



## **PUBLIC DISCLOSURE**

November 18, 2013

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

AIG Federal Savings Bank  
Charter Number: **714939**

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Wilmington, DE 19801

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National Trust Banks Field Office  
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New York, NY 10173

**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 **AIG Federal Savings Bank** (“AIGFSB” or “Bank”) with respect to the lending, investment, and service tests:

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

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

The major factors that support this rating include:

- The Bank made a substantial majority of its home mortgage loans for purchase and refinance of owner occupied properties within its assessment area (“AA”).
- The distribution of home mortgage loans reflects excellent distribution among borrowers of low- and moderate-income (“LMI”) levels as well as properties in LMI census tracts.
- The Bank originated an adequate level of community development (“CD”) loans during the evaluation period through its relationships with organizations that provide affordable housing in the Bank’s AA. The Bank demonstrated a reasonable participation level in innovative and flexible lending programs.
- Bank officers and employees assumed a leadership role by participating in numerous community-based organizations that promote affordable housing, financial education and economic development throughout the AA by offering financial knowledge and lending expertise.
- We found no evidence of illegal discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## 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/AA.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. CT boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. CTs usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. CTs 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.

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

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

**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 CT 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, 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 preapproval 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/AA.

**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 (MD):** 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 MD 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 evaluation. 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 Loan(s) to Business(es):** 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 nonfarm 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 at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Description of Institution

AIGFSB is a full service federally chartered savings bank headquartered in Wilmington, Delaware. It is wholly owned by American International Group, Inc. (“AIG, Inc.”) a holding company engaged in insurance underwriting, consumer financial services, asset management, and numerous other related activities worldwide with \$147.7 billion in total assets. AIG, Inc. is headquartered in New York, New York.

At December 31, 2012, the Bank’s assets totaled \$980 million. Total assets decreased almost 15 percent from \$1.15 billion reported at June 30, 2009, the “as-of” date of the prior CRA performance evaluation (“PE”). Although AIGFSB qualifies as an intermediate small bank, management requested treatment as a large bank for this evaluation. The Bank is a large interstate bank with one branch located at its Wilmington, DE headquarters. The Bank’s AA covers New Castle County, DE; Cecil County, MD; and Salem County, NJ.

During the majority of the evaluation period, the Bank was limited in its ability to execute long-term business plans, react strategically to changing markets or develop infrastructure. Pursuant to a September 16, 2008 Office of Thrift Supervision (“OTS”) Supervisory Directive (the “Directive”), the Bank was required to maintain 30 percent liquidity and 30 percent borrowing capacity. The OTS issued the Directive in response to the financial troubles of AIG, Inc., which required a large financial bailout funded by the US Government in September 2008. From 2008 until 2011, AIG, Inc. pledged its assets and those of its subsidiaries, including the Bank, to the US Government as collateral, resulting in operational constraints on the affiliated companies. In order to repay the government bailout, AIG, Inc. sold most of its non-core businesses. The Bank’s primary focus during this period was to maintain a low-risk business model and maintain strategic flexibility. During the second quarter of 2012, AIG, Inc. unsuccessfully tried to sell the Bank. Subsequently, it decided to restructure the Bank into a trust-only institution to serve the custody needs of AIG, Inc. affiliate companies. In December 2012, AIGFSB submitted a three-year strategic business plan to the OCC to restructure its charter from a full service federal savings bank to a trust only federal savings bank. The OCC provided non-objection to the plan.

From 2008 through 2011, the Bank originated a broad array of residential mortgage products and home equity lines of credit nationwide. The Bank sourced its applications through nationwide direct and internet-based marketing programs. The Bank processed its originated loans through a private-label arrangement with a third-party provider. In July 2011, the third-party provider unexpectedly terminated its agreement with the Bank. The Bank had to adjust its business model, and by the end of 2011, entered into correspondent lending agreements with several regional mortgage companies, with a greater focus on serving the local AA. The transition resulted in a decline in total mortgage volume in 2011.

Consistent with its overall operating model, the Bank strived to meet the credit needs of its community by making innovative and flexible products available to the community through its Discounted Home Loan Program (“DHLP”) for LMI borrowers and borrowers in LMI geographies. Since its inception, the Bank has offered its community loans through local distribution partners, including one of Delaware’s largest independent mortgage company (Gilpin Mortgage Company) and two Delaware-based community banks (Wilmington Trust, NA and Wilmington Savings Fund Society, FSB (“WSFS”). The Bank has supplemented its purchases of DHLP loans with purchases of mortgages made to LMI borrowers and in LMI geographies by other large banks (including JPMorgan Chase Bank and PNC Bank).

