



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

July 26, 2005

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Beverly National Bank
Charter Number 969**

**240 Cabot Street
Beverly, MA 01915**

Office of the Comptroller of the Currency

**New England Field Office
20 Winthrop Square, Suite 200
Boston, Massachusetts 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, 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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Description of Institution

Beverly National Bank (BNB) is a financial institution headquartered in Beverly, Massachusetts and owned by a single-bank holding company, Beverly National Corporation. The main office and three of its branches are located in Beverly. The bank also has four branches located in Danvers, South Hamilton, Manchester-By-The-Sea, and Topsfield, MA. The newest branch is in Danvers and opened in late 2004.

The bank's entire assessment area (AA) is located in Essex County, which is considered part of the north shore area of Massachusetts. The bank's AA serves the town of Beverly and fourteen surrounding communities in Essex County. The bank's designated AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income (LMI) areas.

BNB is a full service commercial bank providing consumer and commercial banking products and services. Commercial customers are primarily small and medium sized businesses in a variety of industries. Management targets business lending as the bank's strategic focus. Three new commercial lenders, hired during the evaluation period, have contributed to increases in commercial loan volume in a very competitive market that includes regional and locally based community and savings banks, credit unions, and mortgage companies. The bank's loan portfolio also includes residential mortgage loan products that were identified as a community credit need. Over the evaluation period, residential mortgage loans have been periodically sold in the secondary mortgage market.

For additional information on the bank's AA's, see Market Profile – Demographic Information Tables in Appendix B.

As of June 30, 2005, BNB had total assets of \$413 million and held \$ 27 million in capital, representing 6.75% of Tier 1 capital to total assets. The bank has no affiliates or any affiliate lending considered as part of this CRA examination. At the last CRA examination in September 2001, the bank received a "**Satisfactory**" rating.

The bank's loan and deposit products and services are standard for community banks. **For additional details of the bank's products and services, please refer to the bank's CRA Public File.**

Evaluation Period

We evaluated BNB's mortgage and small business loan activity for the period beginning January 1, 2002 through December 31, 2004. The evaluation period for community development loans, investments and services runs from the ending date of the last CRA examination, September 24, 2001 to the starting date of this evaluation, July 25, 2005. CRA activities are evaluated against demographics from the 1990 Census for 2002, the 2000 Census for 2003 and 2004, and changes to metropolitan area boundaries implemented in 2004 by the Office of Management and Budget.

Community Contacts

We made two community contacts to governmental agencies that identified the following needs of the community:

- Increase the limited volume of affordable housing, and
- Offer small business loans to repair the façade of Beverly's downtown appearance.

Financial institutions in general, and BNB in particular, were perceived favorably for their efforts to meet community credit needs.

Overall CRA Rating

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

The following table indicates the performance level of **The Beverly National 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			
High Satisfactory	X		X
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support the overall rating and conclusions with respect to performance tests include:

- Beverly National Bank (BNB) reflects a good volume of lending activity in its AA.
- The bank’s distribution of home purchase loans in low and moderate-income (LMI) geographies is good.
- The bank’s distribution of home refinance mortgage and small business loans in LMI geographies is excellent.
- The bank’s distribution of home refinance mortgages to borrowers of low and moderate-income levels is good.
- The bank reflects an excellent distribution of loans to small businesses with revenues less than \$1 million.
- Branches are reasonably accessible to geographies and individuals of different income levels.

Lending

BNB's performance under the lending test is rated high satisfactory and performance in the bank's AA is good based on lending activity from January 1, 2002 to December 31, 2004.

Refer to Table 1 through 13 in Appendix C for facts and data used to evaluate the bank's lending.

The bank's volume of lending activity is considered good over the CRA evaluation period. The bank experienced a decline in residential mortgage loans in 2004 from previous two years, stemming from rising interest rates. An increase in small business loan volume in 2004 is attributed to new commercial loan officers and an increased strategic focus on commercial lending. The bank's loan-to-deposit ratio of 70% at December 31, 2004 is reasonable. Also, BNB periodically sold mortgage loans in the secondary mortgage market that we considered in analyzing its overall lending volume.

