



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

Public Disclosure

May 1, 2006

Community Reinvestment Act  
**Performance Evaluation**

Webster Bank, N.A.  
Charter Number: 24469

Webster Plaza  
Waterbury, CT 06702

Office of the Comptroller of the Currency

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**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.

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## Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated “**Satisfactory.**”

The following table indicates the performance level of **Webster Bank, N.A. (Webster)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Webster Bank, N.A. 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 this rating include:

- Lending levels reflect good responsiveness to the credit needs of the rating areas.
- A good distribution of loans among geographies of different income levels.
- A good distribution of loans among borrowers of different income levels.
- Community development loans have a positive impact on the bank’s lending performance.
- Flexible lending products have a neutral impact on the bank’s lending performance.
- Investments reflect an adequate responsiveness to credit and community development needs.
- Service delivery systems are accessible to geographies and individuals of different income levels.
- Adequate performance in providing community development services.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**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 MA/assessment area.

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

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

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**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.

**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, which is further classified into

‘male householder’ (a family with a male householder and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

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

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

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders 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 applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include data on loan pricing, the lien status of the collateral, any requests for pre-approval and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancing, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

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

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

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

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county 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 percent and less than 120 percent, in the case of a geography

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

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

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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

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

**Rated Area:** A rated area is a state or multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Small Loans to Businesses:** A loan included in 'loans to small businesses' as defined

in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by non-farm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** 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, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

## Description of Institution

Webster Bank, National Association (Webster) is chartered and headquartered in Waterbury, Connecticut. Webster converted from a federally regulated thrift to a national bank charter on April 21, 2004. The Evaluation Period commences with the date of its national charter. Webster is an interstate bank and the principal subsidiary of Webster Financial Corporation, Inc. (WFC) a bank holding company organized under laws of the state of Delaware. Webster operates 157 full-service branches and 304 automatic teller machines (ATMs) in Connecticut, Rhode Island, Massachusetts, and Westchester County in New York.

As of December 31, 2005, Webster had assets of \$17.8 billion, Tier 1 capital of \$1.2 billion, deposits of \$11.7 billion, and net loans of \$12.1 billion. Loans comprise 68 percent of bank assets. Real estate loans make up 77 percent of the portfolio and commercial and industrial loans equal 23 percent of the portfolio.

Webster's current operating configuration is the result of extensive merger and acquisition activity. The following acquisitions were made during the Evaluation Period.

- FIRSTFED – On May 17, 2004, FIRSTFED was merged into Webster. FIRSTFED was a \$2.7 billion federally chartered savings and loan holding company headquartered in Swansea, Massachusetts. FIRSTFED's sole holding was First Federal Savings Bank of America. It had 19 branch offices in Massachusetts and seven in Rhode Island.
- On December 6, 2004, First City Bank (First City) was merged into Webster. First City was a \$185 million state chartered stock savings bank headquartered in New Britain, Connecticut with four banking offices.
- On March 1, 2005, Eastern Wisconsin Bankshares, Inc. and its principal holding, State Bank of Howards Grove (Wisconsin), a \$163 million state chartered bank, which operated under the trade name HSA Bank were acquired by Webster. Contemporaneously, Webster sold the two banking offices, all loans, and \$44 million in deposits of the State Bank of Howards Grove to National Exchange Bank and Trust of Wisconsin. Webster retained the Health Savings Account operation and related \$100 million in deposits originated by State Bank of Howards Grove.
- On June 29, 2005, J Bush & Co., a New Haven (Connecticut) based investment management firm merged its assets into Webster's investment management group, Webster Financial Advisors.

Webster is a full-service lender offering various loan and deposit products.

Webster's strategic focus is to continue to operate as a retail bank dedicated and responsive to its local markets. This effort includes new and refinanced housing loans in the region, supporting business growth, particularly small local businesses, and the development of affordable housing.

Webster's business strategy during the evaluation period called for continuing focus on its small business products and lending volumes, including further increases in SBA guaranteed loans. In 2004 and 2005, Webster was the largest Small Business Administration ("SBA") 504 Lender in Connecticut. In 2004 and 2005, Webster was the number one SBA lender in Connecticut among banks headquartered in Connecticut, and was ranked third among all banks doing business in Connecticut. In prior years, the bank evidenced similar leadership volume in SBA loans. Overall, the number of small business loans increased 21 percent in 2005 over 2004. The bank's strategy also called for an expansion of its home ownership lending volumes in low- and moderate-income geographies. From a program launched in 2003, Webster's HOPE (Home Ownership Possibilities for Everyone) program expanded to 50 loans and \$7 million in volume in 2005 from four loans and \$600,000 in 2004.

There are no known legal, financial or other factors that impede the bank's ability to help meet the credit needs of its assessment areas. Competition is strong as provided by longstanding local banks, regional banks, national banks, national and local mortgage companies, national credit card companies, local credit unions, and other non-bank entities. Banking activities have a positive impact on Webster's overall capacity for community reinvestment.

Webster's prior CRA Performance Evaluation dated January 14, 2002 was performed by the Office of Thrift Supervision (OTS) and covered Webster's one rating area (Connecticut) at that time. It resulted in an "Outstanding" rating.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

The overall Evaluation Period is April 21, 2004 through December 31, 2005, with the exception of community development (CD) loans, investments, and services. For CD loans, the Investment Test, and the Service Test, the overall evaluation period is April 21, 2004 through May 1, 2006.

### **Data Integrity**

As part of this CRA Evaluation, Webster's publicly filed information on home mortgage loans and small loans to businesses were tested for accuracy. Testing included an evaluation of Webster's processes to ensure that data is reliable. CD loans, investments, and services submitted by Webster's management were verified to ensure that they met regulatory definitions for CD. No significant errors were found in reported home mortgage data. Errors identified in reportable small loans to businesses were corrected and tested prior to initiation of analysis of performance. Accurate data was used in this Evaluation.

### **Selection of Areas for Full-Scope Review**

For purposes of this Evaluation, three individual state ratings and one multi-state Metropolitan Area (MA) rating are blended into Webster's overall Evaluation. In each state, at least one AA was selected as full-scope. These full scope areas were selected based on the highest percentage of deposits. Refer to the "Scope" section under each State Rating for details regarding how the areas were selected.

### **Ratings**

For purposes of this Evaluation, three individual state ratings and one multi-state MA rating are rolled-up and become Webster's overall Evaluation.

The bank's overall rating is a blend of the weighted state and multi-state MA ratings. The state and multi-state MA areas are weighted, in overall conclusions, based upon deposits generated. Connecticut has the highest levels of deposits among the four rating areas at 86 percent. Connecticut's ratings carry the most overall weight in the Evaluation.

The state and multi-state MA area ratings are based primarily on those areas that received full-scope reviews. Refer to the "Scope" section under each state rating for details regarding how the areas were weighted in arriving at the overall state rating.

### **In/Out Ratio**

This analysis is based on the bank's performance at the overall bank level rather than by rating area or the AA level. For the bank, 51 percent of Webster's loans are within its combined AAs, while 100 percent of community development loans are within the bank's AAs. Webster's inside/outside ratio is significantly impacted by the bank's national wholesale mortgage lending operation. This operation offers mortgage loans through a network of loan production offices in Seattle, WA; Chicago, IL; Phoenix, AZ; and Cheshire, CT. Loans originated through the national wholesale operations are sold to investors after closing.

## Fair Lending Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## **Multi-state Metropolitan Area Rating**

### **Rhode Island--Massachusetts (RI-MA) Multi-State MA**

**CRA rating for the RI-MA Multi-State MA: Satisfactory**

**The lending test is rated: High Satisfactory**

**The investment test is rated: High Satisfactory**

**The service test is rated: High Satisfactory**

The major factors that support this rating include:

- Lending levels that reflect adequate responsiveness to AA credit needs.
- A good distribution of loans among geographies of different income levels.
- A good distribution of loans among borrowers of different income levels.
- Investments that reflect good responsiveness to the AA's credit and community development needs.
- Service delivery systems that are accessible to geographies and individuals of different income levels.
- Good performance in providing community development services.

### **Description of Institution's Operations in the RI-MA Multi-state MA**

The bank's AA consists of the Providence – New Bedford – Fall River, (RI-MA) Multi-state MA. This includes the entire state of Rhode Island and a portion of southeastern Massachusetts. Webster entered the MA during this evaluation period through its acquisition of FIRSTFED Bank in May 2004. Webster has 23 branches within the AA, representing 14.7 percent of the bank's total branch network. This AA comprises 11.6 percent of Webster's total deposits and 9 percent of the total number of Webster's HMDA loans. As of June 30, 2005, the bank ranked ninth for deposit market share with a 1.1 percent share of deposits. Competition includes numerous smaller community banks and other regional banks.

Refer to the Market Profiles for the RI-MA Multi-state MA in appendix C for detailed demographics and other performance context information for the AA that received a full-scope review.

### **Scope of Evaluation in RI-MA Multi-state MA**

We conducted a full-scope review of the RI-MA Multi-state MA (RI-MA) AA.

Home mortgage lending was given more weight than small loans to businesses when arriving at the bank's overall performance in lending, based on the significantly larger volume of home mortgage loans than small loans to businesses (85 percent compared to 15 percent). As well, home mortgage lending is a major focus of the institution. Home purchase loans and refinance loans were given more weight than home improvement loans due to the much greater volume activity of these products. A limited number of multi-family loans and no small loan to farms were originated during the evaluation period. Multifamily loans and other optional loans were not meaningful to overall performance, due to low activity levels.

We contacted two community organizations located in the AA during this evaluation. Both organizations deal primarily with affordable housing for low- and moderate-income individuals and the revitalization and stabilization of low-income neighborhoods. The contacts stated that affordable housing for people with low- and moderate-income is in short supply. The cost to rehabilitate homes often exceeds the homes resale value. Flexible loan terms that provide long-term financing of rehabilitation costs in addition to financing home purchases are critical credit needs. Also, credit education for lower income families is important to the success of new and prospective low-income homebuyers. Banks can provide assistance through financial assistance programs and volunteer help for educational programs. The need for affordable housing related credit, investments and services was considered in our evaluation performance in the RI-MA Multi-state MA AA under the Lending, Investment and Service Tests

Refer to the Market Profile section in Appendix C for more information.

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the lending test in the RI-MA Multi-state MA AA is High Satisfactory.

### **Lending Activity**

Refer to Table 1 Lending Volume and Table 1 Other in the RI-MA AA section of appendix D for the facts and data used to evaluate the bank's lending activity.

Webster's lending activity in RI-MA AA is adequate. Webster ranks ninth for deposit market share (1.1 percent) in the AA. Based on 2004 aggregate HMDA data, Webster ranks twenty-fourth as an originator and purchaser of home purchase loans with a 1 percent market share; twenty-ninth for refinance loans with a .80 percent market share; and twenty-fourth for home improvement loans with a 1 percent market share. Based on 2004 CRA aggregate lending data, Webster is ranked nineteenth as an originator and purchaser of small loans to businesses, with a .58 percent market share. Market rank was the primary reason lending activity was not rated more highly.

Webster is outranked by a number of large community banks and larger regional banks in both home mortgage loan and small loans to business categories.

## **Distribution of Loans by Income Level of the Geography**

The geographic distribution of Webster's home mortgage loans reflects good performance and for small loans to businesses reflects excellent penetration throughout the AA.

### ***Home Mortgage Loans***

Refer to Tables 2, 3, 4, and 5 in the RI-MA Multi-state MA AA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The overall geographic distribution of home mortgage loans is good.

The geographic distribution of home purchase loans is excellent. The portion of home purchase loans in low-income geographies exceeds the portion of owner-occupied housing units within those geographies. The portion of home purchase loans in moderate-income geographies is near to the percentage of owner-occupied housing units in moderate-income geographies. The bank's market share of loans originated in low- and moderate-income geographies is less than its overall market share of home purchase loans.

The geographic distribution of home improvement loans is good. The portion of home improvement loans originated in low-income geographies is less than the portion of owner-occupied housing units located in those geographies. The portion of home improvement loans in moderate-income geographies is substantially greater than the portion of owner-occupied housing units in moderate-income geographies. The market share of home improvement loans originated in low-income geographies is less than the bank's overall market share of home improvement loans. The market share of home improvement loans originated in moderate-income geographies exceeds its overall market share of home improvement loans.

The overall geographic distribution of home refinance loans is adequate. The portion of refinance loans made in low-income geographies is less than the portion of owner-occupied housing units in those geographies. The portion of refinance loans made in moderate-income geographies exceeds the portion of owner-occupied housing units in those geographies. The bank's market share of refinance loans in low-income geographies is significantly less than its overall market share. Webster's market share in moderate-income geographies is near to its overall market share of refinance loans.