At December 31, 2012, net loans totaled \$205.2 million, representing almost 21 percent of total assets. The loan breakout consists of residential mortgage loans totaling \$60.4 million of adjustable and fixed rate conventional loans, \$64.9 million of CRA specific loans, \$76.0 million of originated and purchased HELOCs and \$4.9 million of commercial real estate loans. Residential real estate loans represent 97.6 percent of total loans, and 149 percent of Tier 1 capital. Retail deposits total \$295.3 million and \$522.7 million of sweep savings accounts associated with custodial IRA accounts. All deposits are sourced in the United States. Loans and deposit break down further to \$67 million in loans and \$10 million of retail deposits from the Bank's MSA, resulting in a local loan to deposit ratio of 657 percent.

We did not identify any known legal, financial, or other factors that impede the Bank's ability to help meet the credit needs of its AAs. The Bank received an overall rating of "Satisfactory" at its prior CRA evaluation, conducted in November 2009 using data as of June 30, 2009. That evaluation resulted in the Lending Test and Service Test each being rated as "High Satisfactory" and the Investment Test being rated as "Outstanding".

## Scope of the Evaluation

### **Evaluation Period and Products Evaluated**

AIGFSB was evaluated under the large bank CRA performance evaluation standards using a 42-month evaluation period from June 30, 2009 to December 31, 2012. We considered the Bank's residential loans, which consist of purchase, refinance and home improvement loans reported pursuant to the HMDA. We also reviewed investment activity in CRA related organizations as well as participation in CRA related services for the review period.

### **Data Integrity**

Prior to this CRA evaluation, we performed a data integrity examination to ensure the accuracy of the Bank's publicly filed information on home mortgage loans. The data we reviewed was collected and reported by the Bank over the evaluation period. The testing indicated no substantive inaccuracies in the data. Therefore, we concluded that we could rely on the home mortgage loan data for this evaluation. Additionally, investments and services made or rendered during the evaluation period were reviewed to determine their eligibility for consideration. We included all activities found to meet the definition of community development in this evaluation. Finally, we reviewed the appropriateness of the Bank's processes for collecting and reporting home mortgage loan data. We found no substantive deficiencies in these processes.

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

We performed a full-scope review for the Bank's AA, which is comprised of the Wilmington, DE-MD-NJ MD #48864. The MD consists of New Castle County, Delaware; Cecil County, Maryland; and Salem County, New Jersey and is part of the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metropolitan Statistical Area ("MSA") #37980.

During the majority of the evaluation period, the income level of the CT where the Bank's office is located was low-income based on HUD estimated median incomes. In 2012, the Federal Financial Institutions Examination Council (FFIEC) released new tract information based on the 2006-2010 5-year American Community Survey and the 2010 Census. The new data showed the income level is now upper-income, largely due to the CT now consisting predominantly of business and governmental offices. The tract, which is now tract 0028.00, is bordered on the east by tracts 0009.00 and 0029.00 (both low-income), on the south by tract 0027.00 (moderate-income), on the west by tracts 0016.00 and 0021.00 (both low-income), and to the north by tract 0004.00 (upper-income), tract 0005.00 (low-income) and 0011.00 (middle-income).

"The AA has a diversified economy, with services, wholesale/retail trade, manufacturing, state and local government, and finance and insurance constituting its core."<sup>1</sup> The city of Wilmington, the largest city in the AA, serves as one of the most concentrated banking centers in the United States. New Castle County, which comprises slightly more than three-quarters of the AA CTs, includes financial services and medical service firms among its top employers.

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<sup>1</sup> OTS CRA Performance Evaluation of AIG Federal Savings Bank, February 25, 2008 at 7.

Reflecting the general downturn in the economy, the unemployment rate for the New Castle County remained high in 2009 and 2010, at 8.5 percent and 8.4 percent, respectively as of mid-year. By July 2011, the rate had decreased to 7.9 percent and further decreased to 7.4 percent in 2012.

Cecil County, Maryland, bordered by Pennsylvania to the north and Delaware to the east, is largely a suburban community from which many residents commute to the cities of Wilmington and Baltimore. Salem County, located in Southwestern New Jersey, is rural in nature.