Distribution of Loans by Income Level of the Geography

The bank's distribution of home purchase loans originated in LMI geographies is good. The bank had only one low-income tract in 2002 and 2003 that became a moderate-income tract in 2004. The low-income tract primarily contained multi-family rental property with little opportunity for home purchases. This analysis therefore emphasizes the distribution of loans in moderate-income geographies. For each year of the evaluation period, the proportion of home purchase loans originated in moderate-income geographies exceeded the proportion of owner-occupied housing units within those geographies. The bank's market share of home purchase loans in moderate-income tracts was higher than its overall market share of home purchase loans in 2002, but slightly below in 2003. No market share information was available for 2004.

The volume of home improvement loans is not significant and is not considered in this evaluation. Bank customers have primarily requested home equity lines of credit (HELOC) over the evaluation period. The bank is not required to, nor does it gather, HELOC lending data for HMDA or CRA purposes.

The bank's distribution of home refinance mortgages originated in LMI geographies is excellent overall. The proportion of loans originated to moderate-income tracts exceeded the proportion of owner-occupied housing units. Market share for 2003 clearly reflected a lending performance in moderate-income geographies that exceeded its overall market share.

In 2002, the distribution of multifamily loans in LMI geographies was excellent overall. Although the bank originated no multifamily loans in its one low income tract, multifamily loans originated in moderate-income tracts in 2002 and 2003 clearly exceeded the proportion of multifamily units in the bank's AA. In 2002, the bank's market share of multifamily loan originations in moderate-income tracts was significant at 20% in 2002 and 4% in 2003 and clearly exceeded the bank's overall market share.

BNB's geographic distribution of small loans to businesses located in LMI geographies is excellent overall in its AA. Our analysis emphasized performance in the moderate-income

geographies, as the bank had only one low-income census tract in 2002 and 2003 with a nominal percent of AA businesses in that tract. There were no low-income geographies in 2004. The bank's lending to businesses in moderate-income geographies significantly exceeds the percentage of businesses located in that geography for 2002, 2003, and 2004. In addition, the bank's market share in moderate-income geographies for 2002 and 2003 is significantly higher than its overall market share for small loans to businesses.

Lending to farms was not considered in the analysis, as the volume of lending during the evaluation period was minimal.

Distribution of Loans by Income Level of the Borrower

BNB's distribution of home purchase loans to borrowers of different income levels is adequate. The bank had no home purchase loans originated to low-income families in 2002. Low-income families, earning less than 50% of the HUD adjusted median family income of \$74 thousand, would have difficulty qualifying for a conventional home purchase loan. The median housing price in 2002 was \$194 thousand. The percentage of home purchase loans originated to moderate-income families slightly exceeded area demographics as more moderate-income borrowers were able to afford home purchase loans.

In 2003 median home prices had increased 25% over values in 2002. HUD adjusted median income levels increased only 8% thus reducing the ability of low- and moderate-income borrowers to qualify for home purchase loans. Despite the increase in home prices, the percentage of home purchase loans originated were to low-income borrowers and was slightly lower than area demographics. The percentage of home purchase loans to moderate-income borrowers was slightly below area demographics, also. In both case market share data reflected loans to low- and moderate-income borrowers exceeded the bank's overall market share results.

In 2004 there were no home purchase loans originated to low-income families because of the limited supply of affordable housing and increasing home prices in the bank's AA, and Massachusetts in general. Originations to moderate-income borrowers were below 2003 levels and significantly below area demographics for the same reasons as for low-income families.

The bank offers standard or conventional home mortgage lending products that do not contain flexible or innovative features for low or moderate-income borrowers.

BNB does a good job of originating refinance mortgage loans to LMI borrowers overall. Refinance mortgage loans to low-income borrowers was adequate given the limited number of low-income homeowners available to even seek a refinance mortgage loan. Loans to moderate-income borrowers in 2003 and 2004 improved over 2002 and reflected performance that exceeded demographics. Market share for loans to moderate-income borrowers exceeded the bank's overall market share for refinance loans.

BNB's lending to small businesses with revenues less than \$1 million is excellent overall. The bank's percentage of loans to small businesses in 2002 was comparable to the demographic data. In 2003 and 2004, the percentage of loans originated to small businesses was excellent

and clearly exceeded the percentage of businesses with revenues less than \$1 million. Additionally, market share performance of loans to small businesses is excellent for 2002 and 2003. This supports the bank's strategic focus to originate small business loans. No market share data was available for 2004.