### ***Small Loans to Businesses***

Refer to Table 6 in the RI-MA AA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination and purchase of small loans to businesses.

The geographic distribution of small loans to businesses is excellent. The portion of loans made in low- and moderate-income geographies exceeds the portion of businesses located within those geographies. The bank's market share for small business loans in both low- and moderate-income geographies exceeds its overall market share for small loans to businesses.

### ***Lending Gap Analysis***

Webster's reports detailing lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of loans. No unexplained conspicuous gaps were identified.

### ***Inside/Outside Ratio***

This portion of the evaluation is performed at the bank level. Refer to the Scope of the Evaluation section for further detail.

## **Distribution of Loans by Income Level of the Borrower**

The borrower distribution of Webster's home mortgage loans and small loans to businesses reflects good adequate dispersion among borrowers of different income levels and the distribution of small loans to businesses reflects good dispersion to businesses of different sizes. In the evaluation of borrower distribution of home mortgage loans, we gave consideration to the portion of households living below the poverty level, which was 12 percent during the evaluation period. Due to reasons of affordability, it is unlikely that those with incomes below the poverty level could qualify for home mortgage loans. Our community contacts verified the difficulty for persons with low-income to afford a home in the current real estate market.

### ***Home Mortgage Loans***

Refer to Tables 8, 9, and 10 in the RI-MA AA section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall borrower distribution of home mortgage loans is good.

Home purchase loan borrower distribution is adequate. The portion of loans made to moderate-income borrowers is somewhat below the portion of families defined as such. The portion of loans made to low-income families is substantially less than the percentage of families defined as such. This is adequate when considering the percentage of households living below the poverty level. Also, the bank's market share

for home purchase loans made to low- and moderate-income borrowers exceeds its overall market share of home purchase loans to people of all incomes.

Home improvement borrower distribution is excellent. The portion of loans made to moderate-income borrowers exceeds the portion of families defined as such. The portion of loans made to low-income borrowers is significantly less than the portion of families defined as such. However, this is good considering the percentage of households living below the poverty level. Webster's market share for home improvement loans to low-income borrowers exceeds its overall market share. The bank's market share for moderate-income borrowers is less than its overall market share of home improvement loans to people of all incomes.

Refinance loan borrower distribution is good. The portion of loans made to moderate-income borrowers exceeds the portion of families defined as such. The portion of loans made to low-income borrowers is significantly less than the portion of families defined as such, but is adequate when considering the percentage of households living below the poverty level. Webster's market share for loans to low-income borrowers exceeds and its market share for moderate-income substantially meets its overall market share of refinance loans to people of all incomes.

### ***Small Loans to Businesses***

Refer to Table 11 in the RI-MA AA section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The borrower distribution of small loans to businesses is excellent. The portion of small loans to businesses (businesses with revenues of \$1 million or less) is near to the portion of businesses defined as such. In addition, the majority of Webster's loans are originated for \$100,000 or less. Webster's market share of small loans to small businesses exceeds its overall market share for small loans to all size businesses.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the RI-MA AA section of appendix D for the facts and data used to evaluate the bank's level of community development lending.

Webster did not originate any community development loans during this evaluation period. CD lending has a neutral impact on lending performance.

### **Product Innovation and Flexibility**

Webster offers various loan products with flexible features to help meet AA credit needs. However, the number and dollar volumes of loans originated by Webster under these loan programs are too small to perform any meaningful analysis. As a result, product innovation and flexibility has a neutral impact on the Lending Test conclusions for the RI-MA AA.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Investment Test in the RI-MA AA is High Satisfactory. Based on the full scope review, the bank's performance in the RI-MA AA is good.

Refer to Table 14 in the RI-MA section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The level of investment activity in the AA is good. The current period investment activity consists primarily of \$4.18 million in mortgage-back securities backed by mortgages to low- and moderate-income families in a regional area that includes the multi-state MSA. In addition, activity includes a \$250,000 investment in a Rhode Island based small business investment company (SBIC) and a \$250,000 investment supported by Rhode Island Small Business Administration (SBA) 504 loans. The \$55,000 of current period investments are grants which support affordable housing or other community services targeted to low- and moderate-income residents, economic development through the financing of small size businesses that are creating, retaining or improving jobs for low- and moderate-income persons or geographies, and support the revitalizing/stabilizing of low- and moderate geographic areas.

The bank does not hold any investments from prior periods in this AA. The RI-MA AA was added during this evaluation period.

The AA has a good number of investment opportunities based on discussions with bank management, community contacts, and OCC internal resources.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

Webster's performance under the Service Test in RI-MA AA is rated High Satisfactory. The bank's performance in the AA is good.

### **Retail Banking Services**

Refer to Table 15 in the RI-MA AA section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Webster's delivery systems are accessible to geographies and individuals of different income levels throughout the full-scope AA. The distribution of Webster's offices in low-income geographies is below the distribution of the population living in such

geographies. The distribution of offices in moderate-income geographies is near to the distribution of the population living in such geographies.

The bank opened one office in a middle-income geography and one office in an upper-income geography during this evaluation period.

Webster's hours and services offered throughout the AA are good. Hours and services offered are comparable among locations regardless of the income level of the geography. Substantially all branch offices offer extended hours on Thursday and Friday. Many branches have Saturday office hours. Management sets branch hours based on customer needs and traffic patterns particular to each branch.

Management maintains a list of bank employees who speak foreign languages. The list covers nearly 20 different languages. Webster employees can contact customers if they require assistance with language interpretation. The bank began a Retail Hispanic Initiative in 2005. Branch offices located in areas with large Hispanic populations and full-time Spanish speaking employees offer marketing and compliance related information in Spanish. These branches have a sign in their windows informing the public of this service. There are currently three offices in the RI-MA AA included in this initiative.

Webster offers alternative delivery systems in the form of automated teller machines (ATMs). The bank has 25 ATMs in the AA, which are accessible to customers and non-customers. The portion of the bank's ATMs located in low-income geographies is less than the portion of the population in these geographies. The portion of Webster's ATMs located in moderate-income geographies exceeds the portion of the population residing in these geographies.

Webster also offers alternative delivery systems such as internet banking, and a Bank at Work program. The internet banking service provides customers and prospective customers access to a host of bank services. The bank's website provides information on the bank's products, services, rates, and locations. One can initiate opening of a checking or savings account, or apply for a home equity loan or line of credit at the site. Bank customers can transfer funds, view account statements, and pay bills online free of charge. A customer can also place a stop payment, reorder checks, request check copies, and duplicate 1099/1098 forms. The Bank at Work program brings Webster bankers to a variety of employer work locations. The service provides employees convenient access to bankers to learn about bank products and open accounts during their work breaks. We did not place significant weight on these alternative delivery systems because no data is available to determine the impact of these retail-banking services on low and moderate-income geographies and individuals.

## **Community Development Services**

Webster's performance in providing community development services in the AA is good.

Management and bank employees support a variety of AA organizations that provide CD services by offering financial expertise to such groups. Several employees are members of boards of directors, finance committees, and loan committees of organizations that provide community development services. Some employees are providing financial education to people with low- and moderate-income. Employees are involved in 13 different CD activities, devoting approximately 670 hours to these CD activities during the evaluation period. Management and employees are particularly active in Providence, Rhode Island, the largest city (by population) in the AA. The bank's CD activities include supporting groups that focus on affordable housing, job creation and retention, and other CD service targeted for low- and moderate-income persons and geographies. The AA is relatively new to Webster and the activity levels are stronger than those in AAs in which the bank has longer tenure. As a result, the bank's success at delivering CD services has a positive impact on the overall performance under the Services Test and contributed significantly to Webster's rating.

## State Rating

### State of Connecticut

**CRA rating for the State of Connecticut: Satisfactory**

**The lending test is rated: High Satisfactory**

**The investment test is rated: Low Satisfactory**

**The service test is rated: High Satisfactory**

The major factors that support this rating include:

- Lending levels reflect a good responsiveness to the credit needs of its AAs.
- A good distribution of loans among geographies of different income levels.
- A good distribution of loans among borrowers of different income levels.
- Community development loans have a neutral impact on the bank's lending performance.
- Flexible lending products have a positive impact on the bank's lending performance.
- Investments reflect an adequate responsiveness to credit and community development needs.
- Service delivery systems are accessible to geographies and individuals of different income levels.
- Adequate performance in providing community development services.

### Description of Institution's Operations in the State of Connecticut

Webster has five AAs within the State of Connecticut: the Hartford AA, Bridgeport AA, Litchfield AA, New Haven AA, and the Norwich AA. It has 122 branches within the state, representing 78 percent of the bank's total branch network. Eighty-five percent of Webster's total deposits are from Connecticut, and Webster ranks second for deposit market share with a 13 percent share of state deposits. During the evaluation period, Webster originated 47 percent of its total HMDA and small business loan volume within the State of Connecticut.

Refer to the Market Profiles for the State of Connecticut in appendix C for detailed demographics and other performance context information for the AA that received a full-scope review.

## Scope of Evaluation in Connecticut

We conducted full-scope reviews of the Hartford AA. The Hartford AA encompasses 49 percent of total lending, 45 percent of total branches, and 43 percent of total deposits in the state. Home mortgage lending was given more weight than small loans to businesses when arriving at the bank's overall performance in lending, based on the significantly larger volume of home mortgage loans than small loans to businesses (73 percent versus 27 percent). As well, home mortgage lending is a major focus of the institution. Home purchase loans and refinance loans were given more weight than home improvement loans due to much greater activity volume of these products. A limited number of multi-family loans and no small loan to farms were originated during the evaluation period. Multifamily loan originations were not meaningful to overall performance, due to low activity levels.

We contacted two community organizations located in the Hartford AA during this evaluation. Both organizations are primarily involved with affordable housing for low- and moderate-income individuals and the revitalization and stabilization of low-income neighborhoods. The contacts stated that there is great demand for affordable housing for people with low- and moderate-income. A shortage of quality affordable housing stock is a big problem. The cost to rehabilitate run down homes often exceeds the homes resale value. Flexible loan terms which allow long-term financing of rehabilitation costs in addition to the financing of the home purchase are critical credit needs. Credit education for lower income people is of vital importance to the success of new and prospective low-income homebuyers. Banks can readily assist in this area by providing financial assistance and volunteer help for such education programs. The need for affordable housing related credit, investments and services was considered in our evaluation of Webster's performance in the State of Connecticut under the Lending, Investment, and Service Tests. Refer to the Market Profile section in appendix C for more information.

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in the State of Connecticut is High Satisfactory. Based on the full-scope review, the bank's performance in the Hartford AA is good.

### Lending Activity

Refer to Table 1 Lending Volume and Table 1 Other in the State of Connecticut section of appendix D for the facts and data used to evaluate the bank's lending activity.

Webster's lending activity in Connecticut is good. Webster ranks second for deposit market share (14.8 percent) in its Hartford AA. Based on 2004 aggregate HMDA data, Webster ranks second as an originator and purchaser of home purchase loans with a

4.1 percent market share, third for refinance loans with a 3.5 percent market share, and first for home improvement loans with a 6.7 percent market share. While market rankings between deposits and HMDA loan products are very consistent, the market shares for loan products are well below the market share for deposits. Inconsistency in market shares precludes a higher rating. Based on 2004 CRA aggregate lending data, Webster ranks ninth as an originator and purchaser of small loans to businesses, with a 3.5 percent market share.

In the home refinance loan market, the bank is outranked by large mortgage companies and a large, regional, savings bank. Webster is outranked by national credit card companies and larger financial institutions in the small loans to businesses market.

### **Distribution of Loans by Income Level of the Geography**

The geographic distribution of Webster's home mortgage loans reflects good performance and small loans to businesses reflects excellent penetration throughout the AA.

#### ***Home Mortgage Loans***

Refer to Tables 2, 3, 4, and 5 in the State of Connecticut section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The overall geographic distribution of home mortgage loans is good.

The geographic distribution of home purchase loans is good. Performance is excellent in low-income geographies and adequate in moderate-income geographies. The portion of home purchase loans made in low-income geographies exceeds the portion of owner-occupied housing units in those geographies. The portion of home purchase loans made in moderate-income geographies is somewhat less than the portion of owner-occupied housing units in those geographies. The bank's market share of loans originated in low-income geographies is substantially less than the bank's overall market share of home purchase loans. Webster's market share of loans originated in moderate-income geographies is less than its overall market share of home purchase loans.

The overall geographic distribution of home improvement loans is excellent. The portion of home improvement loans made in low- and moderate-income geographies exceeds the portions of owner-occupied housing units located in those geographies. The market share of home improvement loans originated in low-income geographies is less than the bank's overall market share of home improvement loans. The market share of home improvement loans originated in moderate-income geographies is somewhat less than the bank's overall market share of home improvement loans.

