasonable penetration among individuals of different income levels (including low-and moderate-income) and businesses of different sizes. This is supported by the bank’s excellent home mortgage and small business lending.

**Home Mortgage Loans**

The distribution of home mortgage loans to borrowers of different income levels including those with low- and moderate-incomes is excellent.

The table on the following page reflects the bank’s home mortgage lending by borrower income level in the Combined Assessment Area.

<b>Distribution of Home Mortgage Loans by Borrower Income Level Combined Assessment Area</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2018	16.5	11.5	32	10.6	2,800	5.2
2019	16.5	11.0	39	11.4	2,535	4.3
<b>Moderate</b>						
2018	17.4	21.6	57	18.9	7,165	13.3
2019	17.4	21.8	87	25.4	11,355	19.4
<b>Middle</b>						
2018	21.7	22.8	84	27.8	12,580	23.4
2019	21.7	22.0	90	26.2	16,080	27.5
<b>Upper</b>						
2018	44.4	30.8	122	40.4	30,250	56.4
2019	44.4	32.7	118	34.4	27,460	46.9
<b>Not Available</b>						
2018	0.0	13.3	7	2.3	885	1.6
2019	0.0	12.6	9	2.6	1,145	2.0
<b>Totals</b>						
<b>2018</b>	<b>100.0</b>	<b>100.0</b>	<b>302</b>	<b>100.0</b>	<b>53,680</b>	<b>100.0</b>
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>343</b>	<b>100.0</b>	<b>58,575</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2018 &amp; 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

In 2018, TSB originated 32 loans, comprising 10.6% of the bank’s total home mortgage loans to low-income borrowers. The bank’s performance was lower than both the aggregate performance of 11.5% and the 16.5% of low-income families residing in the area. In 2019, TSB increased the number of loans it originated to low-income borrowers to 39 loans, which comprised 11.4% of its total home mortgage lending. The bank’s performance was higher than the 11.0% aggregate performance, although it remained lower than the percentage of low-income families residing in the area. This is not unexpected since nearly 24.4% of the area’s low-income families report incomes below the poverty level.

During 2018, TSB originated 57 loans representing 18.9% of the bank’s total originations to moderate-income borrowers. Although the bank’s performance fell below the aggregate performance of 21.6%, it exceeded the 17.4% percentage of moderate-income families residing in the assessment area. The 2018 home mortgage market share report reflects that 167 lenders originated 2,105 loans to moderate-income borrowers in the area. TSB ranked 10<sup>th</sup> out of those lenders with a market share of 2.7% by number of loans. Top lenders were large, national banks and mortgage companies that were substantially larger than TSB.

In 2019, the bank’s lending to moderate-income borrowers increased significantly. The bank originated 87 loans to moderate-income borrowers, representing 25.4% of the bank’s lending volume. The bank’s lending level exceeded both the aggregate performance and the percentage of moderate-income families residing in the assessment area at 21.8% and 17.4% respectively.

Overall TSB’s home mortgage lending reflects a strong commitment to serve the needs of residents within the assessment area including those with low- and moderate-income.. To further enhance the bank’s ability to serve the needs of low- and moderate-income borrowers, in February 2020, the bank became a participant in the Federal Home Loan Bank of Boston Equity Builder Program (EBP). This program offers member institutions grants to provide low- and moderate-income households with down payment closing costs assistance as well as home buying counseling and rehabilitation assistance. The bank’s participation in this program is expected to increase the accessibility of home mortgage loans to the area’s low- and moderate-income borrowers.

**Small Business Loans**

TSB’s distribution of commercial loans to small businesses reflects excellent penetration among businesses of different sizes. The bank extended 100% of its small business loans to businesses with GARs of \$1 million or less during 2019.

The following table details the distribution of bank loans by business revenue category in the Combined Assessment Area:

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Torrington Savings Bank Combined Assessment Area</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	87.7	23	100.0	3,734	100.0
>1,000,000	4.8	0	0.0	0	0.0
Revenue Not Available	7.5	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>23</b>	<b>100.0</b>	<b>3,734</b>	<b>100.0</b>
<i>Source: 2019 D&amp;B Data, Bank Data. Due to rounding, totals may not equal 100.0%</i>					

**COMMUNITY DEVELOPMENT TEST**

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

### **Community Development Loans**

The bank’s community development loan dollars were used to support affordable housing for low- and moderate-income individuals. All community development loans responded to affordable housing needs within the assessment area or the wider region.

The bank’s level of community development lending represents 0.1% of average total assets and 0.2% of average net loans since the prior CRA evaluation.

The following table shows the breakdown of community development loans by year and type of activity:

<b>Community Development Lending</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2018	0	0	0	0	0	0	0	0	0	0
2019	2	1,115	0	0	0	0	0	0	0	0
YTD 2020	0	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>1,115</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Source: Bank Records</i>										

The following examples describe notable community development loans:

- During 2019, the bank originated a loan in the amount of \$203,250 to refinance an existing mortgage on a 3-family rental property located in a low-income census tract in Bristol, CT. Rents on the property are substantially below the fair market rent for the area, making it accessible to low- and moderate-income individuals and families.
- Also in 2019, the bank originated a loan in the amount of \$911,250 to refinance an existing mortgage secured by three different properties, as follows:
  - The first property is a 6-unit multi-family apartment building in a low-income tract in New Britain, CT. A majority of the rents on the property are substantially below the fair market rent for the area, increasing their accessibility to low- and moderate-income individuals and families.
  - The second property is a multi-unit mixed use residential building consisting of 2 retail units and 10 residential units. This property is located in a low-income census tract in New Britain, CT. All rents were below fair market rent for the area, increasing their accessibility to low- and moderate-income individuals and families.
  - The final property is a single family residence used as a sober living facility located in a moderate-income census tract in New Britain, CT. This facility provides transitional housing for individuals recovering from substance abuse issues.