Investments

In evaluating BNB's volume of investments, we considered community development opportunities in the assessment area, as well as the capacity for the local infrastructure to create qualified investments. Opportunities for qualified investments are limited in the communities in BNB's assessment area. Management began its search for investments in the summer of 2005 to locate community development (CD) needs and opportunities for CD investment in the AA. Although potential opportunities were identified for the future, there were no CD investments available locally in 2005.

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

Performance under the investment test is rated low satisfactory. The volume of BNB's investments is adequate due to limited local opportunities. The bank made 65 qualifying investments during the evaluation period totaling \$602 thousand. There were no prior period investments.

A \$500 thousand investment was made in a fund comprised of housing bonds from MassHousing that finance mortgage loans for rental developments assisted under various state and federal subsidy programs. The developments are geared towards low- and moderate-income individuals, and located in 107 cities and towns throughout Massachusetts, including Beverly and Salem.

Although the investment above is neither innovative nor complex, it provides funding for affordable housing (AH) measures that are an identified community credit need. The investment largely benefits a statewide area however, a portion of the funds benefits communities in the bank's AA. Of the two housing developments in Beverly and one in Salem, 100% of the units are for LMI residents.

The remaining 64 investments were made in qualifying grants totaling \$102 thousand during the evaluation period. These grants were directed to local organizations providing social services or financial assistance to low- and moderate-income residents within the bank's AA.

Services

In evaluating BNB's services, we considered the bank's size in relation to the size of its AA. The bank, as of our evaluation date, had seven banking offices that served 45 census tracts. In 2004, the bank had no low-income tracts and four moderate-income tracts. The remaining 41 census tracts were middle and upper-income. Several of these census-tracts were upgraded to a higher-income level after the 2000 Census results.

Since the last public evaluation, BNB opened one branch in Danvers, Massachusetts in late 2004. No branches have been closed since the last evaluation. The bank's service delivery systems are accessible to low and moderate-income residents and to different income geographies through out the assessment area.

Refer to Table 15 in Appendix C for facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Performance under the service test is rated high satisfactory.

- Beverly National Bank's (BNB) offices and retail services are reasonably accessible to geographies and individuals of all income levels. One new branch was opened and none were closed during the evaluation period. Prior to changes in the 2000 Census, the bank had one-third of its branches in two moderate-income tracts, exceeding the percentage of LMI population that resided in those geographic areas.
- In 2004, the 2000 Census changed the metropolitan area boundaries from multi-state Boston, MA-NH, to Essex County, only, and it changed one moderate-income tract status to a middle-income tract; there are currently no low-income census tracts in 2004. BNB opened the Danvers branch office in late 2004, which is located in a middle-income geography. Although BNB has a lower percentage of its branches in moderate-income geographies in 2004, the percentage of BNB branches in moderate-income tracts exceeded the percent of the LMI population that reside in those geographic areas.
- BNB retail services are readily accessible to geographies and individuals of all income levels at seven full service branches. Services and hours are comparable at all full service branches.
- The bank operates two high school branches that provide banking and training opportunities to the AA youth. The high school branches, at Beverly High School and Hamilton-Wenham Regional High School, were established to encourage financial education and promote savings for all students. Free checking is offered to students as well as all school employees.
- The bank operates seven ATMs, located at each branch, and three off-premise ATMs to supplement the branch network. In addition, the bank operates eleven cash dispensers at various locations through out the AA. Of the total ATMs, three are located in the moderate-income geographies.
- BNB offers telephone banking (Call Direct 9200) and Internet banking for all customers.
- BNB's community development services are good. Bank management and board members are highly involved in a variety of community organizations that are dedicated to providing services for low and moderate-income people. Organizations include several affordable housing agencies, a family fitness center and daycare facility, a society that provides fuel, housing and food payment assistance for low

income individuals, and agencies that provide social services and housing for needy individuals.