The overall geographic distribution of home refinance loans is considered good. While the portion of refinance loans made in low-income geographies is somewhat less than

the portion of owner-occupied housing units in those geographies, performance context in the form of fewer lending opportunities due to fewer owner-occupied units enhances this performance. The portion of refinance loans made in moderate-income geographies is near to the portion of owner-occupied housing units in those geographies. The market share of refinance loans originated in both low- and moderate-income geographies is less than the bank's overall market share of refinance loans.

### ***Small Loans to Businesses***

Refer to Table 6 in the State of Connecticut section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination and purchase of small loans to businesses.

The geographic distribution of small loans to businesses is excellent. The portion of loans made in low-income geographies is near to the portion of businesses that are within those geographies. The portion of loans made in moderate-income geographies exceeds the portion of businesses located in those geographies. The bank's market share for small business loans in both low- and moderate-income geographies exceeds its overall market share for small loans to businesses.

### ***Lending Gap Analysis***

Webster's reports detailing lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of loans. No unexplained conspicuous gaps were identified.

### ***Inside/Outside Ratio***

This portion of the evaluation is performed at the bank level. Refer to the *Scope of the Evaluation* section for further detail.

## **Distribution of Loans by Income Level of the Borrower**

The borrower distribution of Webster's home mortgage loans evidences good performance and small loans to businesses reflects an excellent dispersion among borrowers of different income levels and businesses of different sizes. In the evaluation of borrower distribution of home mortgage loans, we gave consideration to the portion of households living below the poverty level, which was 8 percent during the evaluation period. Due to reasons of affordability, it is unlikely that those with incomes below the poverty level would be involved in borrowing for home mortgages, a factor we considered in evaluating the bank's lending distribution to low-income borrowers. Our community contacts verified how difficult it is for lower-income people to afford a home in the current real estate market in the AA.

### ***Home Mortgage Loans***

Refer to Tables 8, 9, and 10 in the State of Connecticut section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall borrower distribution of home mortgage loans in the Hartford AA is good.

Home purchase loan borrower distribution is good. The portion of loans made to moderate-income borrowers exceeds the portion of families defined as such. The portion of loans made to low-income families is significantly less than the percentage of families defined as such, but is adequate when considering performance context including the percentage of households living below the poverty level in the AA. Webster's market share for home purchase loans made to low-income borrowers exceeds its overall market share of home purchase loans made to people of all incomes, and the market share of home purchase loans made to moderate-income borrowers substantially meets its overall market share.

Home improvement borrower distribution is excellent. The portion of loans made to moderate-income borrowers exceeds the portion of families defined as such. The portion of loans made to low-income borrowers is less than the portion of families defined as such, and is excellent when considering the percentage of households living below the poverty level. Webster's market share for loans to low-income borrowers exceeds, and for moderate-income substantially meets its overall market share of home improvement loans to people of all incomes.

Refinance loan borrower distribution is good. The portion of loans made to moderate-income borrowers exceeds the portion of families defined as such. The portion of loans made to low-income borrowers is significantly less than the portion of families defined as such, but is adequate when considering the percentage of households living below the poverty level. Webster's market share for loans to low-income borrowers exceeds, and for moderate-income families substantially meets its overall market share of refinance loans to people of all incomes.

### ***Small Loans to Businesses***

Refer to Table 11 in the State of Connecticut section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The borrower distribution of small loans to businesses is excellent. The portion of small loans to businesses (businesses with revenues of \$1 million or less) is equal to the portion of businesses defined as such. The portion of loans of \$100,000 or less exceeds the percentage of small businesses in the AA. The market share of small loans to small businesses exceeds Webster's overall market share for small loans to all size businesses.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the State of Connecticut section of appendix D for the facts and data used to evaluate the bank's level of community development lending.

Webster's level of community development lending is adequate and has a neutral impact on the evaluation of its lending performance activity.

Webster originated six CD loans for \$9.7 million in the Hartford AA during the evaluation period. All of the loans involved affordable housing for people with low- and moderate-income, a primary credit need in the AA. None of the CD loans are considered complex or innovative.

### **Product Innovation and Flexibility**

Webster's innovative and flexible lending activity has a positive impact on the evaluation of its lending performance in the State of Connecticut.

The bank is an active participant in the Connecticut Housing Financing Authority 95 (CHFA95) affordable housing program. The program features below market rates on 30 year mortgage loans for income eligible borrowers. The properties must be one to four family owner-occupied residences. Webster originated 137 of these loans for \$19.7 million in the Hartford AA during the evaluation period.

Webster is active in the Home Ownership Possibilities for Everyone (HOPE) Program. This bank-wide, except for New York, mortgage loan program is available to low- and to moderate-income first-time homebuyers without the increased costs for mortgage insurance. Up to 100 percent financing is available for the purchase of properties located in defined, underserved markets. During the evaluation period, Webster originated 16 HOPE loans totaling \$2.2 million in the Hartford AA. The HOPE Program is extended in assessment and rating areas through formal internal procedures including identification of need, review with and approval from product development and bank treasury units. During the evaluation period, HOPE loans were not available in New York due to approval procedures and the relative newness of New York as a rating area.

Webster also offers a variety of flexible loan products in conjunction with the Federal Housing Administration (FHA) that are helpful to low- and moderate-income borrowers who do not meet conventional underwriting criteria. Webster originated 128 FHA loans for \$21.9 million in the Hartford AA during the evaluation period.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on our limited-scope reviews, the bank's performance under the Lending Test in the New Haven and Litchfield limited scope AAs is not inconsistent with its performance under the Lending Test in the full scope AA. Webster's performance in the Norwich AAs is weaker than the full scope AA. Bridgeport's performance is somewhat weaker in home mortgage loan activity in low-income geographies than the full scope AA.

However, overall Bridgeport is not inconsistent with performance in the full-scope AA. Norwich's performance is weaker in both geographic and borrower distribution for all evaluated products than the full scope AA. The weaker performance in the Norwich AAs did not change the overall rating for the Lending Test. Refer to Tables 1 through 13 in appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Investment Test in the State of Connecticut is Low Satisfactory. Based on the full scope review, the bank's performance in the Hartford AA is adequate.

Refer to Table 14 in the State of Connecticut section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The level of investment activity in the Hartford AA is adequate. The current period investment activity consists primarily of \$700,000 in grants supporting affordable housing for people with low- and moderate-income; providing community services targeted to people with low- and moderate-income; supporting economic development through the financing of small size businesses that are creating, retaining or improving jobs for people with low- and moderate-income or in low- and moderate-income geographies; and supporting revitalization and stabilization of low- and moderate-income geographic areas.

Prior period investments with current outstanding balances of \$9 million are attributable to Hartford. They include investments in Small Business Investment Companies (SBICs), a Community Economic Development Fund Loan Pool, and a Connecticut Housing Finance Authority revenue bond. One of the two SBICs had a significant impact on the AA during the current evaluation period. The SBIC originated approximately \$2 million in new loans to small size businesses in the Hartford AA that are creating, improving, and retaining jobs for people with low- and moderate-income, and businesses located in low- and moderate-income geographic areas or areas designated for redevelopment. The other SBIC did not make any new loans in the Hartford AA during the evaluation period. The AA has a good number of investment opportunities based on discussions with bank management, community contacts, and OCC internal resources.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Webster's overall performance in its limited scope AAs is not inconsistent with its rating in the full scope AA. The bank's current period performance in its New Haven AA is consistent with the full scope AA. The other three limited scope AAs have weaker current period investment activity than the full scope AA, but have adequate performance when considering the prior period investment activity. Please refer to Table 14 in the State of Connecticut section of appendix D for the facts and data that

support these conclusions. In Table 14, Norwich reflects one current period investment, no dollar amount, as the \$250 grant does not round-up to \$1,000.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

Webster's performance under the Service Test in Connecticut is rated High Satisfactory. The bank's performance in the Hartford AA is good.

### **Retail Banking Services**

Refer to Table 15 in the State of Connecticut section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Webster's delivery systems are accessible to geographies and individuals of different income levels throughout the full-scope AA. The distribution of Webster's offices in low-income geographies is near the distribution of the population living in such geographies. The distribution of Webster's offices in moderate-income geographies exceeds the distribution of the population living in such geographies.

There were no offices opened or closed in the full-scope AA during the evaluation period.

Webster's hours and services offered throughout the full-scope AA are good. Hours and services offered are comparable among locations regardless of the income level of the geography. Substantially all branch offices offer extended hours on Thursday and Friday. Many branches have Saturday office hours. Management sets branch hours based on customer needs and traffic patterns particular to each branch.

Management maintains a list of bank employees who speak foreign languages. The list covers nearly 20 different languages. Webster employees can contact these individuals if they require assistance with language interpretation. The bank began a Retail Hispanic Initiative in 2005. Branch offices located in areas with large Hispanic populations and a full-time Spanish speaking employee offer marketing and compliance related information in Spanish. These branches have a sign in their windows informing the public of this service. There are currently five offices in the Hartford AA included in this initiative.

Webster offers alternative delivery systems in the form of ATMs. The bank has 88 ATMs in the Hartford AA. The portion of the bank's ATMs located in low- and moderate-income geographies exceeds the portion of the AAs population residing in low- and moderate-income geographies. Customers and non-customers alike can access their accounts through Webster ATMs, which are connected to the NYCE, CIRRUS, and PLUS ATM systems. Customers may also use their Webster ATM card

to obtain cash at non-proprietary ATMs throughout the world, which bear the NYCE, CIRRUS, and PLUS logos.

Webster also offers alternative delivery systems such as internet banking, and a Bank at Work program. The internet banking service provides customers and prospective customers access to a host of bank services. The bank's website provides information on the bank's products, services, rates, and locations. Customers may initiate opening checking or savings accounts, or apply for a home equity loan or line of credit at the site. Bank customers can transfer funds, view account statements, and pay bills online free of charge. A customer can also place a stop payment, reorder checks, request check copies and duplicate 1099/1098 forms. The Bank at Work program brings Webster bankers to a variety of employer work locations. The service provides workers convenient access to bankers, from whom to learn about bank products and who will help open accounts, during their work breaks. We did not place significant weight on these alternative delivery systems because no data is available to determine the impact of these retail-banking services on low- and moderate-income geographies and individuals.

### **Community Development Services**

Webster's performance in providing community development services is adequate in the Hartford AA.

Larger numbers of branches and employees, and a long standing focus of operations, compared to other rating areas with fewer resources, is the basis for adequate performance in this AA and good performance in others. Management and bank employees support various organizations that provide CD services in the AA by offering financial expertise to such groups. Several employees are members of boards of directors, finance committees, and loan committees of organizations that provide community development services. Some employees are providing financial education to people with low- and moderate-income. Employees are involved in 18 different CD activities, devoting approximately 509 hours to these CD activities during the evaluation period. The organizations supported include those that support affordable housing for people with low- and moderate-income; provide community service targeted to people with low- and moderate-income; support economic development by financing small businesses that are involved in job creation, retention and improvement for people of low- and moderate-income or are located in low- or moderate geographic areas; and contribute to the revitalization and stabilization of low- and moderate-income geographic areas.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited scope reviews, Webster's performance under the Service Test is stronger in the Litchfield AA and weaker in the New Haven, Bridgeport and Norwich AAs than the full scope area's performance. The stronger performance in the Litchfield AA is attributable to an excellent distribution of branches and ATMs in moderate-income geographies (the AA has no low-income geographies). The weaker performance in the

other three AAs is attributable to an overall adequate distribution of branches and ATMs in low-income geographies, and Bridgeport's excellent performance in moderate-income geographies falling short of Litchfield's. The stronger performance in the Litchfield AA and the weaker performance in the other three AAs did not change the rating assigned to the Service Test as a result of the review of the full scope AA.

## State Rating

### State of Massachusetts

#### CRA Rating for Massachusetts<sup>1</sup>: Outstanding

The lending test is rated: Outstanding

The investment test is rated: High Satisfactory

The service test is rated: Outstanding

The major factors that support this rating include:

- Lending levels that reflect good responsiveness to AA credit needs.
- An excellent distribution of loans among borrowers of different income levels.
- An excellent distribution of loans among geographies of different income levels.
- Community development loans have a positive impact on the bank's lending performance.
- Investments that reflect a good responsiveness to the state's credit and community development needs.
- Service delivery systems are readily accessible to geographies and individuals of different income levels.
- Excellent performance in providing community development services.

### Description of Institution's Operations in Massachusetts

Webster has two AAs in the State of Massachusetts. One consists of portions of Norfolk County and all of Plymouth County in the Boston – Quincy MA AA and the other consists of portions of Hampden County in the Springfield MA AA.