### **COVID-19 Paycheck Protection Program (PPP) Loans**

TSB was a participating lender in the Paycheck Protection Program, which was created in 2020 to help address the financing needs of small businesses during the COVID-19 pandemic. The Paycheck Protection Program is an SBA-sponsored loan program designed to provide small businesses the liquidity needed to retain workers on their payroll and to fund other operational expenses with any remaining funds. TSB actively participated in the program with 244 loans totaling approximately \$15.7 million. The bank estimated that 65% of the borrowers were not previous customers of the bank who had difficulty securing the funds elsewhere. This program helped to reduce the adverse economic impact from the COVID-19 pandemic. These have not been included in the analysis of the bank’s lending under the Lending Test portion of this evaluation since they were originated after the review period.

### **Qualified Investments**

TSB made an adequate level of community development investments and donations through the bank and its charitable foundation. The qualified investments totaled \$600,000 and represents 0.2% of average total investments. The qualified donations and grants totaled \$376,000 and represents 11.6% of the bank’s average net income. Of the grants and donations made during this evaluation period, 75.8% were provided to community service organizations serving the needs of low- and moderate-income individuals and families within the area.

During this review period, the bank made a \$500,000 investment in a CRA Qualified Investment Fund. The purpose of the fund is to provide funding for small businesses throughout the United States, including within the bank’s assessment area. The bank also continues to maintain a prior period investment in a Community Economic Development Fund in the amount of \$100,000 originally made in 2016. The purpose of the fund is to assist low- and moderate-income borrowers to start or grow existing small businesses in Connecticut. These qualified investments represent less than 0.1 percent of average total assets held during this evaluation period.

TSB also owns and operates Torrington Savings Foundation as a vehicle to provide financial assistance to local nonprofit community organizations. Collectively, TSB and the Foundation provided financial assistance to numerous local charitable organizations. Eighty five grants and donations totaling \$376,000 were made to support organizations serving the needs of low- and moderate-income individuals and small businesses in the local community. .

The following table shows the breakdown of community development donations and grants by year and purpose:

<b>Qualified Donations and Grants</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2018	0	0	15	16	3	3	0	0	18	19
2019	2	7	33	157	8	45	0	0	43	209
YTD 2020	0	0	22	112	2	36	0	0	24	148
<b>Total</b>	<b>2</b>	<b>7</b>	<b>70</b>	<b>285</b>	<b>13</b>	<b>84</b>	<b>0</b>	<b>0</b>	<b>85</b>	<b>376</b>

*Source: Bank Records*

The following examples describe notable community development grants and donations:

- During 2019, the bank donated \$5,000 to a local community organization that has the primary purpose of creating and retention of affordable housing units in the area.
- The bank also provided a \$1,900 donation in 2019 to a local community organization that has the primary purpose of providing temporary housing and community services to low- and moderate-income individuals.
- The bank made a \$35,000 donation in 2020 to the NW CT Association for the Arts, a local nonprofit arts organization located in the downtown Torrington area, which is in a low-income tract within the town’s enterprise zone.
- The bank donated \$20,000 in each of 2019 and 2020 to a local non-profit organization which provides a wide array of support services to individuals with intellectual and developmental disabilities.
- The bank’s foundation provided a \$10,000 grant in 2020 to a local community organization that provides food, shelter and other community services to the area’s homeless individuals.

**Community Development Services**

TSB provided an adequate level of community development services through the involvement of bank’s Trustees, Officers and employees. Bank representatives provided financial expertise and/or technical support to various local community service organizations during the evaluation period.

**Officer and Employee Community Service**

Trustees, officers and employees of TSB regularly provide community development services within the assessment area. During this evaluation period, the bank reported 1,094 hours of qualified community development services primarily to organizations providing community services to low- and moderate-income individuals and families.

The following table reflects the detail of the bank’s activities during this review period:

<b>Qualified Officer/Employee Community Service Activities</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>Hours</b>	<b>#</b>	<b>Hours</b>	<b>#</b>	<b>Hours</b>	<b>#</b>	<b>Hours</b>	<b>#</b>	<b>Hours</b>
2018	0	0	19	72	2	5	0	0	21	77
2019	17	38	297	850	12	40	0	0	326	928
YTD 2020	2	2	19	33	2	2	0	0	23	89
<b>Total</b>	<b>19</b>	<b>40</b>	<b>335</b>	<b>955</b>	<b>16</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>370</b>	<b>1,094</b>
<i>Source: Bank Records</i>										

Some examples of officer and employee service are as follows:

- An officer of the bank serves on the Board of a local community health center that offers medical and dental services to low- and moderate-income individuals
- Several officers and employees volunteer at local non-profit organizations that provide food to low- and moderate-income individuals and families
- An officer of the bank serves on a planning committee for a local non-profit organization that provides services for low- and moderate-income individuals with intellectual and developmental disabilities

Additionally, Trustees of the bank are also involved in providing community service to organizations in the area. Some examples of Trustee service include:

- A Trustee is the President and a volunteer at a local non-profit agency that provides childcare, early childhood education and dentistry services to low- and moderate-income children within the assessment area
- A Trustee volunteers on the Board of a local hospital that provides medical services to low- and moderate-income individuals within the assessment area
- A Trustee volunteers on the Board of a local library that serves low- and moderate-income individuals within the assessment area

### **Banking Services**

TSB's main office is located in a moderate-income census tract. This office offers a 24-hour ATM, which increases access to some of the bank's products and services to residents and businesses within this geography. The bank also offers a variety of convenient services including online banking and bill pay, telephone banking, mobile banking, and remote deposit capture for business customers.