- Management and board members provide financial and technical expertise and serve on the boards for these community organizations. Some examples of their involvement are:
 - Bank staff person is a director and treasurer for a community organization dealing with affordable housing issues in the local area;
 - Bank staff person is a member of the Allocations Committee for a charitable organization providing services to low and moderate income families; and
 - Bank staff person serves on the Fundraising Committee for a local Community Development Corporation (CDC), which primarily develops rental projects geared towards low- and moderate-income individuals. The officer provides technical assistance in the form of fund raising and general business consulting.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of illegal discrimination or other illegal credit practices.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD Loans): 01/01/02 to 12/31/04 Investment and Service Tests and CD Loans: 09/24/01 to 07/25/05													
Financial Institution	Products Reviewed													
Beverly National Bank (BNB) Beverly, MA	Home Purchase, Home Improvement, Home Mortgage Refinance, Multi-Family Loans, Small Loans to Businesses													
Affiliate(s)	Affiliate Relationship	Products Reviewed												
List of Assessment Areas and Type of Examination														
Assessment Area	Type of Exam	Other Information												
Communities located within Essex County.	Full-Scope	<p>The evaluation period covered two sets of demographics from the 1990 and 2000 census data. In 2004 the Office of Management and Budget changed the Multi-state MSA definition from Boston MA-NH to a smaller metropolitan area (MA) definition of Essex County. This changed various median values between 2003 and 2004.</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Eval. Period</th> <th>Census Year</th> <th>MSA</th> </tr> </thead> <tbody> <tr> <td>2002</td> <td>1990</td> <td>Boston MA-NH</td> </tr> <tr> <td>2003</td> <td>2000</td> <td>Boston MA-NH</td> </tr> <tr> <td>2004</td> <td>2000</td> <td>Essex County, MA</td> </tr> </tbody> </table>	Eval. Period	Census Year	MSA	2002	1990	Boston MA-NH	2003	2000	Boston MA-NH	2004	2000	Essex County, MA
Eval. Period	Census Year	MSA												
2002	1990	Boston MA-NH												
2003	2000	Boston MA-NH												
2004	2000	Essex County, MA												

Appendix B: Market Profiles for Full-Scope Areas

Beverly National Bank Assessment Area (Metropolitan Area)

2002 Demographic Information for Full-Scope Area: Beverly National Bank AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	42	2.38	14.29	59.52	23.81	0
Population by Geography	227,171	1.39	11.49	61.13	25.98	0
Owner-Occupied Housing by Geography	57,161	0.43	7.77	62.48	29.31	0
Businesses by Geography	15,934	2.49	10.96	60.74	25.81	0
Farms by Geography	359	0.56	5.57	58.77	35.10	0
Family Distribution by Income Level	60,893	16.58	18.21	24.29	40.92	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	21,185	2.36	17.64	63.80	16.20	0
Median Family Income = \$ 48,536 2002 HUD Adjusted Median Family Income = \$ 73,703 Households Below the Poverty Level = 8.89%			Median Housing Value = \$ 193,621 Unemployment Rate = 3.53%			

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and 2002 HUD updated MFI.

2003 Demographic Information for Full-Scope Area: Beverly National Bank AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	45	2.22	8.89	64.44	24.44	0
Population by Geography	242,907	1.59	7.80	62.72	27.88	0
Owner-Occupied Housing by Geography	64,742	0.45	4.37	64.55	30.63	0
Businesses by Geography	16,479	2.55	9.52	59.55	28.38	0
Farms by Geography	389	0.51	4.88	58.87	35.73	0
Family Distribution by Income Level	63,157	16.48	17.21	23.12	43.18	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	21,280	2.81	11.62	68.37	17.21	0
Median Family Income = \$ 67,955 2003 HUD Adjusted Median Family Income = \$ 80,271 Households Below the Poverty Level = 9.31%			Median Housing Value = \$241,730 Unemployment Rate = 2.27%			

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 U.S. Census, and 2003 HUD updated MFI.

2004 Demographic Information for Full-Scope Area: Beverly National Bank AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	45	0	8.89	55.56	35.56	0
Population by Geography	242,907	0	7.24	51.17	41.59	0
Owner-Occupied Housing by Geography	64,742	0	3.52	49.83	46.65	0
Businesses by Geography	16,671	0	9.38	52.25	38.37	0
Farms by Geography	399	0	4.01	43.86	52.13	0
Family Distribution by Income Level	63,157	14.81	15.72	22.68	46.80	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	19,281	0	12.20	59.54	28.26	0
Median Family Income 2004 HUD Adjusted Median Family Income Households Below the Poverty Level	= \$ 63,556 = \$ 76,000 = 9.49%				Median Housing Value Unemployment Rate	= \$207,469 = 2.33%

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2000 U.S. Census, and 2004 HUD updated MFI.