Webster has seven offices within the state representing 4.5 percent of the bank's total branch network. All branches have full-service ATMs. Five branches are in the Boston AA, and two are in the Springfield AA.

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<sup>1</sup> For institutions with branches in two or more states in a multi-state metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multi-state metropolitan area. Refer to the multi-state metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

About 1 percent of Webster's total deposits are from Massachusetts offices, and Webster ranks twenty-eighth in deposit market share with a .72 percent share of state deposits. The AAs are well-banked as evidenced by 55 FDIC insured financial institutions with branches in Norfolk and Plymouth counties where 4 banks hold 51 percent of the area deposits. During the evaluation period, Webster originated 13 percent of its total HMDA and 6 percent of total small loans to businesses in Massachusetts.

Refer to the market profiles for the State of Massachusetts in appendix C for detailed demographics and other performance context information for the AA that received a full-scope review.

## **Scope of Evaluation in Massachusetts**

We conducted full-scope reviews of the Boston—Quincy MA AA. It accounts for 55 percent of Webster's Massachusetts lending activity, 71 percent of total branches, and approximately 100 percent of deposits in the state. Deposits in the limited scope AA are at modest levels in the evaluation period, and they are not meaningful when considering performance. There are two low-income geographies and 17 moderate-income geographies in the Boston—Quincy MA AA.

The remaining AA, the Springfield MSA, received a limited scope review due to lower activity levels resulting from a comparatively shorter presence in the AA; Webster entered the Springfield AA in December 2005. As in the case in all rating areas, home mortgage lending was given more weight than small loans to businesses when arriving at the bank's lending performance in Massachusetts, based on the significantly larger volume of home mortgage loans than loans to businesses. As well, home mortgage lending is a major focus of the institution. No multi-family or small farm loans were originated during the evaluation period. Ratings are based primarily on conclusions reached in the evaluation of performance in the full-scope AA.

We made two community contacts to ascertain credit and community development needs and opportunities. One was a local homeless coalition and the other was a regional governmental organization. The contacts stated there are demands for affordable housing by people with low- and moderate-income. A shortage of quality affordable housing stock creates problems. Banks can provide assistance by providing financial assistance and volunteer help for financial education programs. The need for affordable housing related credit, investments, and services was considered in our evaluation of Webster's performance in the State of Massachusetts under the Lending, Investment and Service Tests

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

Performance under the Lending Test in the state of Massachusetts is Outstanding. Based on the full-scope review, the bank's performance in the Boston AA is excellent.

## **Lending Activity**

Refer to Table 1 Lending Volume and Table 1 Other Products in the State of Massachusetts section of appendix D for the facts and data used to evaluate the bank's lending activity.

Webster's lending activity in the Boston AA is good

To provide perspective regarding the relative levels of lending volume in each AA, we also compared the bank's deposit market rank and market share to its market rank and market share for each loan product. Webster ranked eighty-fifth in deposit gathering at June 30, 2005; its market share was .11 percent. Webster's market rank and share was less than its comparable deposit rank and share. In the home refinance loan market, the bank is outranked by large mortgage companies and larger banks. Webster is outranked by national credit card companies and larger financial institutions in the small loans to businesses market.

## **Distribution of Loans by Income Level of the Geography**

Webster's distribution of loans is excellent among geographies of different income levels. The geographic distribution of loans in the Boston AA is excellent.

### ***Home Mortgage Loans***

Refer to Tables 2, 3, 4, and 5 in the State of Massachusetts section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The overall geographic distribution of home mortgage loans in the Boston AA is excellent.

The geographic distribution of home purchase loans is excellent. Webster did not make any home purchase loans in low-income geographies as they are primarily rental-market geographies; the percentage of owner occupied housing units is less than one quarter of 1 percent. Therefore the most weight is given to performance in moderate-income geographies. Performance in moderate-income geographies is excellent. The portion of home purchase loans in moderate-income geographies exceeds the percentage of owner-occupied units in those geographies. The bank's market share for home purchase loans made to low-income geographies is zero percent. The market share for home purchase loans made in moderate-income geographies is less than the overall market share for home purchase loans. Based on very low overall market share data, more weight is placed on percentage of bank loans compared to percentage of owner-occupied units.

The geographic distribution of home improvement loans is excellent when considering the very low percentage of owner occupied units in low-income geographies. Webster

did not make any home improvement loans in low-income geographies. The percentage of home improvement loans in moderate-income geographies greatly exceeds the percentage of owner occupied units. The market share for home improvement loans made in low-income geographies is zero percent. The market share for home improvement loans made in moderate-income geographies exceeds the overall market share for home improvement loans.

The geographic distribution of home refinance loans is excellent. The percentage of home refinance loans made in low-income geographies exceeds, and in moderate-income geographies greatly exceeds, the percentage of owner-occupied housing units within those geographies. The market share for home refinance loans made in low- and moderate-income geographies exceeds the overall market share for home refinance loans.

### ***Small Loans to Businesses***

Refer to Table 6 in the State of Massachusetts section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination and purchase of small loans to businesses.

The bank's geographic distribution of small loans to businesses is excellent. The portion of small loans to businesses made in low-income geographies significantly exceeds and in moderate-income geographies is near to, the portion of businesses located within those geographies. The bank's market share for small loans to businesses in both low- and moderate-income geographies exceeds the overall market share for small loans to businesses.

### **Lending Gap Analysis**

Webster's reports detailing lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of those loans. No unexplained, conspicuous gaps were identified in the Boston AA.

### ***Inside/Outside Ratio***

This portion of the analysis is performed at the bank level. Refer to the *Scope of the Evaluation* section for further detail.

### **Distribution of Loans by Income Level of the Borrower**

Webster's distribution of loans is excellent among borrowers of different income levels and businesses of varying sizes.

### ***Home Mortgage Loans***

Refer to Tables 8, 9, and 10 in the State of Massachusetts section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

In the evaluation of borrower distribution of home mortgage loans, we gave consideration to the portion of households living below the poverty level, which was almost 7 percent during the evaluation period. Due to reasons of affordability, it is unlikely that those with incomes below the poverty level would be involved in borrowing for home mortgages, a factor we considered in evaluating the bank's distribution to low-income borrowers.

Home purchase borrower distribution is good. The percentage of home purchase loans made to low-income individuals is significantly below the percentage of low-income families, and is considered adequate based on households below the poverty level. The percentage of home purchase loans made to moderate-income individuals exceeds the percentage of families defined as such. The market share for home purchase loans made to low-income borrowers exceeds the overall market share for home purchase loans. The market share for home purchase loans made to moderate-income borrowers is below the overall market share for home purchase loans.

Home improvement borrower distribution is excellent. The percentage of home improvement loans made to low-income individuals is below, but can be considered good given mitigating factors, and to moderate-income individuals exceeds the percentage of families defined as such. The market share for home improvement loans made to low-income borrowers exceeds the overall market share for home improvement loans. The market share for loans made to moderate-income borrowers is below the overall market share for home improvement loans.

Home refinance borrower distribution is excellent. The percentage of home refinance loans made to low-income individuals is below, but can be considered good given mitigating factors, and to moderate-income individuals exceeds, the percentage of families defined as such. The market share for home refinance loans made to low-income borrowers exceeds the overall market share for home refinance loans. The market share for home refinance loans made to moderate-income borrowers is below the overall market share for home refinance loans.

### ***Small Loans to Businesses***

Refer to Table 11 in the State of Massachusetts section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

Webster's distribution of small loans to businesses of different revenue sizes in the Boston AA is excellent. The percentage of small loans to small businesses significantly exceeds the percentage of businesses defined as such. The market share for small loans to businesses with revenue of \$1 million or less exceeds its overall small business market share.

## Community Development Lending

The community development (CD) lending has a positive impact on lending test conclusions for the Boston AA. Refer to Table 1 Lending Volume in the State of Massachusetts section of appendix D for the facts and data used to evaluate the bank's level of CD lending.

Webster has an excellent level of CD loans in the Boston AA, given the CD needs and opportunities that exist in the AA (see Market Profile in appendix C). During the evaluation period, the bank made four CD loans totaling \$23.5 million addressing affordable housing needs. The following examples highlight Webster's community development lending in the Boston AA:

- The bank extended three loans totaling \$286,000 to a homeless shelter located in a low-income geography that provides food, shelter, substance abuse counseling, adult education, and literacy training to low- and moderate-income families.
- The bank made a \$23 million loan to a quasi-governmental agency that provides loans, grants, and technical assistance for affordable housing throughout Massachusetts. As a statutory requirement arising from the Webster acquisition of FirstFed Bank, Webster was required to make funds available to MHP that would be used to finance the development of affordable rental housing and homeownership opportunities for low- and moderate-income income persons. MHP provides financing for affordable housing at below market rates.

## Product Innovation and Flexibility

Product innovation and flexibility had a neutral impact on the lending test conclusions for the Boston AA. The following programs indicate the bank makes limited use of flexible lending practices in order to serve the affordable housing needs of the AA.

Webster participates in the Massachusetts Housing Finance Authority (MHFA) First-Time Homebuyers program. This program offers a fixed rate first mortgage home purchase loan at below market rates. It is available to borrowers who meet income and other eligibility criteria described in the MHFA manual. A fixed rate second mortgage to allow 100 percent financing of a home purchase is also offered. During this evaluation period, the bank made one loan in the Boston AA totaling \$100,000 under this program.

Webster also offers a variety of flexible loan products in conjunction with various government agencies such as the Federal Housing Administration (FHA), Federal National Mortgage Association (FNMA), Government National Mortgage Association (GNMA) and the Veterans Administration (VA). Many of these programs are geared specifically to low- and moderate-income borrowers who do not meet conventional underwriting criteria. During this evaluation period, the bank made five FHA loans in the Boston AA totaling \$1.2 million.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the lending test in the Springfield AA is weaker than the bank's overall performance in the state. Webster Bank did not enter the Springfield AA until December 2005; therefore, performance in this AA is limited and is not weighted heavily in the overall conclusion for the State of Massachusetts rating. Refer to the Tables 1 through 13 in the State of Massachusetts section of appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the investment test in Massachusetts is rated High Satisfactory. Based on the full-scope review, the bank's performance in the Boston AA is good.

Refer to Table 14 in the State of Massachusetts section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Webster has a good level of qualified investments that are responsive to credit and community development needs in the Boston AA. The current period investment activity consists primarily of \$9,600 in grants that address affordable housing and community development activities in the AA. In addition, there is a continuing, prior period investment, with a book value of \$600,000 that serves the affordable housing needs of low- and moderate-income families. The benefit of this investment is primary to families in the AA. Refer to Market Profile in appendix C for additional data.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the investment test in the Springfield AA is weaker than the bank's overall performance in the state. Webster Bank did not enter the Springfield AA until December 2005; therefore, performance in this AA is limited and is not weighted heavily in the overall conclusion for the state of Massachusetts. Refer to the Table 14 in the State of Massachusetts section of Appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

Webster's performance under the Service Test in Massachusetts is rated High Satisfactory. The bank's performance in the Boston AA is excellent.

## **Retail Banking Services**

Refer to Table 15 in the State of Massachusetts section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Webster's service delivery systems are readily accessible to geographies and individuals of different income levels.

The distribution of the bank's branches in the Boston AA is excellent. None of the bank's five branches are in low-income geographies due primarily to the fact there are only two low-income geographies in the Boston AA. These two low-income geographies contain only 0.75 percent of the AA population. Two branches are located in moderate-income geographies. The distribution of branches in moderate-income geographies greatly exceeds the population distribution in these geographies.

The bank's record of opening and closing branches has not adversely affected the availability of its delivery systems in the Boston AA. During the evaluation period, the bank did not open or close any branches in the Boston AA.

Webster's hours and services offered throughout the full-scope AA are good. Hours and services offered are comparable among locations regardless of the income level of the geography. Substantially all branch offices offer extended hours on Thursday and Friday. All branches have Saturday office hours. Management sets branch hours based on customer needs and traffic patterns particular to each branch.

The bank offers various alternative systems for delivering retail banking services in the Boston AA. The bank offers ATMs at each of its branch locations. There are no ATMs located in low-income geographies due to the very low portion of the population living in those geographies. The portion of the bank's ATMs located in moderate-income geographies greatly exceeds the portion of the AA's population residing in moderate-income geographies. Customers and non-customers alike can access their accounts through Webster ATMs, which are connected to the NYCE, CIRRUS, and PLUS ATM systems. Customers may also use their Webster ATM card to obtain cash at non-proprietary ATMs throughout the world, which bear the NYCE, CIRRUS, and PLUS logos.