### **Ratings**

AIGFSB's overall CRA rating is based on its performance under the Lending, Investment, and Service Tests in the Wilmington, DE-MD-NJ MD AA.

## **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of illegal discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs. Pursuant to 12 C.F.R. 195.28(c), in determining a Federal Savings Association's (FSA) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the Bank or FSA, or in any AA by an affiliate whose loans have been considered as part of the Bank's or FSA's lending performance. In April 2012, we conducted an examination of the Bank's Fair Lending practices to determine compliance with the 12 C.F.R. 202 Regulation B, Equal Credit Opportunity Act, the Fair Housing Act, the Fair Credit Reporting Act, and the Fair Housing Home Loan Data System regulation. We did not identify any violations of laws or regulations. Our testing did not reveal evidence of incomplete or late adverse action notices in compliance with Regulation B.

## Conclusions with Respect to Performance Tests

### LENDING TEST

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

The Bank's performance under the lending test is rated "High Satisfactory." Based on full-scope reviews, the Bank's performance in the Wilmington, DE-MD-NJ MD is good.

#### Lending Activity

Refer to Table 1 Lending Volume of Appendix C for the facts and data used to evaluate the Bank's lending activity. Table 1 shows the Bank's residential lending activity in its AA during the 42-month evaluation period that ended December 31, 2012.

The Bank originated the majority of its HMDA-related loans (54.6 percent) within its AA. By comparison, the Bank's deposit market share is 3.5 percent and ranks 30<sup>th</sup> out of 139 depository institutions in the AA. Lending in the AA remained comparable with the prior performance evaluation (18 months ended June 30, 2009) when AA lending comprised 56.6 percent of the total.

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

##### *Home Mortgage Loans*

Refer to Tables 2 and 4 in Appendix C for the facts and data used to evaluate the geographic distribution of the Bank's home mortgage loan originations/purchases.

A review of AIGFSB's home mortgage loans based on geographic distribution reflects excellent dispersion. Table 2 shows that 27.06 percent of the Banks HMDA-reported home purchased loans were in LMI geographies compared to 20.31 percent penetration by the aggregate HMDA reporters in the AA. Census data reflects owner occupied units in low-income geographies in the AA totaled 1.55 percent and 13.55 percent for moderate-income geographies. The Bank originated 0.97 percent of its home purchase loans in low-income geographies and 26.09 percent in moderate-income geographies.

Table 4 shows that 16.83 percent of the Bank's home mortgage loan refinancings were distributed among LMI geographies compared to 14.98 percent penetration by the aggregate share of HMDA reporters in the AA. This reflects that 1.98 percent and 14.85 percent of home mortgage refinance loans were originated in low-income and moderate-income geographies respectively. This is well above the census statistic measure for owner occupied housing.

Based on the Bank's operating constraints and competitive factors, the distribution of home mortgage loans in LMI geographies exceeds the standard for satisfactory performance.

##### *Small Loans to Businesses*

The Bank does not offer any small business loans.

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

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

Our review of the Bank's lending within the AA based on income level of the borrower, disclosed excellent lending distribution. Table 8 of Appendix C shows the distribution of home purchase loans by borrower income level for the Bank compared to aggregate lenders for the evaluation period. AIGFSB's lending to LMI borrowers for this product comprised 88.40 percent of its home purchase loan portfolio compared to aggregate HMDA lenders in the AA with 38.80 percent of their lending to LMI borrowers. Census data reflects that low-income families account for 3.40 percent of total borrowers in the AA, while moderate-income families account for 16.32 percent. By comparison, the Bank originated 45.89 percent of home purchase loans to low-income borrowers and 42.51 percent to moderate-income borrowers. This well exceeds the census statistical measures.

Table 10 in Appendix C shows that home mortgage refinance loans to LMI borrowers comprised 64.36 percent of the Bank's AA HMDA loans for refinance purposes compared to aggregate HMDA lenders with only 23.69 percent of refinance loans to LMI borrowers. The Bank originated 13.86 percent of home mortgage refinance loans to low-income borrowers and 50.50 percent to moderate-income borrowers. This well exceeds the census statistical measures for LMI families in the AA.

Based on the Bank's operating constraints and competitive factors, the distribution of home purchase and mortgage refinance loans to LMI borrowers exceeded the standard for satisfactory performance.