The bank operates in a highly competitive market that includes regional commercial banks, mortgage companies, savings banks, and finance companies. As of June 30, 2004 the bank's deposit market share was 4.77% in its AA and it ranked 8th among all bank's operating there. The largest competitors included Salem Five Cents Savings Banks (16.25%), T.D. BankNorth N.A. (13.16%), and Eastern Bank (11.67%).

Competition for both commercial and residential mortgage products is intense in the AA. BNB added new commercial lending staff in 2003 and 2004, which increased the bank's deposits and commercial loan volume. The bank has captured a reasonable market share of small business loans, which are BNB's primary niche in communities where branches are located.

The bank's general market area contains some manufacturing, general business services, retail trade, as well as residential areas. Housing prices in the AA are high given the area median income, and have risen in the past few years, limiting the area's affordable housing options. Rising housing costs make ownership difficult for low- and moderate-income individuals and families. The bank's one low-income tract was located in an area that contains primarily investor owned rental properties with minimal opportunities for home purchases. The low-income tract was redefined as a moderate-income tract in 2004 after analysis of 2000 Census Data and changing metropolitan area boundaries. Many of the bank's moderate-income tracts contain commercially zoned properties and contain investor owned multi-family housing and rental properties.

The economy in the AA was moderately impacted by economic sluggishness over the past three years. Although unemployment levels have improved, Essex County unemployment rate remains higher than state and national levels. The area's largest employers are hospital systems in Beverly and Salem, MA as well as local town governments.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) Purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column with the appropriate caption, such as: “Statewide/Regional,” “Statewide/Regional with potential benefit to one or more AAs” or “Out of Assessment Area.” “Out of Assessment Area” is used ONLY if the bank has otherwise adequately met the CD lending needs of its assessment area.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.

- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

Table 12. Borrower Distribution of Small Loans to Farms - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column with the appropriate caption, such as: "Statewide/Regional," "Statewide/Regional with potential benefit to one or more AAs" or "Out of Assessment Area." "Out of the Assessment Area" is used ONLY if the bank has otherwise adequately met the qualified investment needs of its assessment area.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1. Lending Volume

LENDING VOLUME		Geography: BEVERLY NB AA						Evaluation Period: JANUARY 1, 2002 to DECEMBER 31, 2004				
	% of Rated Area Loans (#) in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Beverly NB AA 2002	100	169	44,483	117	21,598	1	265	0	0	287	66,346	100
Beverly NB AA 2003	100	170	37,024	129	18,508	0	0	0	0	299	55,532	100
Beverly NB AA 2004	100	62	19,202	136	20,131	0	0	0	0	198	39,333	100

* Loan Data as of December 31 for each year: 2002, 2003, and 2004. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from September 24, 2001 to July 25, 2005.

*** Deposit Data as of June 30 for each year: 2002, 2003, and 2004. Rated Area refers to either the state, multi-state, MA, or institution, as appropriate.

Table 1. Other Products – NOT APPLICABLE/NONE REPORTED

LENDING VOLUME		Geography: BEVERLY NB AA		Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004	
MA/Assessment Area:	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
Full Review:					
Beverly NB AA 2002					
Beverly NB AA 2003					
Beverly NB AA 2004					

(*)The evaluation period for Optional Product Line(s) is from January 1, 2002 to December 31, 2004.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE			Geography: BEVERLY NB AA				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004					Market Share (%) by Geography				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units**	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
1990 Census Data:																
Beverly NB AA 2002	28	100	<1%	0	8	11	62	46	29	43	0.57	0.00	0.63	0.44	0.87	
2000 Census Data:																
Beverly NB AA 2003	21	100	<1%	0	4	5	64	62	31	33	0.38	0.00	0.26	0.37	0.45	
Beverly NB AA 2004	21	100	0	0	4	9	50	62	46	29	2004 market share data not available.					