Other alternative delivery systems include free on-line banking, direct deposit, and bank-at-work services. Because no data were available concerning the effectiveness of these services to low- and moderate-income geographies and individuals, significant weight was not placed on alternative delivery systems in the overall Service Test conclusions.

## **Community Development Services**

Webster's performance in providing community development (CD) services in the Boston AA is adequate. While the services are responsive to community needs, they are routine in nature.

Webster employees conducted 12 homebuyer education seminars during the evaluation period. Bank employees presented information about the various types of mortgage products available, how lenders determine eligibility, and ways a person may be able to improve his or her credit rating.

A Webster employee aided the South Shore Habitat for Humanity in providing financial education assistance for families participating in their programs.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Springfield AA is weaker than the bank's overall performance in the state. The bank did not complete any community development services in this assessment area. Webster Bank did not enter the Springfield AA until December 2005; therefore, performance in this AA is limited and is not weighted heavily in the overall conclusion for the State of Massachusetts. Refer to Table 15 in the State of Massachusetts section of appendix D for the facts and data that support these conclusions.

## State Rating

### State of New York

#### CRA Rating for New York<sup>2</sup>: Needs to Improve

The lending test is rated: **Needs to Improve**

The investment test is rated: **Needs to Improve**

The service test is rated: **High Satisfactory**

The major factors that support this rating include:

- Lending levels reflect a poor response to credit needs of the rating area.
- A very poor distribution of loans among individual borrowers in geographies of different income levels.
- A very poor distribution of loans among individual borrowers of different income levels.
- An excellent distribution of loans among businesses of varying size.
- Community Development loans have a positive impact on lending performance.
- Investments reflect poor responsiveness to credit and community needs.
- Service delivery systems are accessible to geographies and individuals of different income levels.
- Adequate performance in providing Community Development services.

### Description of Institution's Operations in New York

Webster entered the State of New York market in 2004 and has one AA; it is the southern two-thirds of Westchester County, which is in the New York-White Plains-Wayne NY-NJ Metropolitan Division. It received a full-scope review for this evaluation. The bank has six full-service branches with ATMs within the state representing about 4 percent of the bank's total branch network and about 1.5 percent of Webster's total deposits. Webster ranks twenty-fourth in deposit share with less than one-half of 1 percent of the county's deposits among 35 financial institutions with deposit gathering facilities in Westchester County. Webster originated a very small portion of its HMDA

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<sup>2</sup> For institutions with branches in two or more states in a multi-state metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multi-state metropolitan area. Refer to the multi-state metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

and small business loan volume within the state of New York. Webster's 59 total HMDA loans average in excess of \$500,000. While competition is acknowledged, in the other 319 HMDA reporting lenders, 40 institutions made 5,800 loans averaging less than \$200,000. Webster's inability to tap into more varied loan sizes and diverse income populations is due to problems implementing their strategy. Webster's average size small business loan is \$83,000. The bank's overall business focus is retail lending.

Refer to the market profiles for the State of New York in appendix C for detailed demographics and other performance context information for the AA.

## Scope of Evaluation in New York

We conducted a full-scope review of the Westchester County AA. There is no limited-scope AA. The state rating is based on results of the bank's performance in the full-scope AA. Westchester County is affluent. High housing costs limit the number of low- and moderate-income families entering this market. We considered Webster's two-year period of time in the market and housing costs in our analysis and conclusion.

More weight is given to the bank's origination of residential mortgages even though small loans to businesses comprised 64 percent of total loans reported. Residential mortgages are a major product of the overall bank, and the primary need according to the community contact.

One community contact was made during this review. Affordable housing was identified as a need in the AA. The contact stated that demand for affordable housing for people with low- and moderate-income outstrip supply. Also, home improvement costs often exceed resulting resale values. Flexible loan terms with long term financing features are needed for both rehabilitation costs and home purchases. Credit education programs for lower income families are deemed important to the success of new and prospective low-income homebuyers. Banks can assist by providing financial assistance and volunteer help for such education programs. The need for affordable housing related credit, investments, and services was considered in our evaluation of performance in the state of New York under the Lending, Investment, and Service Tests

Refer to the Market Profile section in appendix C for additional information.

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in New York is Needs to Improve. Based on the full-scope review, the bank's performance in the Westchester AA is very poor.

### Lending Activity

Refer to Table 1 Lending Volume and Table 1 Other in the State of New York section of appendix D for the facts and data used to evaluate the bank's lending activity.

Webster's lending activity in New York is very poor. Webster's loan volume, 59 total HMDA loans, is very low considering its six branches open and operating over a two-year period. Webster made no loan originations in moderate-income geographies, despite having a branch in a moderate-income geography. Webster did not effectively participate in lending opportunities in the AA as evidenced from aggregate loan reports provided by other institutions operating in the AA. As of June 30, 2005, there were 35 financial institutions with banking offices in Westchester County, and 320 lenders

reported loan data in the AA in 2004. Despite competition, opportunities were evident as 70,242 HMDA reportable loans were originated in 2004, and nearly 500 of them were originated in moderate-income geographies.

### **Distribution of Loans by Income Level of the Geography**

The bank's geographic distribution of home mortgage products and small loans to business is poor.

#### ***Home Mortgage Loans***

Refer to Tables 2, 3, and 4 in the State of New York section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Geographic distribution for home mortgage loans is very poor. Webster bank did not originate any loans in low- and moderate-income geographies, while other institutions evidence active participation in moderate-income geographies. The bank entered the state of New York without an effective lending strategy to help meet the housing credit needs of low- and moderate-income geographies. Webster's deposit gathering evidences a market rank of 24 despite less than 0.5 percent of total deposits. The absence of originations in low-income geographies is explained through performance context in the form of few opportunities; the percentage of owner-occupied housing units is low at 0.35 percent. However, the percentage of owner-occupied housing units is 3.09 percent in moderate-income tracts providing more than 4000 opportunities to originate a HMDA reportable loan. While there are fewer opportunities to make loans in low- and moderate-income geographies, than middle- and upper-income geographies, performance by competitors in the AA reflect many loans were originated in relatively low dollar amounts. Webster's lack of participation at any level of activity in low- or moderate-income geographies, while others did so, precludes a more favorable rating.

#### ***Small Loans to Businesses***

Refer to Table 6 in the State of New York section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination and purchase of small loans to businesses.

The bank's distribution of small loans to businesses is good. There are no loan originations in low-income geographies. This is due, in part, to the low percentage of businesses in low-income geographies; it is 1.24 percent. The percentage of bank loans in moderate-income geographies exceeds the percentage of business that reported loans in moderate-income geographies. The bank's market share in moderate-income geographies exceeds its overall market share for small loans to businesses.

#### ***Lending Gap Analysis***

Webster Bank did not originate any home mortgage loans in low- or moderate-income geographies. There are 4 low-income and 19 moderate-income census tracts in the AA's total of 172. Review and analysis of the lack of performance in low- and moderate-income geographies reflect ineffective strategies for a competitive, but active market with relatively high home prices. There were no small loans to businesses made in low-income census tracts. The percent of businesses in low-income census tracts is low, indicating fewer opportunities. The bank originated loans in moderate-income tracts.

### ***Inside/Outside Ratio***

The inside/outside ratio is computed on a bank-wide basis. Refer to the *Scope of the Evaluation* section for further detail.

### **Distribution of Loans by Income Level of the Borrower**

Distribution of home mortgage loans by income level of the borrower is very poor and the distribution of loans to businesses of different sizes is excellent.

### ***Home Mortgage Loans***

Refer to Tables 8, 9, and 10 in the State of New York section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Borrower distribution for home mortgage loans is very poor. Webster Bank did not originate any home mortgage loan products to low- or moderate-income individuals during the evaluation period. The high-cost of residential real estate is a home-purchase challenge to low- and moderate-income families. However, Webster's HOPE program, a mortgage plan designed for low- and moderate-income borrowers, which was available in other rating areas, and would have facilitated loan activity in this AA to low- and moderate-income borrowers, was not offered in New York. As well, refinance and home-improvement loans, which are more easily originated to low- and moderate-income borrowers, were not originated. Webster's performance reflects the bank's less than effective CRA strategy in this new AA.

### ***Small Loans to Businesses***

Refer to Table 11 in the State of New York section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

Webster Bank has an excellent record of originating small loans to businesses with revenues of \$1 million or less. The percentage of bank loans to businesses with revenues of \$1 million or less exceeds the percentage of businesses in the AA that reported revenues of \$1 million or less. Approximately 92 percent of bank loans are originated at \$100,000 or less. In terms of market share, the bank's loans to

businesses with revenues of \$1 million or less exceeds the overall market share for small loans to businesses.

## **Community Development Lending**

The community development (CD) lending has a positive impact on lending test conclusions for the NY AA.

Refer to Table 1 Lending Volume in the State of New York section of appendix D for the facts and data used to evaluate the bank's level of community development (CD) lending.

Webster Bank's CD loan activities are excellent.

In February 2006, Webster approved a \$15 million loan commitment to a nationally recognized Community Development Financial Intermediary (CDFI). Webster's involvement consists of two tranches, \$7.5 million to a Revolving Credit Agreement (RCA) for funding affordable housing construction and \$7.5 million to a Collateral Trust Note (CTN) to purchase certain loans of the CDFI portfolio. The Revolving Credit Agreement limits the distribution of total commitments to \$339 million (90.6 percent) in New York and \$35 million (9.4 percent) in New Jersey.

Webster advanced \$3,930,675 under the RCA in March 2006 to meet its prorata share of reallocated total outstanding loans. Webster funded a variety of existing loans in the CPC RCA portfolio, some of which were for projects located in Webster's AA. No funds were advanced in the evaluation period by Collateral Trust Note (CTN) tranche. CTN advances are restricted to \$224 million (86.5 percent) to New York and \$35 million (13.5 percent) to New Jersey.

We cannot determine the exact amount of funding in the AA. However, based on distribution criteria, 90.6 percent of RCA advances benefit New York, which includes the AA and a broader regional area. Therefore, we are allocating 90.6 percent of \$3,930,675 or \$3,561,191 as a community development loan in Webster's New York state AA.

## **Product Innovation and Flexibility**

Webster Bank did not originate any innovative loans during the review period. The bank originated one flexible loan.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

There are no limited-scope reviews for New York.

## **INVESTMENT TEST**

## **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the investment test in New York is rated Needs to Improve. Based on full-scope reviews, the bank's performance in the AA is poor.

Refer to Table 14 in the State of New York section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, Webster Bank made four grants and donations totaling \$8,000 to organizations that provided business plan training for low- and moderate-income youth and financial and homeowner training targeted to low- and moderate-income individuals. These donations are directed to identified needs of affordable housing and small business financing, but are too small to be effective. The AA has a good number of investment opportunities based on discussions with community contacts and OCC internal resources.

## **Conclusions for Area Receiving Limited-Scope Reviews**

There are no limited-scope reviews for the New York area.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the service test in New York is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the AA is good.

### **Retail Banking Services**

Refer to Table 15 in the State of New York section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

The geographic distribution of branches in the state of New York is good. Webster Bank has a total of six full-service branches and six automated teller machines (ATMs) in Westchester County, of which one is located in a moderate-income geography; one is located in a middle-income geography; and four are located in upper-income geographies. There are no branches located in low-income geographies, but the percentage of population that resides in low-income geographies is only 2.3 percent. The percentage of bank branches in moderate-income geographies exceeds the percentage of population that resides in moderate-income geographies. Lobby hours are reasonable and tailored to each branch location. All branches have Saturday hours in the lobby, while only two branches have Saturday hours for the drive-up facilities.

The bank offers various alternative systems for delivering retail banking services in the New York AA. The bank offers ATMs at each of its branch locations. There are no ATMs located in low-income geographies due to the very low portion of the population living in those geographies. The portion of the bank's ATMs located in moderate-income geographies greatly exceeds the portion of the AA's population residing in moderate-income geographies. Customers and non-customers alike can access their accounts through Webster ATMs, which are connected to the NYCE, CIRRUS, and PLUS ATM systems. Customers may also use their Webster ATM card to obtain cash at non-proprietary ATMs throughout the world, which bear the NYCE, CIRRUS, and PLUS logos.

Other alternative delivery systems include free on-line banking, direct deposit, and bank-at-work services. Because no data were available concerning the effectiveness of these services to low- and moderate-income geographies and individuals, significant weight was not placed on alternative delivery systems in the overall Service Test conclusions.

### **Community Development Services**

Webster's performance in providing community development (CD) services in the New York AA is good.

Webster Bank officers participated in two community development service activities during the evaluation period. A bank officer served as a loan committee member of an organization helping stabilize and sustain low- and mixed-income communities through making mortgage financing available in neighborhoods experiencing deterioration. Another bank officer served as a development committee member of an organization helping provide safe, affordable housing and supportive services.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

There are no limited-scope reviews for New York.

