



## **PUBLIC DISCLOSURE**

June 2, 2014

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

Webster Bank, N.A.  
Charter Number 24469  
137 Bank Street - Webster Plaza  
Waterbury, CT 06072

Office of the Comptroller of the Currency

Assistant Deputy Comptroller – Midsize Bank Supervision  
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Chicago, Illinois 60606

**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.

## Table of Contents

<b>GENERAL INFORMATION AND OVERALL CRA RATING .....</b>	<b>2</b>
<b>DEFINITIONS AND COMMON ABBREVIATIONS .....</b>	<b>4</b>
<b>DESCRIPTION OF INSTITUTION .....</b>	<b>8</b>
<b>SCOPE OF THE EVALUATION.....</b>	<b>9</b>
<b>FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW .....</b>	<b>10</b>
<b>MULTISTATE METROPOLITAN AREA RATING .....</b>	<b>11</b>
PROVIDENCE-NEW BEDFORD-FALL RIVER (RI-MA) MMSA .....	11
<b>STATE RATING .....</b>	<b>19</b>
STATE OF CONNECTICUT .....	19
STATE OF MASSACHUSETTS .....	40
STATE OF NEW YORK .....	48
<b>APPENDIX A: SCOPE OF EXAMINATION .....</b>	<b>A-1</b>
<b>APPENDIX B: SUMMARY OF MULTISTATE METROPOLITAN AREA AND STATE RATINGS.....</b>	<b>B-1</b>
<b>APPENDIX C: MARKET PROFILES FOR FULL-SCOPE AREAS .....</b>	<b>C-1</b>
<b>APPENDIX D: TABLES OF PERFORMANCE DATA .....</b>	<b>D-1</b>

## General Information and Overall CRA Rating

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income (LMI) neighborhoods, consistent with the safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of Webster Bank, N.A. (Webster or the bank) issued by the OCC, the institution's supervisory agency, for the evaluation period ending June 2, 2014. The agency rates the CRA performance of an institution consistent with the provisions set forth in appendix A to 12 CFR Part 25.

**Institution's CRA Rating:** This institution is rated **Satisfactory**.

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

Performance Levels	Webster Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	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 originates a majority of loans inside its assessment areas (AA);
- The bank's lending activity is good;
- The bank's overall geographic distribution of loans is good, as evidenced by overall good home mortgage performance and excellent small loans to businesses performance;
- The bank's overall borrower income distribution of loans is good, as evidenced by overall good distribution of home mortgage loans by income level of borrower and good distribution of loans to businesses with different revenue sizes;
- Community development (CD) lending had a significantly positive impact on the Lending Test in New York and the Providence-New Bedford-Fall River MMSA, a positive impact in Connecticut, and a neutral impact in Massachusetts. Loans supported affordable housing initiatives, activities that promoted economic development in the AAs, and activities that

revitalized or stabilized LMI census tracts;

- The bank has an overall good level of qualified CD investments that are responsive to community needs;
- Overall, bank branches are accessible to people and geographies of different income levels. Hours are generally good with no significant differences between branches located in different income levels. The bank offers an adequate level of services through alternate delivery systems. The record of opening or closing offices has not adversely impacted access to banking services. In Connecticut, Massachusetts, and New York, service delivery systems are accessible to essentially all portions of the AAs, equivalent with the size and scope of operations of the bank. In the Providence-New Bedford-Fall River MMSA, the bank's branches were readily accessible to geographies and individuals of different income levels in the AAs; and
- Webster provides a relatively high level of CD 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) – 2000 Census:** 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.

**Census Tract (CT) – 2010 Census:** Small, relatively permanent statistical subdivisions of a county delineated by local participants as part of the U.S. Census Bureau's Participant Statistical Areas Program. The primary purpose of CTs is to provide a stable set of geographic units for the presentation of decennial census data. CTs generally have between 1,500 and 8,000 people, with an optimum size of 4,000 people.

**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, 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 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 preapproval and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, 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) – 2000 Census:** 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.

**Median Family Income (MFI) – 2010 Census:** The median income derived from the United States Census Bureau's American Community Survey data every 5 years and used to determine the income level category of geographies. Also, it is the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level of individuals within a geography. For any given geography, 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 (MSA):** 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 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

Webster is a midsize, interstate bank headquartered in Waterbury, CT. Webster is a subsidiary of Webster Financial Corporation, a \$21.18 billion bank holding company also located in Waterbury, CT. Webster conducts business in the states of Connecticut, Massachusetts, New York, and Rhode Island. As of March 31, 2014, Webster had total assets of \$21.15 billion, total loans of \$13.01 billion, and Tier One Capital of \$1.71 billion.