### **Community Development Lending**

Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the Bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

AIGFSB demonstrated a satisfactory response to community credit needs through lending to an organization that provides affordable multifamily housing in the broader Delaware statewide area, which includes the AA. During the review period, the Bank provided \$1.9 million to the Housing Loan funds of Delaware Community Investment Corporation ("DCIC") pursuant to its \$5 million commitment, made during prior evaluation periods. The mission of DCIC is to provide for community revitalization by taking direct action through the financing of, and investment in, housing and related activities designed to address the needs of LMI individuals and areas, as well as to aggregate and coordinate the use of public and private resources to improve and expand CD throughout Delaware. In addition to providing funding for affordable housing, DCIC has provided funding to day care facilities, charter schools, non-profit office buildings, community centers, medical facilities, theaters and arts centers, and mixed use retail/office/housing facilities. All of these projects provide qualified community services to LMI individuals, or are located in empowerment zones and assist in the revitalization of such. The total outstanding balance of the Bank's loans to DCIC, including prior period loans, totaled \$4.4 million as of June 30, 2013.

The Bank also made CD loans to two organizations within the AA in 2012:

- A loan of \$350,000 was made to NCALL Research, Inc.'s Loan Fund to develop affordable housing, community based facilities and other community projects. NCALL specializes in the development of

affordable housing, education and lending. They also offer pre-purchase counseling, financial literacy and default and foreclosure programs to the public. As an intermediary working on the Delmarva Peninsula, NCALL assists locally based nonprofit organizations to develop multi-family housing projects, through a variety of development services such as financial packaging, asset management, and organizational development. In 2012 the organization delivered 2,200 affordable rental units to LMI individuals.

- A loan of \$100,000 was also provided to First State Community Loan Fund (“FSCLF”) a not-for-profit Community Development Financial Institution that supports micro enterprises, small businesses, and affordable housing throughout the State of Delaware. FSCLF provides loan capital to small businesses, community organizations and developers of affordable housing throughout Delaware and Southeastern Pennsylvania (Chester and Delaware Counties). Based in Wilmington, DE, FSCLF provides a comprehensive array of financial and business development services for individuals at any stage of business. Current programs include the Business Savers Program, Technical Assistance Services, Microloans, Business Growth Loans, Community Development Loans, and Affordable Housing Loans. Founded in 1993, FSCLF has awarded more than \$25 million in loans, creating more than 1,500 jobs, 1,300 daycare and charter school slots, and more than 200 affordable housing units.

## **Product Innovation and Flexibility**

The Bank’s DHLP assisted qualified first-time homebuyers in the Bank’s AA through reduced interest rates on fixed-rate mortgage loans and up to 100 percent financing. These 30-year fixed-rate loans were available for both home purchase and home loan refinancing. The program’s customers were either LMI borrowers or were purchasing property located in a LMI CTs in the AA. DHLP loan volume, through the agreements with Gilpin, Wilmington Trust, Trident Mortgage, and WSFS totaled \$20.7 million. All of these programs include housing counseling components for first-time homebuyers.

## **INVESTMENT TEST**

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

The Bank’s performance under the investment test is rated “Outstanding.” Based on full-scope reviews, the Bank’s performance in the Wilmington, DE-MD-NJ MD and the state of Delaware is excellent.

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

During the review period, the Bank and its affiliates made significant CD investments to address the need for affordable housing, financial literacy for LMI individuals, foreclosure prevention and economic revitalization/development, both in the AA and in a broader statewide or regional area. Qualified investments totaled \$8.7 million, representing 0.9 percent of the Bank’s total assets, and consisted of numerous qualified CD investments and grants.

During the current evaluation period, the Bank purchased \$7.5 million of Delaware State Housing Authority (“DSHA”) bond issuances to fund loans to first-time homebuyers in a broader statewide area that included the AA. In addition, AIGFSB holds another \$2.3 million in DSHA bonds, which were purchased in prior evaluation periods. The mission of the DSHA is to efficiently provide, quality,

affordable housing opportunities and appropriate supportive services to LMI residents of Delaware. It also assists other Delaware organizations that provide similar services.