### **Educational Seminars**

The bank offered several educational seminars to benefit local homebuyers and small businesses within the assessment area. TSB held five homebuyers seminars during the evaluation period, one of which was held in the Hartford MSA and the remainder of which were held in the CT Non-MSA. The bank also participated in a small business startup seminar at Northwest Community College in Winsted, CT in March 2019. Further, in April 2020, the bank's Senior Vice President and CRA Officer led a webinar entitled "What Board Members Can & Should Do During A Crisis" which detailed non-profit board member roles and opportunities during a crisis.

### **Other Community Development Activities**

In August 2018, the bank purchased a blighted property located at 18 Mason Street, Torrington, Connecticut. Located in a moderate-income tract within downtown Torrington's enterprise zone,

the property was previously operated as a dry cleaners. The property's original buyers failed to conduct appropriate due diligence and found that the property was contaminated after purchase. These borrowers did not have the funds to clean up the location. The bank purchased the property that was determined to have extensive pollution and listed it on the State of Connecticut's list of Brownfield Projects. Brownfield Projects are properties that the state has identified as any abandoned or underutilized site where reuse or expansion has not occurred due to presence of or potential presence of pollution in the building, soil, and/or ground water. These properties generally require extensive remediation to restore them to a usable condition. To date the bank has expended \$254 thousand. Once remediation is complete the bank plans use the property to span its operations in the downtown area. Without the bank's willingness to purchase and clean up the property, the location may have remained abandoned and unusable.

### **COVID-19 Related Accommodations**

In response to the COVID-19 pandemic, TSB waived the following fees for its customers:

- Insufficient fund fees for items less than \$100
- CD Penalties
- Uncollected Funds Fee
- Savings Overdraft Protection Transfer Fees

## **ADDITIONAL CONNECTICUT CRA STATUTE REQUIREMENTS**

### **Bank's Record of Offering Escrow Accounts for Rental Security Deposits**

TSB offers escrow accounts for rental security deposits. The bank reported that, as of May 29, 2020, it had 38 landlord/tenant escrow accounts totaling \$43,050.95.

### **Efforts of the Bank to Work with Delinquent Residential Mortgage Customers Who Are Unemployed or Underemployed to Facilitate a Resolution of the Delinquency**

During the evaluation period, TSB has displayed efforts to work with delinquent residential mortgage customers to facilitate resolutions to delinquency. TSB has indicated that it has a proactive stance, using early intervention and policies that promote home retention. The bank's goal is to keep customers in their home whenever possible. The bank employs loan workouts to lessen instances of foreclosure and possible losses to the bank. The bank has offered repayment plans, forbearance plans and loan modifications when those plans are deemed prudent by management after determining the borrower's ability to cure the delinquency. Additionally, the bank provides customers with contact information for HUD approved housing counseling and the Servicemembers Civil Relief Act, (SCRA), Notice Disclosure. The bank also encourages customers to contact CHFA concerning any assistance that may be available to them. TSB complies with Public Act 08-176 An Act Concerning Responsible Lending and Economic Security and participates in all court ordered mediations administered by the judicial branch. Loan modifications or other loss mitigation options are fully explored prior to initiating or pursuing foreclosure.

**Response to Complaints/ Written Comments Received by the Bank and/or Banking Commissioner Concerning the Bank's CRA Performance**

TSB reported that the bank did not receive any CRA-related complaints during the evaluation period. The Banking Commissioner has also not received any written complaints or comments concerning the bank's CRA performance. As a result, this performance criterion is not weighted heavily in arriving at the overall performance rating.

**DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

## **METROPOLITAN AREAS**

### **CT NON-MSA (full-scope review)**

#### **DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN THE CT NON-MSA**

TSB's main office and five branches are located in the Connecticut Non-MSA portion of the assessment area. The main office and two branches are located in Torrington, and the bank operates one office each in the towns of Falls Village, Goshen, and New Hartford. Nearly 87.4% of the bank's deposits were derived in this area. The bank originated 81.4% of home mortgage loans by number and 76.5% by dollar amount in this area. The bank also originated 82.6% of small business loans by number and 65.7% by dollar amount herein. Examiners assigned greater weight to the bank's performance in this portion of the assessment area given that a substantial majority of the bank's operations, deposit generation, and lending activities occurred here. The bank has not opened, closed, or relocated any offices within this portion of the assessment area since the previous evaluation.

#### **Economic and Demographic Data**

The CT Non-MSA portion of the assessment area includes 26 cities and towns in Litchfield County, which include Barkhamsted, Bethlehem, Bridgewater, Canaan, Colebrook, Cornwall, Goshen, Harwinton, Kent, Litchfield, Morris, New Hartford, New Milford, Norfolk, North Canaan, Plymouth, Roxbury, Salisbury, Sharon, Thomaston, Torrington, Warren, Washington, Watertown, Winchester, Woodbury. There are 51 census tracts in the area, of which 1 (2.0%) is low-income, 10 (19.6%) are moderate-income, 31 (60.8%) are middle-income and 9 (17.6%) are upper-income tracts.