Webster primarily engages in generating deposits and originating loans. According to the FDIC Deposit Market Share Report dated June 30, 2013, Webster had deposits of \$15.03 billion. Webster is the second largest commercial bank operating in the state of Connecticut and the largest financial institution doing business in the New Haven –Milford, CT Metropolitan Statistical Area (MSA). As of March 31, 2014, the bank had net of loans of \$12.84 billion, representing 60.71 percent of total assets. Approximately 69.64 percent of the bank's loan portfolio was comprised of real estate loans, of which commercial real estate and 1-4 family residential properties (29.20 percent and 65.20 percent, respectively) represented the predominant portion of the loan portfolio. Commercial and industrial loans made up 27.63 percent of the total loan portfolio. Government loans and consumer loans each accounted for less than one percent of the total loan portfolio.

Webster is a full-service bank with 166 full-service banking offices and 259 deposit-taking Automated Teller Machines (ATMs) across its footprint. Although the bank's business strategy is not limited to any one business line, its primary focus is retail banking in addition to providing banking services to small and middle market businesses, municipalities, and nonprofit organizations. Webster offers a full range of loan and deposit products to businesses and individuals, including alternative retail services, such as direct deposit and access to electronic banking services (bill payment, mobile banking, and electronic statements). The bank offers a standard product mix of loans, including FHA, VA, SBA, and student loans. Webster maintains a trust department and private banking business line. The bank also offers health savings account administration services to individuals and employers through HSA Bank, a division of Webster Bank.

The bank offers various other financing, investment, and financial planning options and services through its operating subsidiaries and affiliates of the holding company. Webster Business Credit Corporation, an asset based lending firm; Webster Growth Capital Corporation, a mezzanine finance provider; and Webster Capital Finance Inc., an equipment finance company, are subsidiaries of the bank. Webster Investment Services, Inc., a subsidiary of Webster, offers retail-based investment products through a third-party broker-dealer relationship with LPL Financial Services. Financial planning services are provided through Fleming, Perry, & Cox, Inc., a wholly owned subsidiary of the bank's holding company, Webster Financial Corporation. Webster Licensing, LLC is a subsidiary of the holding company that holds a license for bill pay services.

In addition, the bank has 32 other affiliates that do not offer products or services directly to consumers, including 24 entities that were established to hold real estate owned transactions. The remaining entities are investment vehicles, a Qualified Community Development Entity, a mortgage company, and other operating subsidiaries. The activities of these related entities had no CRA impact on the bank during the evaluation period. The bank did not have any merger or acquisition activity during the evaluation period.

There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its AAs. The bank received a Satisfactory rating in its previous CRA evaluation dated February 7, 2011.

## **Scope of the Evaluation**

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

We analyzed home purchase, home improvement, and home refinance mortgage loans that the bank reported under the Home Mortgage Disclosure Act (HMDA) and small loans made to businesses the bank reported under the Community Reinvestment Act (CRA), for the period of January 1, 2011 through December 31, 2013. Multifamily loans are not a primary loan product; therefore, we did not evaluate this product separately. However, we did consider multifamily loans meeting the CD definition as part of the evaluation of CD lending. Primary loan products for this review are products in which the bank originated at least 20 loans within the AA during the evaluation period. Performance Tables 1 through 12 in appendix D include only data covered by the 2010 Census, namely 2012 through 2013. Data from 2011 is discussed in the applicable narrative sections of the evaluation. We reviewed CD loans, investments, and services for the period of February 7, 2011 through June 4, 2014.

### **Data Integrity**

As part of our ongoing supervision of the bank, we tested the accuracy of the bank's HMDA and CRA lending data. We also reviewed the appropriateness of CD activities provided for consideration of our evaluation. This included testing of CD loans, investments, and services for accuracy and to determine if they qualify as CD as defined in the CRA regulation. Our testing indicated no substantive inaccuracies in the data. Therefore, we concluded that the home mortgage loans, small loans to businesses, and CD activities data could be relied upon for this examination.

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

We selected at least one AA in each state where the bank has an office for a full-scope review. In addition, we reviewed the bank's performance within one Multistate Metropolitan Area where the bank operated branches in at least two states within the Multistate Metropolitan Area using full-scope procedures. Full-scope reviews consider performance context, quantitative, and qualitative factors. In general, the AAs selected for the full-scope review were chosen because they represented a significant portion of the bank's deposit base and lending business in that state and multistate area. The other AAs in each state were analyzed using limited-scope procedures. Limited-scope procedures consider quantitative factors only. Refer to the "Scope" section under each State and Multistate Metropolitan Area Rating section for details regarding how we selected the areas for review.