The Bank invested \$800,000 in the Solomon Hess SBA Loan Fund (the “Fund”). The Fund invests in the federally guaranteed portion of SBA Section 7(a) loan program loans, participations in such loans, or in certificates representing pools of such loans (the “Loans”). The 7(a) program loans the Fund acquires represent financing to businesses that meet the size eligibility standards of the SBA’s Development Company or Small Business Investment Company programs or have gross annual revenues of \$1 million or less. The Fund allocated to the Bank the following loans: i) \$500,000 of a \$546,000 loan to a small business located in a low-income CT in the Bank’s AA and ii) \$300,000 of a \$354,000 loan to a small business in Delaware that benefits residents of the Bank’s AA.

During the current evaluation period, the CRA Qualified Investment Fund purchased six loans to LMI borrowers totaling \$707,376 in the Bank’s AA which have been solely allocated to the Bank.

The Bank also had outstanding balances of \$445,000 and \$177,000 respectively in two Small Business Investment Companies; Innovation Ventures, L.P. and Argosy Partners, L.P. as of December 31, 2012. The Bank also had a \$594,000 balance in the DCIC’s Equity Fund for Housing Limited Partnership V, which invests in affordable housing. However, all of these investments were outside of the Bank’s AA.

AIG, Inc. and AIGFSB made a total of \$367,000 in qualified CD contributions during the evaluation period. The qualified contributions are listed below:

- \$145,000 to Delaware Financial Literacy (DFL): The mission of DFL is to help LMI individuals become equipped with the tools to get their financial lives in order so that they can become self-sufficient and enjoy financial well-being over time.
- \$85,000 was donated to organizations with the purpose of providing foreclosure prevention programs with the objective of providing affordable, sustainable, long-term loan modifications and restructurings to LMI homeowners who are facing foreclosure on their primary residence. They included \$20,000 to First State Community Action Agency, Inc., \$35,000 to Interfaith Community Housing of Delaware, Inc., and \$12,500 to Neighborhood House, Inc., \$10,000 to West End Neighborhood House, and \$7,500 to YWCA.
- \$20,000 to Nehemiah Gateway Community Development Corporation to help fund a Vita program of free tax preparation for over 12,000 low-income taxpayers in 20 community based tax sites throughout Delaware.
- \$50,000 to Wilmington Renaissance, which assists in the revitalization and stabilization of LMI areas of Wilmington by funding small businesses in the downtown district, which fight blight and provide jobs for LMI individuals.
- \$45,000 to DCIC. See Community Development Lending section above for detailed explanation of DCIC.
- \$22,000 to Junior Achievement (“JA”) of Delaware, which provides financial literacy classes in Delaware High Schools. There are 2,124 students enrolled in the JA program, of which according to JA census, 72.83 percent are from LMI families within the State of Delaware. The

total donation was \$30,000. Based on the JA census data, 72.83 percent of the total donation qualified as a CD contribution. Interagency guidance states that financial literacy programs in schools will get positive CRA consideration to the extent which they service LMI individuals.

## **SERVICE TEST**

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

The Bank's performance under the Service Test is rated "High Satisfactory". Based on full-scope reviews, the Bank's performance in the Wilmington, DE-MD-NJ MD is good.

### **Retail Banking Services**

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

AIGFSB does not operate a traditional branch network. The Bank's single full-service office was located in a low-income CT in downtown Wilmington, Delaware during most of the evaluation period. The income level of the CT was revised in 2012 to upper-income. However, the office is bordered primarily by low-income CTs. The Bank also provides services to its community by offering alternative methods of delivery to increase accessibility, including online account opening and access, as well as the through the telephone and mail. The Bank also offers surcharge free ATM transactions to both customers and non-customers.

### **Community Development Services**

During the review period, the Bank provided technical assistance to the following CD organizations in the AA, and a broader statewide area:

- Nehemiah Gateway Community Development Corporation (Nehemiah Gateway CDC)
  - Nehemiah Gateway CDC manages the Delaware Earned Income Tax Credit (EITC) Campaign. The purpose of the Delaware EITC Campaign is to promote the EITC by offering free tax preparation to Delaware residents making less than \$50,000 with dependents, and less than \$25,000 without dependents where they can claim this and other valuable credits. AIGFSB assisted with the outreach and marketing of financial services to low-income individuals by coordinating for local public service announcements and newspaper articles promoting the EITC campaign. Bank employees also assisted in the marketing of the financial services of the EITC campaign by rebranding the local campaign through a new logo. The Bank also researched and procured financial literacy brochures on subjects such as establishing credit, credit reports, credit cards and account fraud. The Bank provided the literature and display stands to all of the Delaware EITC tax sites. The Bank also provided employees from the accounting department to serve as Financial Resource Coordinators and Tax Preparers at a local EITC tax site during 2011 and 2012.
- DCIC - See Investment Test above for detailed explanation of group's activities.