The table on the following page includes select demographic characteristics of this portion of the assessment area.

Demographic Information of the Assessment Area CT Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	51	2.0	19.6	60.8	17.6	0.0
Population by Geography	186,304	0.7	19.8	58.5	20.9	0.0
Housing Units by Geography	87,447	1.1	20.6	58.1	20.2	0.0
Owner-Occupied Units by Geography	57,397	0.4	15.9	61.3	22.5	0.0
Occupied Rental Units by Geography	17,121	3.1	38.4	45.5	13.0	0.0
Vacant Units by Geography	12,929	1.8	17.7	60.9	19.6	0.0
Businesses by Geography	17,692	1.3	17.9	57.3	23.5	0.0
Farms by Geography	1,032	0.2	10.0	65.3	24.5	0.0
Family Distribution by Income Level	49,615	18.2	19.4	23.1	39.3	0.0
Household Distribution by Income Level	74,518	23.2	16.4	19.1	41.3	0.0
Median Family Income Non-MSAs – CT		\$89,735	Median Housing Value			\$273,214
			Median Gross Rent			\$968
			Families Below Poverty Level			4.0%
<i>Source: 2015 ACS and 2019 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

### **Median Family Incomes (MFI)**

The FFIEC adjusted MFI income levels were used to analyze the lending distribution, by borrower income level, for 2018 and 2019. Specifically, borrowers are designated as low-, moderate-, middle-, or upper-income using these adjusted MFI figures.

The adjusted MFI figures and the corresponding borrower-income ranges by income level for the CT Non-MSA in 2018 and 2019 are shown in the following table:

Median Family Income Ranges CT Non-MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
<b>CT NA Median Family Income (99999)</b>				
2018 (\$96,800)	<\$48,400	\$48,400 to <\$77,440	\$77,440 to <\$116,160	≥\$116,160
2019 (\$100,900)	<\$50,450	\$50,450 to <\$80,720	\$80,720 to <\$121,080	≥\$121,080
<i>Source: FFIEC</i>				

## CONCLUSIONS ON PERFORMANCE IN THE CT NON-MSA

### LENDING TEST

#### Geographic Distribution

This criterion emphasizes lending within low- and moderate-income census tracts.

The geographic distribution of loans reflects reasonable distribution throughout the assessment area. This is supported by the bank's performance in both home mortgage and small business loans.

#### Home Mortgage Loans

This performance criterion analyzes the bank's lending distribution to determine the dispersion of home mortgage loans among geographies that comprise the assessment area. Special emphasis is placed on evaluating the bank's record of lending in low- and moderate-income geographies.

The following table shows bank lending by census tract income level in the CT Non-MSA:

Geographic Distribution of Home Mortgage Loans CT Non-MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	0.4	0.3	4	1.6	260	0.6
2019	0.4	0.5	0	0.0	0	0.0
Moderate						
2018	15.9	16.6	56	22.3	6,480	15.5
2019	15.9	15.8	58	21.2	6,190	14.1
Middle						
2018	61.3	61.3	142	56.6	22,900	54.7
2019	61.3	61.0	160	58.4	24,640	56.0
Upper						
2018	22.5	21.8	49	19.5	12,255	29.3
2019	22.5	22.7	56	20.4	13,150	29.9
Not Available						
2018	0.0	0.0	0	0.0	0	0.0
2019	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>						
<b>2018</b>	<b>100.0</b>	<b>100.0</b>	<b>251</b>	<b>100.0</b>	<b>41,895</b>	<b>100.0</b>
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>274</b>	<b>100.0</b>	<b>43,980</b>	<b>100.0</b>
Source: 2015 ACS; Bank Data, 2018 & 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

There was one low-income tract in the CT Non-MSA portion of the assessment area during this evaluation period. In 2018, the bank originated four home mortgage loans in the low-income tract, representing 1.6% of its total home mortgage lending. This was higher than the aggregate performance of 0.3% and the percentage of owner occupied housing units, which was 0.4%. Further, TSB ranked first among lenders reporting activity in the low-income tract.

In 2019, the bank did not originate any home mortgage loans in the low-income tract. Aggregate performance in low-income tracts rose to 0.5% that year. Since the area only contains one low-income tract and given that only 0.4% of owner-occupied housing units are located in that tract, the bank's opportunity for lending therein may have been limited.

The bank's one low-income tract provides limited lending opportunity for home mortgage originations. The majority of properties located in the tract are commercial in nature with minimal residential units. The limited number of residential units are typically non-owner occupied multi-family investment rental units. This may pose a barrier to originating home mortgage loans in this tract.

A review of the 2019 Market Share Report may provide greater insight into the reasonableness of the bank's performance. In 2019, 19 lenders reported originating 27 loans in the low-income tract. Over 75% of the lenders active in the market originated just one loan. The top three lenders were a large national bank, a large national mortgage company and a local mortgage company that collectively captured 33.3% of the total market.

This portion of the assessment area also contained 10 moderate-income census tracts. In 2018, the bank originated 56 loans or 22.3% of its home mortgage loans by number in these tracts. The bank's lending level significantly exceeded the aggregate performance and the percentage of owner-occupied housing units located in the area's moderate-income tracts. The bank increased its lending in 2019 with 58 loans or 21.2% of its total home mortgage loans extended in these tracts. The bank's performance remained higher than the aggregate performance and the percentage of owner-occupied housing units located in these tracts. In both years, TSB ranked first in originating loans in the area's moderate-income tracts.

