



PUBLIC DISCLOSURE

July 05, 2016

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Westfield Bank
Charter Number 717968

141 Elm Street
Westfield, MA 01085

Office of the Comptroller of the Currency

99 Summer Street
Suite 1400
Boston, MA 02110

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

Overall CRA Rating

Institution’s CRA Rating: This institution is rated **Outstanding**.

The following table indicates the performance level of Westfield Bank with respect to the Lending, Investment, and Service Tests:

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	X
High Satisfactory	X		
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- The Bank’s lending activity is good;
- A majority of home mortgage loans and a substantial majority of small loans to businesses were made within the Bank’s assessment area;
- The distribution of small loans to businesses by income level of the geography is excellent although the distribution of home mortgage loans is poor;
- The borrower distribution of home mortgage loans by income level of the borrower is excellent and distribution of small loans to businesses is excellent.
- Community development lending is strong has a positive impact on the Lending Test;
- Flexible loan programs have a positive impact on the lending performance;
- The Bank has an excellent level of community development investments and donations and demonstrates excellent responsiveness to identified credit needs;
- Accessibility to the Bank’s delivery systems to geographies and individuals of different income levels is excellent; and,
- The Bank is a leader in providing community development services.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

Westfield Bank's performance under the Investment Test is rated "Outstanding." The Bank has an excellent level of qualified investments and donations in the AA. The Bank exhibits excellent responsiveness to credit and community economic development needs.

Refer to Table 14 in Appendix C for the facts and data used to evaluate the Bank's level of qualified investments.

Qualified investments and donations totaled \$9.4 million or 6.55 percent of tier 1 capital. The Bank made three new investments in a pool of mortgage backed securities, which provided \$2.1 million in low- and moderate-income mortgages in Westfield Bank's Massachusetts assessment area. The Bank also has four prior period investments totaling \$6.6 million. The details for the Bank's community development investments are as follows:

- A \$3.3 million prior period investment in a CRA Qualified Investment Fund. The fund invests in CRA qualified projects, which primarily include investment in debt instruments supporting affordable housing and economic development for low- and moderate-income individuals and communities within the Bank's Massachusetts assessment area. The Bank made the initial \$2.6 million investment in 2002 and has since continued to reinvest their dividends and thus increasing the overall outstanding balance. The new book balance for the fund is \$3.5 million and 95.2 percent or \$3.3 million benefits the Bank's Massachusetts assessment area.
- A \$1.9 million prior period investment in the Access Capital Community Investment Fund whose mission is to invest in debt securities that promote community development activities servicing low- and moderate-income individuals within the Bank's designated target assessment area. The Bank made the initial investment of \$1.5 million in 2001 and has since continued to reinvest their dividends.
- A \$1.3 million prior period investment in Solomon Hess SBA Loan Fund whose mission is to promote economic development by supporting permanent job creation, retention, and/or improvement in low- or moderate-income geographies or in areas targeted for redevelopment by federal, state, or local governments. Westfield Bank targeted the counties of Hampden and Hampshire as their designated target area.
- A \$898 thousand investment in a mortgage-backed security (MBS) that provides affordable housing for low- and moderate-income individuals in the Bank's Massachusetts assessment area. The MBS is comprised of ten mortgages and six mortgages within the pool are for low- and moderate-income families within the Bank's Massachusetts assessment area.
- A \$866 thousand investment in a MBS that provides affordable housing for low- and moderate-income individuals in the Bank's Massachusetts assessment area. The MBS is comprised of 17 mortgages and six mortgages within the pool are for low- and moderate-income families within the Bank's Massachusetts assessment area.