- The Bank president and CEO provided technical assistance to DCIC throughout the evaluation period by serving on various DCIC board committees, including the Audit Committee, Asset Quality Credit Oversight Committee, as well as serving as the Chairman of the DCIC Board of Directors from 2011 to 2013.
- DFLI - See Investment Test above for detailed explanation of group's activities.
  - The Bank's President provided technical assistance based on his investment and loan underwriting knowledge to DFLI during the evaluation period by serving on the Board of Directors since 2007.
- Wilmington Renaissance - See Investment Test for detailed explanation of group's activities.
  - The Bank's President provided technical assistance to Wilmington Renaissance based on his investment and loan underwriting knowledge, by serving on its Board of Directors; and Chair of the Audit Committee. He has been a director since joining in 2001.
- Junior Achievement - See Investment Test for detailed explanation of group's activities.
  - An independent director of the Bank's Board of Directors (and the CRA Committee) serves on the Junior Achievement Delaware Board of Directors. He also provided assistance as the Chairman of the JA Board during 2010. He provides JA with financial and community development expertise.

## Appendix A: Scope of Evaluation

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 nonmetropolitan areas that received comprehensive evaluation 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): (07/01/09 to 12/31/12)<br>Investment and Service Tests and CD Loans: (07/01/09 to 12/31/12)  |   |
| <b>Financial Institution</b>                           | <b>Products Reviewed</b>   |   |
| AIG, Federal Savings Bank (“AIGFSB”)<br>Wilmington, DE | Home Mortgage Loans Purchase Loans and<br>Home Mortgage Refinance Loans reported on<br>the HMDA-LAR<br><br>Community development loans, investments<br>and services. |   |
| <b>Affiliate(s)</b>                                    | <b>Affiliate Relationship</b>  | <b>Products Reviewed</b>  |
| N/A  |  |   |
| <b>List of Assessment Areas and Type of Evaluation</b> |  |   |
| <b>Assessment Area</b>                                 | <b>Type of Evaluation</b>  | <b>Other Information</b>  |
| Delaware<br>Wilmington, DE-MD-NJ MD<br>#48864          | Full-Scope   | MD includes:<br>New Castle County, DE<br>Cecil County, MD<br>Salem County, NJ |

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

| Demographic Information for Full-Scope Area: Wilmington, DE-MD-NJ Metropolitan Division AA |            |            |                 |                      |              |            |
|--|------------|------------|-----------------|----------------------|--------------|------------|
| Demographic Characteristics  | #          | Low % of # | Moderate % of # | Middle % of #        | Upper % of # | NA* % of # |
| Geographies (Census Tracts/BNAs)   | 174        | 8.05       | 24.14           | 43.68                | 22.99        | 1.15       |
| Population by Geography  | 705,671    | 5.31       | 23.28           | 43.76                | 27.65        | 0.00       |
| Owner-Occupied Housing by Geography  | 187,241    | 2.53       | 19.58           | 46.14                | 31.75        | 0.00       |
| Businesses by Geography  | 51,255     | 11.34      | 13.74           | 46.27                | 28.56        | 0.00       |
| Farms by Geography   | 878        | 2.51       | 12.07           | 51.14                | 34.28        | 0.00       |
| Family Distribution by Income Level  | 127,997    | 18.53      | 17.33           | 23.55                | 40.59        | 0.00       |
| Distribution of Low- and Moderate-Income Families throughout AA Geographies                | 45,905     | 7.24       | 26.95           | 51.40                | 14.41        | 0.00       |
| Median Family Income   | = \$76,834 |            |                 |                      |              |            |
| HUD Adjusted Median Family Income for 2012   | = \$81,900 |            |                 |                      |              |            |
| Households Below the Poverty Level   | = 8%       |            |                 |                      |              |            |
|  |            |            |                 | Median Housing Value | = \$138,361  |            |
|  |            |            |                 | Unemployment Rate    | = 7.4%       |            |

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2000 U.S. Census, and 2011 HUD updated MFI.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “Bank” include activities of any affiliates that the Bank provided for consideration (refer to Appendix A: Scope of the Evaluation). 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/AA; (2) Partially geocoded loans (loans where no CT 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 percent Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE.