## 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”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): (04/21/04 to 12/31/05) Investment and Service Tests and CD Loans: (04/21/04 to 05/01/06)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Webster Bank, N.A. (Webster) Waterbury, CT	HMDA, loans to small businesses, and CD loans, Qualified Investments, and CD services.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A	N/A	N/A
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
RI-MA Multi-state MA Connecticut Hartford AA Bridgeport AA Litchfield AA New Haven AA Norwich AA Massachusetts Boston Hampden New York Westchester	Full-Scope  Full-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope  Full-scope Limited-scope  Full-scope	

## Appendix B: Summary of Multistate Metropolitan Area and State Ratings

RATINGS      Webster Bank				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Webster Bank	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
Multi-state Metropolitan Area or State:				
RI-MA Multi-state MA	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Connecticut	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
Massachusetts	Outstanding	High Satisfactory	Outstanding	Satisfactory
New York	Needs to Improve	Needs to Improve	High Satisfactory	Needs to Improve

(\*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

## Appendix C: Market Profiles for Full-Scope Areas

### Rhode Island – Massachusetts (RI-MA) Multi-state Metropolitan Area

Demographic Information for Full-Scope Area: RI-MA Multi-state Metropolitan Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	349	10.89	20.34	43.55	25.21	0.00
Population by Geography	1,582,997	8.14	18.16	44.55	29.15	0.00
Owner-Occupied Housing by Geography	371,681	2.94	10.87	50.84	35.35	0.00
Businesses by Geography	91,893	8.61	15.96	44.82	30.61	0.00
Farms by Geography	2,094	2.34	5.73	44.99	46.94	0.00
Family Distribution by Income Level	408,200	21.48	17.23	22.00	39.28	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	158,016	13.82	27.26	42.58	16.34	0.00
Median Family Income HUD Adjusted Median Family Income for 2004 Households Below the Poverty Level	= \$53,013 = \$64,750 = 12%	Median Housing Value Unemployment Rate		= \$139.5 = 2.89%		

(\*) 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 Rhode Island AA consists of the entire State of Rhode Island and a part of southeastern Massachusetts. The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies. The distribution of families by income level is: 22 percent low-income, 17 percent moderate-income, 22 percent middle-income, and 39 percent upper-income. The bank is a full service lender offering a broad menu of lending products that include business loans, home mortgage loans, home equity loans, installment loans, and trust and investment services.

Providence, Rhode Island, with a population of over 150,000, is the state capital and the largest city in the AA. Providence serves as the business, financial, government, and cultural hub of a metropolitan area that contains over 1 million residents. It is home to six colleges and universities, including Brown University. According to the state's economic development agency, Rhode Island is the jewelry capital of the world with over 1,000 finished jewelry producers and employing over 35,000 residents in jewelry related service industries. Other industry sectors with the greatest concentrations in employment include health care, state and local government, educational services, finance, and industrial manufacturing. Major employers include the Hasbro Toys, Raytheon Corp., and General Dynamics.

The level of competition among financial service providers in the AA is relatively high. Webster competes with large mortgage companies, large interstate regional banking companies, credit unions, and various community and savings banks. The AA's unemployment rate of 2.9 percent as of April 2006 is lower than the 4.5 percent national rate.

Based on community contacts, OCC internal resources and bank management, the AA is believed to have a good level of community development lending, services, and investment opportunities available to banks.

State of Connecticut

**Hartford AA**

Demographic Information for Full-Scope Area: Hartford AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/	283	14.13	15.55	45.23	24.38	0.71
Population by Geography	1,148,618	9.56	13.97	48.25	28.14	0.00
Owner-Occupied Housing by Geography	295,785	2.33	9.56	53.21	34.90	0.00
Businesses by Geography	83,836	9.81	12.19	48.29	29.20	0.51
Farms by Geography	2,200	1.36	7.14	50.27	41.23	0.00
Family Distribution by Income Level	289,162	20.19	17.69	23.41	38.71	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	112,948	17.55	21.00	45.68	15.78	0.00
Median Family Income HUD Adjusted Median Family Income for 2005 Households Below the Poverty Level	= \$64,156 = \$76,400 = 8%	Median Housing Value (000) Unemployment Rate				\$144.73 2.95 %

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census, and 2005 HUD updated MFI.

The Hartford AA consists of all Hartford, Middlesex, and Tolland counties. The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies. The composition of the AA geographies by income level is: 14 percent low-income, 16 percent moderate income, 45 percent middle-income, 24 percent upper-income and 1 percent not classified for income.

The level of competition among financial service providers in the AA is relatively high. Webster competes with large mortgage companies, large interstate regional banking companies, credit unions, and various community and savings banks. According to the FDIC market share report as of June 30, 2005, Webster, is ranked second for market share of deposits in the AA with a 14.8 percent market share. The bank is a full service lender offering a broad menu of lending products that include business loans, home mortgage loans, home equity loans, installment loans, and trust and investment services.

Eighty percent of the housing in the AA is one to four family units, 19 percent is multi-family and one percent is mobile homes. Of the housing units, 63 percent is owner-occupied, 32 percent is renter-occupied, and 5 percent is vacant. The median housing value was \$144,727 in the 2000 census. The median year of construction for the housing stock is 1962.

The primary industries in the AA are services at 38 percent, retail trade at 15 percent, and construction at 10 percent. Major employers in the AA include the State of Connecticut, United Technologies Corp., Hartford Financial Services Group, Aetna Inc., and Hartford Hospital. The unemployment rate for the Hartford AA was 4 percent as of April 2006, in line with the overall 3.8 percent for the entire state and better than the 4.5 percent national rate.

Based on community contacts, OCC internal resources and bank management, the AA is believed to have a good level of community development lending, services, and investment opportunities available to banks.

State of Massachusetts

**Boston AA**

Demographic Information for Full-Scope Area: Boston AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	134	1.49	12.69	57.46	27.61	0.75
Population by Geography	696,090	0.75	11.67	58.68	28.56	0.33
Owner-Occupied Housing by Geography	189,956	0.24	8.36	59.72	31.68	0.00
Businesses by Geography	46,549	1.35	9.89	53.20	35.52	0.04
Farms by Geography	1,091	0.09	5.96	61.32	32.63	0.00
Family Distribution by Income Level	182,533	16.42	17.45	24.23	41.90	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	61,813	1.43	19.09	61.04	18.44	0.00
Median Family Income HUD Adjusted Median Family Income for 2005 Households Below the Poverty Level	= \$62,948 = \$76,400 = 7%	Median Housing Value (000) Unemployment Rate				\$224,550 2.55 %

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census, and 2005 HUD updated MFI.

The Boston AA consists of portions of Norfolk and all of Plymouth counties. The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies. The distribution of families by income level is: 16 percent low-income, 17 percent moderate income, 24 percent middle-income, and 42 percent upper-income.

The level of competition among financial service providers in the AA is relatively high. Webster competes with large mortgage companies, large interstate regional banking companies, credit unions, and various community and savings banks. According to the FDIC market share report as of June 30, 2005, Webster, is ranked twenty-eighth for market share of deposits in the AA with a 0.72 percent market share. The bank is a full service lender offering a broad menu of lending products that include business loans, home mortgage loans, home equity loans, installment loans, and trust and investment services.

Eighty-seven percent of the housing in the AA is one to four family units; 19 percent is multi-family homes. Of the housing units, 71 percent is owner-occupied, 24 percent is renter-occupied, and 5 percent is vacant. The median housing value was \$188,275 in the 2000 census. The median year of construction for the housing stock is 1962.

The primary industries in the AA are services at 37 percent, retail trade at 15 percent, and construction at 11 percent. Major employers in the AA include the State of Massachusetts, local governments of cities and towns, and many colleges and universities in the area. The unemployment rate for the Boston AA was 2.6 percent as of April 2006, which is substantially better than the 4.5 percent national rate.

Based on community contacts, OCC internal resources, and bank management, the AA is believed to have a good level of community development lending, services, and investment opportunities available to banks.

State of New York

**Westchester AA**

Demographic Information for Full-Scope Area: Westchester AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	172	2.33	11.05	20.35	64.53	1.74
Population by Geography	703,523	2.29	11.30	20.37	66.05	0.00
Owner-Occupied Housing by Geography	144,425	0.35	3.09	12.26	84.30	0.00
Businesses by Geography	63,326	1.24	11.28	17.42	70.05	0.01
Farms by Geography	888	0.23	3.49	20.38	75.90	0.00
Family Distribution by Income Level	179,517	14.24	11.32	14.48	59.96	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	45,892	5.68	23.54	29.36	41.42	0.00
Median Family Income HUD Adjusted Median Family Income for 2005 Households Below the Poverty Level	= \$49,461 = \$57,650 = 10%	Median Housing Value (000) Unemployment Rate				\$244,530 4.01%

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census, and 2005 HUD updated MFI.

The Westchester AA consists of all of the southern one-half of Westchester County. The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies. The distribution of families by income level is: 14 percent low-income, 12 percent moderate income, 14 percent middle-income, and 60 percent upper-income.

The level of competition among financial service providers in the AA is relatively high. Webster competes with large mortgage companies, large interstate regional banking companies, credit unions, and various community and savings banks. According to the FDIC market share report as of June 30, 2005, Webster, is ranked twenty-fourth for market share of deposits in the AA with less than a 0.5 percent market share. The bank is a full service lender offering a broad menu of lending products that include business loans, home mortgage loans, home equity loans, installment loans, and trust and investment services.

Sixty-three percent of the housing in the AA is one to four family units, and 37 percent is multi-family homes. Of the housing units, 54 percent is owner-occupied, 43 percent is renter-occupied, and 3 percent is vacant. The median housing value was \$283,752 in the 2000 census. The median year of construction for the housing stock is 1951.

The primary industries in the AA are services at 39 percent, retail trade at 15 percent, and construction at 9 percent. Major employers in the AA include the local governments of cities and towns. The unemployment rate for the Westchester AA was 4 percent in April 2006, which is slightly better than the 4.5 percent national rate.

Based on community contacts, OCC internal resources, and bank management, the AA is believed to have a good level of community development lending, services, and investment opportunities available to banks.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of 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. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE. [Note: Do not renumber the tables.]

The following is a listing and brief description of the tables included in each set:

- 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 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, if applicable, 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.

**Tables of Performance Data**

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**Rhode Island--Massachusetts (RI-MA) Multi-state Metropolitan Area**

**State of Connecticut**

**State of Massachusetts**

**State of New York**

**Table 1. Lending Volume**

LENDING VOLUME		Geography: RI-MA Multi-state						Evaluation Period: April 21, 2004 to December 31, 2005				
MA/Assessment Area:	% 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)	
<b>Full Review:</b>												
RI	100.00	2,263	404,550	395	74,465	0	0	0	0	2,658	479,015	100.00

\* Loan Data as of December 31, 2005. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from April 21, 2004 to May 1, 2005.

\*\*\* Deposit Data as of June 30, 2005. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME		Geography: RI-MA Multi-state						Evaluation Period: April 21, 2004 to December 31, 2005						
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>														
RI	100.00	16	1,247	16	1,247	0	0	0	0	0	0	0	0	100.00

\* Loan Data as of December 31, 2005. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is from April 21, 2004 to December 31, 2005.

\*\*\* Deposit Data as of June 30, 2005. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE			Geography: RI-MA Multi-state						Evaluation Period: April 21, 2004 to December 31, 2005						
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
RI-MA AA	609	100.00	2.94	2.96	10.87	10.67	50.84	47.45	35.35	38.92	1.04	0.37	0.65	1.11	1.29

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Institution ID: Webster Bank N.A. 24469

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: RI-MA Multi-state								Evaluation Period: April 21, 2004 to December 31, 2005					
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
RI-MA AA	330	100.00	2.94	1.52	10.87	18.79	50.84	47.58	35.35	32.12	1.19	0.73	1.60	1.01	1.39

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE 2005		Geography: RI-MA Multi-state								Evaluation Period: April 21, 2004 to December 31, 2005					
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
RI-MA AA	1,309	100.00	2.94	1.45	10.87	13.60	50.84	49.66	35.35	35.29	1.24	0.29	1.20	1.28	1.37

\* Based on 2004 Peer Mortgage Data (Eastern)

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: RI-MA Multi-state						Evaluation Period: April 21, 2004 to December 31, 2005							
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
<b>Full Review:</b>															
RI-MA AA	15	100.00	16.04	13.33	28.43	53.33	38.62	33.33	16.91	0.00	2.07	0.93	2.82	2.34	0.00

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: RI-MA Multi-state								Evaluation Period: April 21, 2004 to December 31, 2005					
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
<b>Full Review:</b>															
RI-MA AA	394	100.00	8.61	10.15	15.96	21.57	44.82	45.18	30.61	23.10	0.58	0.84	0.90	0.58	0.43

\* Based on 2004 Peer Small Business Data -- US and PR

\*\* 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 (2005).