* Based on 2002 and 2003 Peer Mortgage Data : Eastern Region. 2004 Peer Mortgage Data not available.

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census Information for 2002 and 2000 Census Information for 2003 and 2004.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: BEVERLY NB AA				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004					Market Share (%) by Geography				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ*** Units	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
1990 Census Data:																
Beverly NB AA 2002	1	100	<1%	0	8	0	62	100	29	0	0.14	0	0	0.21	0	
2000 Census Data:																
Beverly NB AA 2003	1	100	<1%	0	4	0	64	100	31	0	0.26	0	0	0.38	0	
Beverly NB AA 2004	10	100	0	0	4	10	50	50	46	40	2004 Market share data not available.					

* Based on 2002 and 2003 Peer Mortgage Data: Eastern Region. 2004 Peer Mortgage Data not available.

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census Information for 2002 and 2000 Census Information for 2003 and 2004.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: BEVERLY NB AA				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
1990 Census Data:																
Beverly NB AA 2002	127	100	<1%	2	8	9	62	51	29	38	0.57	1.85	0.75	0.49	0.65	
2000 Census Data:																
Beverly NB AA 2003	145	100	<1%	0	4	12	64	57	31	31	0.44	0	1.17	0.40	0.40	
Beverly NB AA 2004	31	100	0	0	4	10	50	35	46	55	2004 Market Share data not available.					

* Based on 2002 and 2003 Peer Mortgage Data: Eastern Region. 2004 Peer Mortgage Data not available.

** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census Information for 2002 and 2000 Census Information for 2003 and 2004.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: BEVERLY NB AA						Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2004							
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
1990 Census Data:															
Beverly NB AA 2002	13	100	5	0	24	38	60	48	11	14	15.12	0	20.00	12.77	22.22
2000 Census Data:															
Beverly NB AA 2003	3	100	5	0	21	33	62	67	12	0	3.80	0	4.00	5.41	0
Beverly NB AA 2004	0	0	0	0	18	0	66	0	16	0	2004 Market Share data not available.				

* Based on 2002 and 2003 Peer Mortgage Data: Eastern Region. 2004 Peer Mortgage Data not available.

** Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

*** Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census Information for 2002 and 2000 Census Information for 2003 and 2004.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: BEVERLY NB AA		Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography							
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp			
Full Review:																		
1990 Census Data:																		
Beverly NB AA 2002	117	100	2	0	11	33	61	41	26	26	0.49	0	1.20	0.37	0.65			
2000 Census Data:																		
Beverly NB AA 2003	129	100	3	0	10	28	59	47	28	25	0.69	0.07	1.47	0.64	0.66			
Beverly NB AA 2004	136	100	0	0	10	13	52	51	38	36	2004 Market Share information not available.							

* Based on 2002 and 2003 Peer Small Business Data: US.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet 2002, 2003, and 2004.

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS												Geography: BEVERLY NB AA		Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004			
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography						
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp		
Full Review:																	
1990 Census Data:																	
Beverly NB AA 2002	1	100	1	0	5	0	59	0	35	100	3.57	0	0	0	6.25		
2000 Census Data:																	
Beverly NB AA 2003	0	0		0	5	0	59	0	35	0	0	0	0	0	0		
Beverly NB AA 2004	0	0	0	0	4	0	44	0	52	0	0	2004 Market Share information not available.					

* Based on 2002 and 2003 Peer Small Business Data: US.

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet 2002, 2003, and 2004.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: BEVERLY NB AA				Evaluation Period: JANUARY 1, 2002 AND DECEMBER 31, 2004					Market Share				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Over all	Low	Mod	Mid	Upp
	#	% of Total**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****					
Full Review:															
1990 Census Data:															
Beverly NB AA 2002	28	100	17	0	18	22	24	30	41	48	0.65	0	0.87	0.63	0.65
2000 Census Data:															
Beverly NB AA 2003	21	100	17	14	17	14	23	29	43	43	0.45	1.23	0.31	0.39	0.48
Beverly NB AA 2004	21	100	15	0	16	6	22	29	47	65	2004 Market Share information not available.				

* Based on 2002 and 2003 Peer Mortgage Data: Eastern Region.

** As a percentage of loans with borrower income information available.

*** Percentage of Families is based on the 1990 Census Information for 2002 loan data and 2000 Census Information for 2003 and 2004 loan data.

**** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			Geography: BEVERLY NB AA				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004					Market Share				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Families**	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****						
Full Review:																
1990 Census Data:																
Beverly NB AA 2002	1	100	17	0	18	0	24	0	41	0	0	0	0	0	0	
2000 Census Data:																
Beverly NB AA 2003	1	100	17	0	17	0	23	0	43	100	0.31	0	0	0	0.82	
Beverly NB AA 2004	10	100	15	20	16	0	22	40	47	40	2004 Market Share data not available.					

* Based on 2002 and 2003 Peer Mortgage Data: Eastern Region. 2004 Peer Mortgage Data not available.

** As a percentage of loans with borrower income information available. In 2002, the one home improvement loan lacked income information.

*** Percentage of Families is based on the 1990 Census Information for 2002 and 2000 Census Information for 2003 and 2004.

**** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: BEVERLY NB AA				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004					Market Share				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Families**	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****						
Full Review:																
1990 Census Data:																
Beverly NB AA 2002	127	100	17	10	18	10	24	20	41	60	0.66	1.47	0.37	0.44	0.82	
2000 Census Data:																
Beverly NB AA 2003	145	100	17	11	17	21	23	27	43	41	0.51	0.84	0.51	0.44	0.51	
Beverly NB AA 2004	31	100	15	7	16	18	22	29	47	46	2004 Market Share Data not available.					

* Based on 2002 and 2003 Peer Mortgage Data: Eastern Region.

** As a percentage of loans with borrower income information available.

*** Percentage of Families is based on the 1990 Census Information for 2002 and 2000 Census Information for 2003 and 2004.

**** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: BEVERLY NB AA		Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004		
	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share	
MA/Assessment Area:	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
Full Review:									
1990 Census Data:									
Beverly NB AA 2002	117	100	74	72	60	13	27	0.49	1.27
2000 Census Data:									
Beverly NB AA 2003	129	100	67	76	68	13	19	0.69	1.54
Beverly NB AA 2004	136	100	68	74	68	12	20	2004 Market Share Data not available.	

* Based on 2002 and 2003 Peer Small Business Data: US. 2004 Peer Small Business Data not available.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B – 2002, 2003, and 2004).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS				Geography: BEVERLY NA AA		Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004			
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Review:									
1990 Census Data:									
Beverly NB AA 2002	1	100	90	0	0	0	100	3.57	0
2000 Census Data:									
Beverly NB AA 2003	0	0	87	0	0	0	0	0	0
Beverly NB AA 2004	0	0	86	0	0	0	0	0	0

* Based on 2002 and 2003 Peer Small Business Data: US. 2004 Peer Small Business Data not available.

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B – 2002, 2003, and 2004).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms.

**Table 13. Geographic and Borrower Distribution of Consumer Loans
(NONE REPORTED/NOT APPLICABLE)**

Geographic and Borrower Distribution: CONSUMER LOANS																			Geography: BEVERLY NB AA				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004			
MA/Assessment Area:	Geographic Distribution										Borrower Distribution															
	Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers									
	#	% of Total*	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans								
Full Review:																										
1990 Census Data:																										
Beverly NB AA 2002																										
2000 Census Data:																										
Beverly NB AA 2003																										
Beverly NB AA 2004																										

* Consumer loans originated and purchased in the MA/AA as a percentage of all consumer loans originated and purchased in the rated area.

** Percentage of Households is based on the 1990 Census Information for 2002 and 2000 Census Information for 2003 and 2004.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: BEVERLY NB AA				Evaluation Period: SEPTEMBER 24, 2001 TO JULY 25, 2005			
MA/Assessment Area:	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Beverly NB: 9/01 – 7/05	0	0	65	602	65	602	100	0	0

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: BEVERLY NB AA											Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004						
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
1990 Census:																	
Beverly NB AA 2002	100	6	100	0	33	33	33	0	0	0	0	0	0	1	12	61	26
2000 Census:																	
Beverly NB AA 2003	100	6	100	0	33	33	33	0	0	0	0	0	0	1	8	63	28
Beverly NB AA 2004	100	7	100	0	14	43	43	1	0	0	0	+1	0	0	7	51	42