The bank's lending in the moderate-income tracts was robust year-over-year, which augmented lower lending in the area's one low-income tract and supports the conclusion that TSB's lending throughout this portion of the assessment area was more than reasonable.

### **Small Business Loans**

The geographic distribution of small business loans reflects an excellent dispersion throughout this portion of the assessment area. TSB's performance in this area is comparable to the bank's overall performance.

The table on the following page reflects the distribution of the bank's small business loans by census tract income level. The 2019 D & B Business Demographic data is used as a measure of comparison.

<b>Geographic Distribution of Small Business Loans CT Non-MSA</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	1.3	0	0.0	0	0.0
Moderate	17.9	8	42.1	977	39.8
Middle	57.3	10	52.6	1,428	58.2
Upper	23.5	1	5.3	50	2.0
Not Available	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>19</b>	<b>100.0</b>	<b>2,455</b>	<b>100.0</b>
<i>Source: 2019 D&amp;B Data; Bank Data Due to rounding, totals may not equal 100.0%</i>					

TSB’s geographic distribution of small business loans reflects excellent distribution throughout this portion of the assessment area. The bank’s performance within this portion of the assessment area is consistent with the bank’s overall lending performance. During 2019, the bank originated 19 small business loans within this portion of the assessment area. Eight of those loans, or 42.1% of TSB’s small business loans were originated in the moderate-income census tracts. The bank did not originate any small business loans in the area’s one low-income tract. However, this does not appear unreasonable given that less than 2.0% of the area’s small businesses are located in the tract. The bank’s excellent performance within the moderate-income tracts mitigates its lack of lending in the one low-income geography.

**Borrower Profile**

The Borrower Profile criterion evaluates the bank’s efforts to address the credit needs of the area’s residents and small businesses. Examiners place special emphasis on lending to low- and moderate-income borrowers and businesses with GARs of \$1 million or less. The distribution of borrowers reflects an excellent penetration among individuals of different income levels and businesses of different sizes. The bank’s strong lending to both low- and moderate-income borrowers and small businesses supports this conclusion.

**Home Mortgage Loans**

The distribution of home mortgage loans to individuals of different income levels reflects an excellent distribution, including to borrowers with low- and moderate-income, given the demographics of the assessment area.

The table on the following page reflects the distribution of home mortgage loans by borrower income level during 2018 and 2019.

<b>Distribution of Home Mortgage Loans by Borrower Income Level CT Non-MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2018	18.2	13.2	30	12.0	2,520	6.0
2019	18.2	13.3	38	13.9	2,420	5.5
<b>Moderate</b>						
2018	19.4	23.6	48	19.1	5,310	12.7
2019	19.4	23.6	71	25.9	8,535	19.4
<b>Middle</b>						
2018	23.1	23.7	72	28.7	10,160	24.3
2019	23.1	23.3	67	24.5	11,705	26.6
<b>Upper</b>						
2018	39.3	26.3	95	37.8	23,105	55.2
2019	39.3	26.5	92	33.6	20,600	46.8
<b>Not Available</b>						
2018	0.0	13.1	6	2.4	800	1.9
2019	0.0	13.2	6	2.2	720	1.6
<b>Totals</b>						
<b>2018</b>	<b>100.0</b>	<b>100.0</b>	<b>251</b>	<b>100.0</b>	<b>41,895</b>	<b>100.0</b>
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>274</b>	<b>100.0</b>	<b>43,980</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2018 &amp; 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

In 2018, TSB originated 30 home mortgage loans to low-income borrowers comprising 12.0% of total home mortgage originations. The bank’s performance was slightly lower than aggregate performance of 13.2% and the 18.2% of low-income families residing in the area. The bank’s performance is more than reasonable given that 21.9% of the area’s low-income families have incomes below the poverty level. Further, in 2018, 111 HMDA reporters were active in the area originating 617 loans to low-income borrowers. TSB ranked third out of these lenders with a market share of 4.9% by number of loans. The two top lenders were a national bank and a national mortgage company that were substantially larger than the bank. Collectively these lenders originated 83 loans capturing 13.5% of the total market. This further supports the reasonableness of TSB’s performance.

In 2019, the number of home mortgage loans to low-income borrowers in the area increased to 38 loans or 13.9% of the bank’s total home mortgage loans. TSB’s lending level exceeded aggregate performance of 13.3%, but remained below the percentage of low-income families in the area at 18.2%. Given the substantial portion of low-income families reporting income below the poverty level, this is not unexpected.

During 2018, TSB originated 48 loans to moderate-income borrowers, representing 19.1% of total home mortgage loans. The bank’s performance was below the aggregate performance of 23.6% and slightly below the percentage of moderate-income families residing in the area of 19.4%. In 2018, 131 lenders reported originating 1,103 home mortgage loans to moderate-income borrowers. TSB ranked sixth out of those lenders with a market share of 4.4% by number of loans. The top three lenders were a large, national bank, national mortgage company and a local mortgage company. These lenders collectively accounted for 18.9% of all home mortgage loans extended to moderate-income borrowers.

In 2019, the bank’s lending to moderate-income borrowers increased significantly. It originated 71 loans to moderate-income borrowers representing 25.9% of total home mortgage originations. The bank’s lending level exceeded both aggregate performance and the portion of the area’s families reporting moderate-incomes.