Institution ID: Webster Bank N.A. 24469

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: RI-MA Multi-state						Evaluation Period: April 21, 2004 to December 31, 2005							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% Bank Loans**	% Families***	% Bank Loans**	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
RI-MA AA	580	100.00	21.48	2.41	17.23	14.66	22.00	25.00	39.28	57.93	1.17	1.46	1.20	1.15	1.17

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* 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.

Institution ID: Webster Bank N.A. 24469

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: RI-MA Multi-state								Evaluation Period: April 21, 2004 to December 31, 2005					
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
RI-MA AA	326	100.00	21.48	11.96	17.23	20.86	22.00	31.90	39.28	35.28	1.21	1.77	0.96	1.31	1.17

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\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* 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.

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**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: RI-MA Multi-state								Evaluation Period: April 21, 2004 to December 31, 2005				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
RI-MA AA	1,220	100.00	21.48	7.30	17.23	19.92	22.00	30.00	39.28	42.79	1.40	1.66	1.22	1.30	1.56

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

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

Institution ID: Webster Bank N.A. 24469

**Table11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: RI-MA Multi-state			Evaluation Period: April 21, 2004 to December 31, 2005			
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% 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
<b>Full Review:</b>									
RI-MA AA	394	100.00	66.05	63.45	50.51	24.11	25.38	0.58	1.60

\* Based on 2004 Peer Small Business Data -- US and PR

\*\* 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 - 2005).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 1.52% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: RI-MA Multi-state				Evaluation Period: April 21, 2004 to May 1, 2006			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
RI-MA AA	0	0	29	555	29	555	11.72	0	0
Statewide/Regional	0	0	1	4,180	1	4,180	88.28	0	0

\* 'Prior Period Investments' means investments made in a previous 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.

Institution ID: Webster Bank N.A. 24469

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: RI-MA Multi-state Evaluation Period: April 21, 2004 to May 1, 2006																	
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
<b>Full Review:</b>																	
RI-MA AA	100.00	23	100.00	4.35	17.39	52.17	26.09	2	0	0	0	1	1	8.14	18.16	44.55	29.15



Table 1. Lending Volume

LENDING VOLUME		Geography: Connecticut						Evaluation Period: April 21, 2004 to December 31, 2005				
MA/Assessment Area:	% 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)	
<b>Full Review:</b>												
Hartford AA	49.31	5,199	759,271	1,995	211,306	0	0	6	9,728	7,200	980,305	42.69
<b>Limited Review:</b>												
Bridgeport AA	13.58	1,219	367,824	757	83,061	0	0	7	7,141	1,983	458,026	11.47
Litchfield AA	7.53	868	153,322	228	24,748	0	0	4	2,255	1,100	180,325	5.10
New Haven AA	27.64	2,932	458,904	1,097	121,947	0	0	7	3,970	4,036	584,821	40.33
Norwich AA	1.94	245	54,169	36	5,462	0	0	2	1,086	283	60,717	0.42

\* Loan Data as of December 31, 2005. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from April 21, 2004 to May 1, 2006.

\*\*\* Deposit Data as of June 30, 2005. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

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Table 1. Other Products

LENDING VOLUME		Geography: Connecticut						Evaluation Period: April 21, 2004 to December 31, 2005						
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>														
Hartford AA	57.34	82	7,834	82	7,834	0	0	0	0	0	0	0	0	42.69
<b>Limited Review:</b>														
Bridgeport AA	13.99	20	2,005	20	2,005	0	0	0	0	0	0	0	0	11.47
Litchfield AA	2.80	4	224	4	224	0	0	0	0	0	0	0	0	5.10
New Haven AA	25.87	37	2,307	37	2,307	0	0	0	0	0	0	0	0	40.33
Norwich AA	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0.42

\* Loan Data as of December 31, 2005. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is from April 21, 2004 to December 31, 2005.

\*\*\* Deposit Data as of June 30, 2005. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE			Geography: Connecticut				Evaluation Period: April 21, 2004 to December 31, 2005					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	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						
<b>Full Review:</b>																
Hartford AA	2,224	54.03	2.33	2.47	9.56	7.15	53.21	56.07	34.90	34.31	4.11	1.14	2.41	4.58	4.57	
<b>Limited Review:</b>																
Bridgeport AA	392	9.52	3.34	2.81	16.53	15.82	39.53	44.64	40.60	36.73	0.81	0.22	0.37	0.98	1.08	
Litchfield AA	344	8.36	0.00	0.00	4.21	4.07	62.74	71.80	33.05	24.13	3.86	0.00	1.72	4.42	3.18	
New Haven AA	1,045	25.39	3.04	2.20	12.33	9.38	52.39	57.51	32.24	30.91	2.31	0.81	1.06	2.81	2.70	
Norwich AA	111	2.70	2.29	0.90	8.56	4.50	53.10	45.05	36.05	49.55	1.34	0.00	0.20	1.04	2.63	

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Institution ID: Webster Bank N.A. 24469

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: Connecticut								Evaluation Period: April 21, 2004 to December 31, 2005					
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Hartford AA	889	50.31	2.33	2.59	9.56	11.59	53.21	60.07	34.90	25.76	6.71	3.35	5.12	7.60	5.99
<b>Limited Review:</b>															
Bridgeport AA	174	9.85	3.34	2.87	16.53	16.09	39.53	40.23	40.60	40.80	2.72	0.49	1.67	2.88	3.71
Litchfield AA	176	9.96	0.00	0.00	4.21	2.27	62.74	75.00	33.05	22.73	11.19	0.00	12.12	12.81	7.45
New Haven AA	501	28.35	3.04	2.99	12.33	10.98	52.39	55.89	32.24	30.14	6.15	2.35	3.93	6.69	6.99
Norwich AA	27	1.53	2.29	3.70	8.56	0.00	53.10	40.74	36.05	55.56	0.97	0.00	0.00	0.53	2.08

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\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE				Geography: Connecticut				Evaluation Period: April 21, 2004 to December 31, 2005							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Hartford AA	2,079	45.55	2.33	1.92	9.56	8.61	53.21	59.55	34.90	29.92	3.54	1.63	2.33	3.81	3.75
<b>Limited Review:</b>															
Bridgeport AA	652	14.29	3.34	1.99	16.53	14.88	39.53	51.23	40.60	31.90	1.22	0.43	0.74	1.85	1.03
Litchfield AA	347	7.60	0.00	0.00	4.21	3.46	62.74	70.61	33.05	25.94	3.08	0.00	1.86	3.53	2.45
New Haven AA	1,379	30.21	3.04	2.10	12.33	12.11	52.39	53.66	32.24	32.12	2.89	1.31	1.59	3.16	3.39
Norwich AA	107	2.34	2.29	1.87	8.56	6.54	53.10	44.86	36.05	46.73	1.77	0.71	1.38	1.30	2.76

\* Based on 2004 Peer Mortgage Data (Eastern)

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: Connecticut						Evaluation Period: April 21, 2004 to December 31, 2005									
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	% MF Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Hartford AA	7	43.75	26.86	42.86	21.47	0.00	39.96	57.14	11.71	0.00	2.91	3.17	0.00	6.12	0.00		
<b>Limited Review:</b>																	
Bridgeport AA	1	6.25	20.80	100.00	42.87	0.00	29.03	0.00	7.31	0.00	0.87	2.04	0.00	0.00	0.00		
Litchfield AA	1	6.25	0.00	0.00	10.71	0.00	70.82	0.00	18.47	100.00	0.00	0.00	0.00	0.00	0.00		
New Haven AA	7	43.75	20.52	14.29	29.27	42.86	42.05	42.86	8.16	0.00	3.19	0.00	4.48	4.76	0.00		
Norwich AA	0	0.00	18.73	0.00	23.53	0.00	47.66	0.00	10.08	0.00	0.00	0.00	0.00	0.00	0.00		

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\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES				Geography: Connecticut				Evaluation Period: April 21, 2004 to December 31, 2005							
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
<b>Full Review:</b>															
Hartford AA	1,992	48.47	9.81	8.53	12.19	14.46	48.29	51.96	29.20	25.05	3.52	4.52	4.62	3.61	3.16
<b>Limited Review:</b>															
Bridgeport AA	757	18.42	8.69	7.00	18.97	21.14	33.48	40.82	38.86	31.04	1.14	0.72	1.62	1.21	0.98
Litchfield AA	228	5.55	0.00	0.00	7.08	4.82	60.72	66.67	32.20	28.51	1.91	0.00	1.19	2.20	1.88
New Haven AA	1,097	26.69	8.41	6.38	18.11	18.23	43.09	46.67	30.37	28.71	2.51	2.44	2.93	2.81	2.06
Norwich AA	36	0.88	2.63	0.00	19.45	2.78	42.31	8.33	35.62	88.89	0.22	0.00	0.00	0.06	0.76

\* Based on 2004 Peer Small Business Data -- US and PR

\*\* 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 (2005).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: Connecticut						Evaluation Period: April 21, 2004 to December 31, 2005							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% Bank Loans**	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Hartford AA	1,990	53.37	20.19	7.94	17.69	23.87	23.41	28.84	38.71	39.35	4.32	4.33	4.30	4.18	4.48
<b>Limited Review:</b>															
Bridgeport AA	355	9.52	21.61	6.48	17.25	20.00	19.58	24.79	41.56	48.73	0.93	0.73	0.88	0.86	1.03
Litchfield AA	318	8.53	14.09	4.72	17.23	17.61	25.90	27.04	42.79	50.63	4.30	4.84	4.14	3.99	4.54
New Haven AA	961	25.77	20.85	5.72	17.34	28.82	22.55	28.10	39.26	37.36	2.56	2.42	3.01	2.28	2.48
Norwich AA	105	2.82	19.47	7.62	19.15	11.43	23.63	19.05	37.74	61.90	1.49	3.36	0.87	0.75	2.12

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* 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: Connecticut								Evaluation Period: April 21, 2004 to December 31, 2005					
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% Bank Loans***	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Hartford AA	867	50.26	20.19	13.96	17.69	22.61	23.41	33.68	38.71	29.76	6.75	8.18	6.47	6.83	6.40
<b>Limited Review:</b>															
Bridgeport AA	170	9.86	21.61	12.94	17.25	18.82	19.58	20.59	41.56	47.65	2.82	3.43	1.65	3.23	3.12
Litchfield AA	171	9.91	14.09	12.28	17.23	21.64	25.90	33.92	42.79	32.16	11.72	20.31	13.99	12.50	7.61
New Haven AA	490	28.41	20.85	10.61	17.34	24.08	22.55	32.24	39.26	33.06	6.27	7.55	5.30	7.42	5.62
Norwich AA	27	1.57	19.47	0.00	19.15	14.81	23.63	44.44	37.74	40.74	1.01	0.00	0.77	1.36	1.10

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* 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: Connecticut				Evaluation Period: April 21, 2004 to December 31, 2005							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Hartford AA	1,741	46.54	20.19	9.30	17.69	26.36	23.41	30.33	38.71	34.00	3.65	3.66	3.51	3.67	3.77
<b>Limited Review:</b>															
Bridgeport AA	516	13.79	21.61	8.14	17.25	22.67	19.58	27.13	41.56	42.05	1.25	1.28	1.21	1.50	1.12
Litchfield AA	292	7.81	14.09	7.19	17.23	20.21	25.90	30.82	42.79	41.78	3.15	3.11	2.68	3.54	3.12
New Haven AA	1,100	29.40	20.85	9.36	17.34	23.82	22.55	32.09	39.26	34.73	2.95	3.94	2.69	2.88	3.00
Norwich AA	92	2.46	19.47	3.26	19.15	18.48	23.63	30.43	37.74	47.83	1.96	1.26	2.06	1.99	2.02

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

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

**Table11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: Connecticut			Evaluation Period: April 21, 2004 to December 31, 2005		
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*		
	#	% 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	
<b>Full Review:</b>										
Hartford AA	1,995	48.50	63.07	63.01	76.84	13.43	9.72	3.52	7.93	
<b>Limited Review:</b>										
Bridgeport AA	757	18.41	63.95	67.24	81.51	7.66	10.83	1.14	2.40	
Litchfield AA	228	5.54	67.68	68.86	78.07	10.09	11.84	1.91	4.61	
New Haven AA	1,097	26.67	63.76	64.45	78.12	10.94	10.94	2.51	5.40	
Norwich AA	36	0.88	62.74	58.33	69.44	13.89	16.67	0.22	0.46	