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

**Table 1.** **Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the Bank over the evaluation period by MA/AA. Community development loans to statewide or regional entities or made outside the Bank’s AA may receive positive CRA consideration. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 1. **Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the Bank over the evaluation period by MA/AA. 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 AA.
- 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 AA.
- 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/AA. 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** - 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/AA.

**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 AA. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

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

**Table 1. Lending Volume**

| LENDING VOLUME                                       |                                      |               |            |                           |            |                      |            |                               |            |                      |            |                                       |
|--|--------------------------------------|---------------|------------|---------------------------|------------|----------------------|------------|-------------------------------|------------|----------------------|------------|---------------------------------------|
| Geography: AIGFSB AA                                 |                                      |               |            |                           |            |                      |            |                               |            |                      |            |                                       |
| Evaluation Period: July 1, 2009 to December 31, 2012 |                                      |               |            |                           |            |                      |            |                               |            |                      |            |                                       |
| 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>                                  |                                      |               |            |                           |            |                      |            |                               |            |                      |            |                                       |
| MSA/MD: 48864 Wilmington, DE-MD-NJ                   | 54.6                                 | 308           | 48,993     | 0                         | 0          | 0                    | 0          | 12                            | 2,347      | 320                  | 51,340     | 3.53%                                 |
|  |                                      |               |            |                           |            |                      |            |                               |            |                      |            |                                       |

\* Loan Data as of December 31, 2012. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is *June 30, 2009* to December 31, 2012.

\*\*\* Deposit Data as of *December 31, 2012*. Rated Area refers to either the state, multi-state MA, or institution, as appropriate. Deposit Data as of 12/31/12 excludes omnibus sweep deposit accounts.

**Table 2. Geographic Distribution of Home Purchase Loans**

| Geographic Distribution: HOME PURCHASE |                           |              |                        |              |                             |              |                           |              |                          |              |                                |       |       | Geography: AIGFSB AA |  | Evaluation Period: July 1, 2009 to December 31, 2012 |  |
|--|---------------------------|--------------|------------------------|--------------|-----------------------------|--------------|---------------------------|--------------|--------------------------|--------------|--------------------------------|-------|-------|----------------------|--|--|--|
| 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 | Low                            | Mod   | Mid   | Upp                  |  |  |  |
| <b>Full Review:</b>                    |                           |              |                        |              |                             |              |                           |              |                          |              |                                |       |       |                      |  |  |  |
| Wilmington, DE-MD-NJ                   | 207                       | 100          | 1.55                   | 0.97         | 13.55                       | 26.09        | 59.95                     | 54.11        | 24.95                    | 18.84        | 1.71                           | 18.60 | 45.13 | 34.56                |  |  |  |
|  |                           |              |                        |              |                             |              |                           |              |                          |              |                                |       |       |                      |  |  |  |

\* Based on 2012 Peer Mortgage Data: Wilmington, DE-MD-NJ Metropolitan Division Region.

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

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

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

| Geographic Distribution: HOME MORTGAGE REFINANCE     |                                     |              |                        |              |                             |              |                           |              |                          |              |                                |       |       |       |
|--|-------------------------------------|--------------|------------------------|--------------|-----------------------------|--------------|---------------------------|--------------|--------------------------|--------------|--------------------------------|-------|-------|-------|
| Geography: AIGFSB AA                                 |                                     |              |                        |              |                             |              |                           |              |                          |              |                                |       |       |       |
| Evaluation Period: July 1, 2009 to December 31, 2012 |                                     |              |                        |              |                             |              |                           |              |                          |              |                                |       |       |       |
| 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 | Low                            | Mod   | Mid   | Upp   |
| <b>Full Review:</b>                                  |                                     |              |                        |              |                             |              |                           |              |                          |              |                                |       |       |       |
| Wilmington, DE-MD-NJ                                 | 101                                 | 100.00       | 1.55                   | 1.98         | 13.55                       | 14.85        | 59.95                     | 52.48        | 24.95                    | 30.69        | 1.13                           | 13.85 | 43.62 | 41.40 |
|  |                                     |              |                        |              |                             |              |                           |              |                          |              |                                |       |       |       |

\* Based on 2012 Peer Mortgage Data: Wilmington, DE-MD-NJ Metropolitan Division Region.