TSB’s overall home mortgage lending to low- and moderate-income borrowers appeared more than reasonable. Lending to low- and moderate- income borrowers increased year-over-year. TSB’s increasing lending volume and its ability to compete with much larger lenders supports the examiners’ conclusion that distribution of home mortgage loans including to low- and moderate-income borrowers is excellent.

**Small Business Loans**

TSB’s distribution of small business loans reflects an excellent penetration to businesses of different sizes. In 2019 the bank extended 100% of its small business loans to businesses with gross annual revenues of \$1 million or less in this portion of the assessment area.

The following table reflects the distribution of small business loans by gross annual revenues:

<b>Distribution of Small Business Loans by Gross Annual Revenue Category CT Non-MSA</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	88.5	19	100.0	2,454	100.0
>1,000,000	4.6	0	0.0	0	0.0
Revenue Not Available	7.0	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>19</b>	<b>100.0</b>	<b>2,454</b>	<b>100.0</b>
<i>Source: 2019 D&amp;B Data, Bank Data. Due to rounding, totals may not equal 100.0%</i>					

**COMMUNITY DEVELOPMENT TEST**

TSB’s performance under the Community Development Test is adequate and consistent with its overall performance, as reflected in the Combined Assessment Area section of this evaluation. Nearly all of the bank’s community development activities benefitted individuals and businesses within this portion of the assessment area. The bank’s

concentration of community development activities in this portion of the assessment area is expected given that a majority of the bank's operations occurs here. Nearly all of the bank's qualified investments, and grants and donations help to address the needs of low- and moderate-income residents and small businesses in this area. Additionally, nearly all of the bank's community services went to support the efforts of community organizations serving the needs of residents residing in and small businesses operating in this portion of the assessment area. The bank did not originate any community development loans within this portion of the area during this review period. Refer to the Combined Assessment Area of this evaluation for further details related to the bank's community development activities.

**HARTFORD-EAST HARTFORD-MIDDLETOWN MSA (limited-scope review)**

**DESCRIPTION OF THE INSTITUTION’S OPERATIONS IN THE HARTFORD-EAST HARTFORD-MIDDLETOWN MSA ASSESSMENT AREA (“HARTFORD MSA”)**

The Hartford MSA portion of the bank’s assessment area includes one of the bank’s seven full-service branches, which is located in Burlington, CT. The bank derives approximately 12.6% of its deposits through this branch. This area also accounts for 18.6% by number and 23.5% by dollar of total home mortgage loans originated within the combined assessment area. The bank also originated 17.4% by number and 34.3% by dollar of its small business loans within this the Hartford MSA portion of the assessment area. The bank has not opened, closed or relocated any offices in this area since the previous evaluation.

**Economic and Demographic Data**

The Hartford MSA includes nine municipalities in Hartford County, which include Avon, Bristol, Burlington, Canton, East Granby, Farmington, Granby, Hartland, and Simsbury. There are 37 census tracts in the area, of which 1 (2.7%) is low-income, 4 (10.8%) are moderate-income, 11 (29.7%) are middle-income and 21 (56.8%) are upper-income tracts.

The following table includes select demographic characteristics of this portion of the assessment area:

<b>Demographic Information of the Assessment Area Hartford MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	37	2.7	10.8	29.7	56.8	0.0
Population by Geography	166,760	2.5	10.5	30.6	56.3	0.0
Housing Units by Geography	70,078	2.8	11.8	31.4	54.0	0.0
Owner-Occupied Units by Geography	50,179	0.6	7.9	31.6	59.9	0.0
Occupied Rental Units by Geography	15,462	8.3	22.7	32.1	36.8	0.0
Vacant Units by Geography	4,437	9.2	17.2	26.3	47.3	0.0
Businesses by Geography	15,495	3.3	7.1	22.8	66.8	0.0
Farms by Geography	523	1.0	7.1	23.1	68.8	0.0
Family Distribution by Income Level	44,590	14.7	15.1	20.1	50.1	0.0
Household Distribution by Income Level	65,641	19.8	12.7	17.7	49.8	0.0
Median Family Income MSA - 25540 Hartford-East Hartford-Middletown, CT MSA		\$88,016	Median Housing Value			\$279,675
			Median Gross Rent			\$981
			Families Below Poverty Level			4.1%

*Source: 2015 ACS and 2019 D&B Data*

*Due to rounding, totals may not equal 100.0%*

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

### **Median Family Incomes (MFI)**

The FFIEC adjusted MFI income levels were used to analyze the lending distribution, by borrower income level, for 2018 and 2019. Specifically, borrowers were categorized as low-, moderate-, middle-, or upper-income using these adjusted MFI figures.

The adjusted MFI figures and the corresponding borrower-income ranges by income level for the Hartford MSA in 2018 and 2019 are shown in the following table:

<b>Median Family Income Ranges Hartford MSA</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Hartford-West Hartford-East Hartford, CT MSA Median Family Income (25540)</b>				
2018 (\$96,700)	<\$48,350	\$48,350 to <\$77,360	\$77,360 to <\$116,040	≥\$116,040
<b>Hartford-East Hartford-Middletown, CT MSA Median Family Income (25540)</b>				
2019 (\$98,400)	<\$49,200	\$49,200 to <\$78,720	\$78,720 to <\$118,080	≥\$118,080
<i>Source: FFIEC</i>				

## **CONCLUSIONS ON PERFORMANCE IN THE HARTFORD MSA**

### **LENDING TEST**

The bank's Lending Test performance is weaker in this portion of the assessment area compared to the bank's overall performance. However, the performance in this portion of the assessment area was assigned lesser weight when arriving at overall conclusions and ratings given TSB's limited operation here.