\* Based on 2004 Peer Small Business Data -- US and PR

\*\* 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 - 2005).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 6.18% of small loans to businesses originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: Connecticut				Evaluation Period: April 21, 2004 to May 1, 2006			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Hartford AA	2	9,000	132	700	134	9,700	49.4	0	0
<b>Limited Review:</b>									
Bridgeport AA	2	3,000	45	134	47 --	3,134	16.0	0	0
Litchfield AA	2	1,225	3	18	5	1,243	6.3	0	0
New Haven AA	1	5,000	125	557	126	5,557	28.3	0	0
Norwich AA	0	0	1	0	1	0	0.00	0	0

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\* 'Prior Period Investments' means investments made in a previous 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: Connecticut		Evaluation Period: April 21, 2004 to May 1, 2006							
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
<b>Full Review:</b>																	
Hartford AA	42.69	55	45.45	7.27	16.36	56.36	20.00	0	0	0	0	0	0	9.56	13.97	48.25	28.14
<b>Limited Review:</b>																	
Bridgeport AA	11.47	21	17.36	4.76	23.81	47.62	23.81	3	0	0	2	1	0	10.24	22.80	33.16	33.80
Litchfield AA	5.10	9	7.44	0.00	11.11	66.67	22.22	0	0	0	0	0	0	0.00	6.20	62.58	31.23
New Haven AA	40.33	34	28.10	8.82	5.88	61.76	23.53	0	0	0	0	0	0	9.45	19.46	45.77	25.31
Norwich AA	0.42	2	1.65	0.00	0.00	50.00	50.00	1	0	0	0	1	0	6.92	19.60	44.81	28.67



N.A. 24469

**Table 1. Lending Volume**

LENDING VOLUME		Geography: Massachusetts						Evaluation Period: April 21, 2004 to December 31, 2005				
MA/Assessment Area:	% 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)	
<b>Full Review:</b>												
Boston AA	55.29	295	63,624	46	9,419	0	0	4	23,530	345	96,573	100.00
<b>Limited Review:</b>												
Springfield AA	44.71	278	36,945	1	100	0	0	0	0	279	37,045	0.00

\* Loan Data as of December 31, 2005. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from April 21, 2004 to May 1, 2006.

\*\*\* Deposit Data as of June 30, 2005. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

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**Table 1. Other Products**

LENDING VOLUME		Geography: Massachusetts								Evaluation Period: April 21, 2004 to December 31, 2005				
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>														
Boston AA	0.00	0	0	0	0	0	0	0	0	0	0	0	0	100.00
<b>Limited Review:</b>														
Springfield AA	100.00	2	24	2	24	0	0	0	0	0	0	0	0	0.00

\* Loan Data as of December 31, 2005. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is from April 21, 2004 to December 31, 2005.

\*\*\* Deposit Data as of June 30, 2005. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: Webster Bank N.A. 24469

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: Massachusetts						Evaluation Period: April 21, 2004 to December 31, 2005							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Boston AA	79	31.73	0.24	0.00	8.36	8.86	59.72	58.23	31.68	32.91	0.25	0.00	0.19	0.23	0.34
<b>Limited Review:</b>															
Springfield AA	170	68.27	5.21	1.18	13.24	7.65	48.80	60.00	32.74	31.18	1.12	0.23	0.71	1.26	1.77

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Institution ID: Webster Bank N.A. 24469

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: Massachusetts								Evaluation Period: April 21, 2004 to December 31, 2005					
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Boston AA	35	60.34	0.24	0.00	8.36	17.14	59.72	51.43	31.68	31.43	0.25	0.00	0.49	0.08	0.57
<b>Limited Review:</b>															
Springfield AA	23	39.66	5.21	0.00	13.24	17.39	48.80	43.48	32.74	39.13	0.41	0.00	0.93	0.18	0.66

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Institution ID: Webster Bank N.A. 24469

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: Massachusetts				Evaluation Period: April 21, 2004 to December 31, 2005									
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total*	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Boston AA	181	68.05	0.24	0.55	8.36	12.71	59.72	58.56	31.68	28.18	0.31	0.48	0.39	0.29	0.32	
<b>Limited Review:</b>																
Springfield AA	85	31.95	5.21	2.35	13.24	11.76	48.80	50.59	32.74	35.29	0.78	0.14	0.75	0.91	0.77	

\* Based on 2004 Peer Mortgage Data (Eastern)

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Institution ID: Webster Bank N.A. 24469

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY			Geography: Massachusetts				Evaluation Period: April 21, 2004 to December 31, 2005									
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	
<b>Full Review:</b>																
Boston AA	0	0.00	2.63	0.00	21.01	0.00	60.91	0.00	15.45	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Springfield AA	0	0.00	42.98	0.00	17.50	0.00	30.64	0.00	8.89	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

Institution ID: Webster Bank N.A. 24469

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: Massachusetts						Evaluation Period: April 21, 2004 to December 31, 2005							
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
<b>Full Review:</b>															
Boston AA	45	97.83	1.35	13.33	9.89	8.89	53.20	68.89	35.52	8.89	0.10	2.02	0.11	0.15	0.02
<b>Limited Review:</b>															
Springfield AA	1	2.17	23.31	0.00	18.85	0.00	34.58	100.00	23.26	0.00	0.01	0.00	0.00	0.00	0.04

\* Based on 2004 Peer Small Business Data -- US and PR

\*\* 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 (2005).

Institution ID: Webster Bank N.A. 24469

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: Massachusetts					Evaluation Period: April 21, 2004 to December 31, 2005									
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total*	% Families***	% Bank Loans***	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Boston AA	74	30.83	16.42	2.70	17.45	17.57	24.23	29.73	41.90	50.00	0.29	0.99	0.22	0.29	0.28	
<b>Limited Review:</b>																
Springfield AA	166	69.17	25.31	6.02	16.81	27.11	20.97	29.52	36.91	37.35	1.28	1.96	1.34	1.30	1.01	

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* 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.

Institution ID: Webster Bank N.A. 24469

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: Massachusetts						Evaluation Period: April 21, 2004 to December 31, 2005							
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Boston AA	33	58.93	16.42	9.09	17.45	21.21	24.23	30.30	41.90	39.39	0.27	0.36	0.11	0.16	0.45
<b>Limited Review:</b>															
Springfield AA	23	41.07	25.31	17.39	16.81	39.13	20.97	8.70	36.91	34.78	0.43	0.00	1.29	0.00	0.32

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* 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.

Institution ID: Webster Bank N.A. 24469

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE				Geography: Massachusetts				Evaluation Period: April 21, 2004 to December 31, 2005							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Boston AA	165	67.07	16.42	9.09	17.45	22.42	24.23	29.09	41.90	39.39	0.35	0.57	0.30	0.33	0.35
<b>Limited Review:</b>															
Springfield AA	81	32.93	25.31	7.41	16.81	25.93	20.97	34.57	36.91	32.10	0.87	1.14	1.08	0.96	0.47

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

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

Institution ID: Webster Bank N.A. 24469

**Table11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES									
Geography: Massachusetts					Evaluation Period: April 21, 2004 to December 31, 2005				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% 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
<b>Full Review:</b>									
Boston AA	45	97.83	64.36	80.00	57.78	26.67	15.56	0.10	0.30
<b>Limited Review:</b>									
Springfield AA	1	2.17	62.54	0.00	100.00	0.00	0.00	0.01	0.03

\* Based on 2004 Peer Small Business Data -- US and PR

\*\* 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 - 2005).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.00% of small loans to businesses originated and purchased by the bank.

Institution ID: Webster Bank N.A. 24469

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: Massachusetts				Evaluation Period: April 21, 2004 to May 1, 2006			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Boston AA	1		6	10	7 --6	612 --10	99.5	0	0
<b>Limited Review:</b>									
Springfield AA	0	0	1	3	1	3	0.5	0	0

\* 'Prior Period Investments' means investments made in a previous 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.

Institution ID: Webster Bank N.A. 24469

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	Geography: Massachusetts				Evaluation Period: April 21, 2004 to May 1, 2006			
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							
<b>Full Review:</b>																								
Boston AA	100.00	5	71.43	0.00	40.00	60.00	0.00	0	0	0	0	0	0	0.75	11.67	58.68	28.56							
<b>Limited Review:</b>																								
Springfield AA	0.00	2	28.57	0.00	0.00	100.00	0.00	2	0	0	0	2	0	16.29	18.89	40.76	24.07							



**Table 1. Lending Volume**

LENDING VOLUME		Geography: New York						Evaluation Period: April 21, 2004 to December 31, 2005				
MA/Assessment Area:	% 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)	
<b>Full Review:</b>												
Westchester Co	100.00	59	31,370	106	8,758	0	0	1	3,561	165	43,689	100.00

\* Loan Data as of December 31, 2005. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from April 21, 2004 to May 1, 2005.

\*\*\* Deposit Data as of June 30, 2005. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

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**Table 1. Other Products**

LENDING VOLUME		Geography: New York						Evaluation Period: April 21, 2004 to December 31, 2005						
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>														
Westchester Co	0.00	0	0	0	0	0	0	0	0	0	0	0	0	100.00

\* Loan Data as of December 31, 2005. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is from April 21, 2004 to December 31, 2005.

\*\*\* Deposit Data as of June 30, 2005. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: New York								Evaluation Period: April 21, 2004 to December 31, 2005					
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Westchester County AA	26	100.00	0.35	0.00	3.09	0.00	12.26	7.69	84.30	92.31	0.12	0.00	0.00	0.00	0.15

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: New York						Evaluation Period: April 21, 2004 to December 31, 2005							
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Westchester County AA	12	100.00	0.35	0.00	3.09	0.00	12.26	8.33	84.30	91.67	0.16	0.00	0.00	0.00	0.22

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: New York						Evaluation Period: April 21, 2004 to December 31, 2005							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	% Owner Occ Units***	% Bank Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Westchester County AA	21	100.00	0.35	0.00	3.09	0.00	12.26	19.05	84.30	80.95	0.07	0.00	0.00	0.09	0.07

\* Based on 2004 Peer Mortgage Data (Eastern)

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: New York						Evaluation Period: April 21, 2004 to December 31, 2005							
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
<b>Full Review:</b>															
Westchester County AA	0	0.00	3.81	0.00	18.50	0.00	26.94	0.00	50.74	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: New York				Evaluation Period: April 21, 2004 to December 31, 2005					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total*	% of Businesses ***	% Bank Loans	% of Businesses ***	% Bank Loans	% of Businesses ***	% Bank Loans	% of Businesses ***	% Bank Loans						
<b>Full Review:</b>																
Westchester County AA	106	100.00	1.24	0.00	11.28	11.32	17.42	14.15	70.05	74.53	0.06	0.00	0.08	0.04	0.07	

\* Based on 2004 Peer Small Business Data -- US and PR

\*\* 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 (2005).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: New York						Evaluation Period: April 21, 2004 to December 31, 2005							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% Bank Loans**	% Bank Loans <sup>3</sup>	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Westchester County AA	23	100.00	14.24	0.00	11.32	0.00	14.48	4.35	59.96	95.65	0.16	0.00	0.00	0.00	0.20

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* 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.

<sup>3</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: New York						Evaluation Period: April 21, 2004 to December 31, 2005							
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Westchester County AA	11	100.00	14.24	0.00	11.32	0.00	14.48	36.36	59.96	63.64	0.09	0.00	0.00	0.00	0.12

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* 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: New York								Evaluation Period: April 21, 2004 to December 31, 2005					
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	% Families***	% Bank Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Westchester County AA	18	100.00	14.24	0.00	11.32	0.00	14.48	22.22	59.96	77.78	0.09	0.00	0.00	0.13	0.09

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

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

**Table11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES				Geography: New York		Evaluation Period: April 21, 2004 to December 31, 2005			
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% 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
<b>Full Review:</b>									
Westchester County AA	106	100.00	65.49	76.42	92.45	2.83	4.72	0.06	0.14

\* Based on 2004 Peer Small Business Data -- US and PR

\*\* 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 - 2005).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.00% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: New York				Evaluation Period: April 21, 2004 to May 1, 2006			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Westchester County AA	0	0	4	8	4	8	0.87	0	0
Statewide/Regional	1	908	0	0	1	908	99.13	0	0

\* 'Prior Period Investments' means investments made in a previous 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: New York Evaluation Period: April 21, 2004 to May 1, 2006																	
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
<b>Full Review:</b>																	
Westchester County AA	100.00	6	100.00	0.00	16.67	16.67	66.67	5	0	0	0	1	4	2.29	11.30	20.37	66.05