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

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

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

| Borrower Distribution: HOME PURCHASE |                           |              |                      |                  |                           |                  |                         |                  |                        |                  |               |       |       | Geography: AIGFSB AA |  | Evaluation Period: July 1, 2009 to December 31, 2012 |  |
|--------------------------------------|---------------------------|--------------|----------------------|------------------|---------------------------|------------------|-------------------------|------------------|------------------------|------------------|---------------|-------|-------|----------------------|--|--|--|
| 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**** | Low           | Mod   | Mid   | Upp                  |  |  |  |
| <b>Full Review:</b>                  |                           |              |                      |                  |                           |                  |                         |                  |                        |                  |               |       |       |                      |  |  |  |
| Wilmington, DE-MD-NJ                 | 207                       | 100.00       | 3.40                 | 45.89            | 16.32                     | 42.51            | 60.27                   | 2.90             | 23.41                  | 8.70             | 13.52         | 25.28 | 21.45 | 17.93                |  |  |  |
|                                      |                           |              |                      |                  |                           |                  |                         |                  |                        |                  |               |       |       |                      |  |  |  |

\* Based on 2012 Peer Mortgage Data: Wilmington, DE-MD-NJ Metropolitan Division Region.

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for [Percentage] of loans originated and purchased by Bank.

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

| Borrower Distribution: HOME MORTGAGE REFINANCE |                                     |               |                      |                   |                           |                   |                         |                   |                        |                   |                |       |       | Geography: AIGFSB AA |  | Evaluation Period: July 1, 2009 to December 31, 2012 |  |
|--|-------------------------------------|---------------|----------------------|-------------------|---------------------------|-------------------|-------------------------|-------------------|------------------------|-------------------|----------------|-------|-------|----------------------|--|--|--|
| 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 **** | Low            | Mod   | Mid   | Upp                  |  |  |  |
| <b>Full Review:</b>                            |                                     |               |                      |                   |                           |                   |                         |                   |                        |                   |                |       |       |                      |  |  |  |
| Wilmington, DE-MD-NJ                           | 101                                 | 100.00        | 3.40                 | 13.86             | 16.32                     | 50.50             | 60.27                   | 9.00              | 23.41                  | 27.00             | 7.00           | 16.69 | 21.11 | 32.69                |  |  |  |
|  |                                     |               |                      |                   |                           |                   |                         |                   |                        |                   |                |       |       |                      |  |  |  |

\* Based on 2012 Peer Mortgage Data: Wilmington, DE-MD-NJ Metropolitan Division Region.

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for [Percentage] of loans originated and purchased by Bank.

**Table 14. Qualified Investments**

| QUALIFIED INVESTMENTS |                           | Geography: AIGFSB AA |                            | Evaluation Period: July 1, 2009 to December 31, 2012 |                   |           |            |                        |           |
|-----------------------|---------------------------|----------------------|----------------------------|--|-------------------|-----------|------------|------------------------|-----------|
| 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>   |                           |                      |                            |  |                   |           |            |                        |           |
| Wilmington, DE        | 4                         | 4,878                | 12                         | 8,667  | 16                | 13,545    | 100.00     | 0                      | 0         |
|                       |                           |                      |                            |  |                   |           |            |                        |           |

\* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the evaluation 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: AIGFSB AA Evaluation Period: July 1, 2009 to December 31, 2012 |                                |                    |                                |   |      |      |        |                          |                      |   |      |      |      |                                       |       |       |       |
|---|--------------------------------|--------------------|--------------------------------|---|------|------|--------|--------------------------|----------------------|---|------|------|------|---------------------------------------|-------|-------|-------|
| 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>   |                                |                    |                                |   |      |      |        |                          |                      |   |      |      |      |                                       |       |       |       |
| Wilmington, DE=MD-NJ  | 100.00                         | 1                  | 100.00                         | 0.00  | 0.00 | 0.00 | 100.00 | 0                        | 0                    | 0.00  | 0.00 | 0.00 | 0.00 | 5.31                                  | 23.28 | 43.76 | 27.65 |
|   |                                |                    |                                |   |      |      |        |                          |                      |   |      |      |      |                                       |       |       |       |
|   |                                |                    |                                |   |      |      |        |                          |                      |   |      |      |      |                                       |       |       |       |

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