### **Geographic Distribution**

The geographic distribution of loans reflects poor dispersion throughout this portion of the assessment area particularly in low- and moderate-income geographies. The bank's weak home mortgage lending and adequate small business lending supports this conclusion.

### **Home Mortgage Loans**

The geographic distribution of home mortgage loans reflects a poor dispersion throughout this assessment area particularly in low- and moderate-income census tracts. The table on the following page shows the distribution of the bank's home mortgage loans by census tract income level.

Geographic Distribution of Home Mortgage Loans Hartford MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	0.6	1.1	0	0.0	0	0.0
2019	0.6	0.9	1	1.4	205	1.4
Moderate						
2018	7.9	8.1	0	0.0	0	0.0
2019	7.9	7.8	2	2.9	370	2.5
Middle						
2018	31.6	29.8	16	31.4	3,320	28.2
2019	31.6	30.0	20	29.0	3,650	25.0
Upper						
2018	59.9	60.9	35	68.6	8,465	71.8
2019	59.9	61.2	46	66.7	10,370	71.1
Not Available						
2018	0.0	0.0	0	0.0	0	0.0
2019	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>						
<b>2018</b>	<b>100.0</b>	<b>100.0</b>	<b>51</b>	<b>100.0</b>	<b>11,785</b>	<b>100.0</b>
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>69</b>	<b>100.0</b>	<b>14,595</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2018 &amp; 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

In 2018, TSB did not originate any loans in low- or moderate-income census tracts. As previously mentioned this portion of the assessment area contained one low-income tract and four moderate-income census tracts. In 2018, aggregate lenders reported originating 1.1% and 8.1% of its home mortgage loans in the area’s low- and moderate-income tracts respectively. This supports that there appear to be some opportunity for lending in these tracts particularly in the area’s moderate-income geographies.

In 2019, the bank’s lending performance improved slightly in both low- and moderate-income geographies. TSB originated one home mortgage loan or 1.4% of its total home mortgage originations in the low-income tract. The bank’s lending level was higher than both the aggregate performance of 0.9% and the percentage of owner-occupied housing units in located in this tract. The bank’s lending in the area’s moderate-income census tracts also increased during 2019. TSB originated two home mortgage loans or 2.9% of total home loan originations in the area’s moderate-income tracts. Although improved, the bank’s

performance remained significantly below the aggregate performance of 7.8% and the percentage of owner-occupied housing units in the area at 7.9%.

Management indicated that the TSB’s opportunities to lend is impacted by the bank’s limited physical presence in the area and the substantial competition for home mortgage loans. The bank’s only branch in Burlington is approximately ten miles from Bristol, where all the area’s moderate-income tracts are located. Currently, the bank does not have any branches in Bristol.

Market share reports reflect moderate competition in the area. According to 2018 market share report, 92 lenders originated 412 loans in the area’s moderate-income tracts. The top three lenders were two national banks and a national mortgage company that represented 23.1% of the market by number of loans collectively. The top lenders were substantially larger than TSB. In 2019, competition in these geographies remained relatively stable. The 2019 market share report shows 88 lenders reported originating loans in the area’s moderate-income tracts. TSB with a 0.5% market and ranked 45<sup>th</sup> among these lenders. Again, the top three lenders were a national bank and two national mortgage companies that collectively captured 18.1% of the market. These lenders were substantially larger than TSB and, thus, had more resources to serve these geographies.

TSB’s home mortgage lending activities in the Hartford MSA assessment area have been limited; therefore, less weight was given to the bank’s lending performance in this area when arriving at overall conclusions and ratings.

**Small Business Loans**

TSB’s geographic distribution of small business loans reflects reasonable dispersion throughout the Hartford MSA particularly in moderate-income census tracts. Again, the bank’s lending in this portion of the assessment area is limited.

The following table reflects the distribution of the bank’s small business loans by census tract income level. The 2019 D & B Business Demographic data is used as a measure of comparison:

<b>Geographic Distribution of Small Business Loans Hartford MSA</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	3.3	0	0.0	0	0.0
Moderate	7.1	1	25.0	109	8.5
Middle	22.8	2	50.0	280	21.9
Upper	66.8	1	25.0	891	69.6
Not Available	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>	<b>1,280</b>	<b>100.0</b>
<i>Source: 2019 D&amp;B Data; Bank Data Due to rounding, totals may not equal 100.0%</i>					

During 2019, the bank originated four small business loans within this portion of the assessment area. Of these four loans, one loan representing 25.0% of TSB's small business lending was made to a business located in one of the area's moderate-income census tracts. The bank did not originate any small business loans in the area's one low-income tract. However, this appears reasonable given that just 3.3% of the area's businesses are located in that tract. Further, the bank's physical footprint is limited within this portion of the assessment area since it only has one branch.

### **Borrower Profile**

The distribution of loans by borrower income and business revenue level was reviewed to determine the extent to which the bank is addressing the credit needs of the area's residents and small businesses, particularly those individuals with low- and moderate-income and small businesses. The distribution of borrowers reflects, given the demographics of the assessment area, a reasonable penetration among individuals of different income levels including those with low-and moderate-incomes and businesses of different sizes.

### **Home Mortgage Loans**

The distribution of borrowers reflects a reasonable penetration among individuals of different income levels including those with low- and moderate-incomes. The bank's reasonable penetration of home mortgage lending to borrowers with low- and moderate-incomes supports this conclusion.

The table on the following page reflects the bank's home mortgage lending by borrower income level in this area.

<b>Distribution of Home Mortgage Loans by Borrower Income Level Hartford MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2018	14.7	9.8	2	3.9	280	2.4
2019	14.7	8.8	1	1.4	115	0.8
<b>Moderate</b>						
2018	15.1	19.8	9	17.6	1,855	15.7
2019	15.1	20.0	16	23.2	2,820	19.3
<b>Middle</b>						
2018	20.1	21.9	12	23.5	2,420	20.5
2019	20.1	20.7	23	33.3	4,375	30.0
<b>Upper</b>						
2018	50.1	35.0	27	52.9	7,145	60.6
2019	50.1	38.5	26	37.7	6,860	47.0
<b>Not Available</b>						
2018	0.0	13.5	1	2.0	85	0.7
2019	0.0	12.0	3	4.3	425	2.9
<b>Totals</b>						
<b>2018</b>	<b>100.0</b>	<b>100.0</b>	<b>51</b>	<b>100.0</b>	<b>11,785</b>	<b>100.0</b>
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>69</b>	<b>100.0</b>	<b>14,595</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2018 &amp; 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

In 2018, TSB originated two loans to low-income borrowers in the Hartford MSA, comprising 3.9% of its total home mortgage lending. The bank’s performance was significantly lower than both the aggregate performance of 9.8% and the percentage of low-income families residing in the area at 14.7%. This was not unexpected, as 34.4% of low-income families reported income below the poverty level, which is a significant number. In 2018, 102 lenders reported originating 497 loans to low-income borrowers. TSB ranked 51<sup>st</sup> out of those lenders with a market share of 0.4% by number of loans. The top three lenders collectively originated 124 loans representing 21.1% of the total market. Top lenders were national banks and mortgage companies that were substantially larger than TSB.

In 2019, the number of loans TSB originated to low-income borrowers in the area decreased to one loan or 1.4% of its lending to this group. The bank’s performance was, again, significantly lower than the 8.8% aggregate performance and the percentage of low-income families in the area. In 2019, 90 lenders reported originating 492 loans to low-income borrowers. TSB’s ranking fell to 64<sup>th</sup> that year, and its market share decreased to 0.2%. The top three lenders collectively originated 108 loans for 22.0% of the total market. Top lenders continued to be larger national banks and mortgage companies.

During 2018, TSB originated nine loans to moderate-income borrowers in the area, representing 17.6% of the bank’s total home mortgage lending. Although the bank’s performance was below the aggregate performance of 19.8%, it exceeded the 15.1% percentage of moderate-income families residing in this area. In 2018, 134 lenders reported originating 1,002 loans to moderate-income borrowers. TSB ranked 29<sup>th</sup> out of those lenders with a market share of 0.9% by number of loans. The top three lenders collectively originated 175 loans, representing 17.5% of the total market. Top lenders were national banks and mortgage companies that were substantially larger than TSB.

In 2019, the bank’s lending to moderate-income borrowers increased. TSB originated 16 home loans to moderate-income borrowers representing 23.2% of the bank’s lending volume by number. The bank’s lending level was significantly higher than both the aggregate performance and the percentage of moderate-income families residing in the assessment area at 20.0% and 15.1%, respectively.

TSB’s overall lending to low- and moderate-income borrowers appeared reasonable. Although the bank’s lending to low-income borrowers decreased year-over-year, it is not surprising since there is such a large percentage of low-income families reporting incomes below the poverty level who most likely would not qualify or be able to sustain the cost of home ownership even with flexible lending programs. Further, the majority of the area’s low-income families and just under half of moderate-income families reside in Bristol, which is 10 to 15 miles from the bank’s nearest branch in Burlington, which poses a challenge for low-income borrowers who may need to reach that branch by public transportation. The bank doubled its lending to moderate-income borrowers during the evaluation period, which supplemented its lending to low-income borrowers and supports reasonableness of the bank’s lending.

### **Small Business Loans**

TSB’s distribution of small business loans in the Hartford MSA reflects excellent penetration to businesses of different sizes. The bank extended 100% of its small business loans in this portion of the assessment area to businesses with gross annual revenues of \$1 million or less.

The following table details the distribution of bank loans by business revenue category in the Hartford MSA portion of the assessment area:

<b>Distribution of Small Business Loans by Gross Annual Revenue Category Hartford MSA</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	86.9	4	100.0	1,280	100.0
>1,000,000	5.0	0	0.0	0	0.0
Revenue Not Available	8.1	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>	<b>1,280</b>	<b>100.0</b>
<i>Source: 2019 D&amp;B Data, Bank Data. Due to rounding, totals may not equal 100.0%</i>					

### **COMMUNITY DEVELOPMENT TEST**

The bank's Community Development Test performance in the Hartford MSA is reasonable. The bank had two qualified equity investments that benefitted the broader statewide area, including the Hartford MSA. One of the bank's two community development loans directly benefitted this portion of the assessment area. Additionally, a portion of the bank's donations and services benefitted organizations in this MSA. Refer to the Combined Assessment Area section of this evaluation for further details.

## GLOSSARY

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

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

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

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

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

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

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

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

**Community Development Financial Institutions (CDFIs):** CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI

facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

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

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

**Community Development Loan:** A loan that:

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

**Community Development Service:** A service that:

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

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

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

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

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Nonmetropolitan Area** (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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

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

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

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

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

**Small Business Loan:** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of

\$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

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

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

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

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



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