### **Ratings**

In this evaluation, we placed more weight on the bank's performance in 2012 through 2013 than to its performance in 2011 to reach our conclusions. The bank's overall rating is a blend of the Multistate Metropolitan Area rating(s) and state ratings, based on results in those areas that received full-scope reviews. The state of Connecticut carried the greatest weight in our conclusions because it represents the bank's most significant market in terms of deposit concentrations, branch distribution, and CRA reportable loans. At June 30, 2013, the state of Connecticut represented 85.68 percent of total deposits,

74.00 percent of the branch network, and 84.18 percent of the CRA reportable loans during the evaluation period. Refer to the “Scope” section under each State and Multistate Metropolitan Area Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Additionally, when evaluating the bank’s performance under the lending test, we placed a higher value on the bank’s distribution of home mortgage loans than the distribution of small business loans. Within the home mortgage category, greater weight was placed on home refinance and home purchase loans, with home improvement loans receiving substantially less weight. We placed emphasis on home loans due to it being the bank’s primary loan product and based on the affordable housing credit needs in all AAs. Secondary emphasis was placed on small business loan performance due to the identified community credit need in all AAs.

### **Inside/Outside Ratio**

The ratio is a bank-wide calculation and not calculated by individual rating area or AA. Analysis is limited to bank origination and purchases and does not include any affiliate data. For the combined three-year evaluation period, Webster originated a majority of all loan products inside the bank’s AAs (93.70 percent). The percentage in number of loans made inside the AAs by loan type are as follows: home refinance loans (92.51 percent), home purchase loans (88.93 percent), home improvement loans (95.11 percent), and small loans to businesses (96.72 percent).

### **Other Performance Data – Investment Test**

In addition to qualified CD investments made within the bank’s AAs and broader statewide areas, including the bank’s AAs, Webster made investments in the broader regional area and nationwide area that includes the bank’s AAs. These investments were considered in the analysis of the overall bank’s investment test performance. These investments include the following:

- One current period investment of \$1.00 million that supported a Small Business Investment Company (SBIC) Mezzanine Fund, focusing on investing in lower middle market companies primarily headquartered on the East Coast of the United States.
- One prior period investment of \$109 thousand in a Low Income Housing Tax Credit in the state of New Jersey.
- One prior period investment of \$22 thousand in a Low Income Housing Tax Credit that supported affordable housing in the state of Texas.

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

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank’s (bank) or Federal saving association’s (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank’s or FSA’s lending performance.

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

## Multistate Metropolitan Area Rating

### Providence-New Bedford-Fall River (RI-MA) MMSA

<b>CRA rating for the MMSA<sup>1</sup>:</b>	<b>Outstanding</b>
<b>The lending test is rated:</b>	<b>Outstanding</b>
<b>The investment test is rated:</b>	<b>Outstanding</b>
<b>The service test is rated:</b>	<b>Outstanding</b>

The major factors that support this rating include:

- An excellent level of lending for home mortgage loans and small loans to businesses;
- A good geographic distribution of home mortgage loans and excellent distribution for small loans to businesses, as evidenced by excellent home purchase and multifamily distribution, good home improvement and home refinance distribution, and excellent small loans to businesses distribution;
- A good distribution, based on borrower income level, of home mortgage and small loans to businesses;
- A significantly positive level of CD loans that were responsive to community needs;
- An excellent level of CD investments and donations that addressed the need for financial literacy and affordable housing targeted to LMI families;
- A branch distribution that is readily accessible to LMI geographies and individuals; and
- An excellent level of CD services that were highly responsive to community needs.

### Description of Institution's Operations in the Providence-New Bedford-Fall River (RI-MA) MMSA

The bank's AA consists entirely of the Providence-New Bedford-Fall River (RI-MA) MMSA (Providence MMSA). This AA includes the entire state of Rhode Island and Bristol County in Massachusetts. Webster offers a full range of banking services in the AA through its 24 branches and 27 deposit-taking ATMs. These branches account for 14.46 percent of the bank's total branch network. Webster closed two branches and five ATMs during the evaluation period, none of which were located in LMI geographies. Banking in the AA is highly competitive with 31 deposit-taking institutions. Based on June 30, 2013 FDIC Deposit Market Share data, Webster ranks seventh, with a deposit market share of 2.80 percent. The top five depository institutions include: RBS Citizens, Bank of America, Santander Bank, The Washington Trust Company of Westerly, and Bank Rhode Island. These five institutions account for 76.40 percent of total deposits in the AA. Webster's \$1.04 billion in deposits in this AA account for 6.93 percent of the bank's total deposits.

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<sup>1</sup> This rating reflects performance within the multistate metropolitan area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan area.

Refer to the market profile for the Providence MMSA AA in appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

## **Scope of Evaluation in Providence-New Bedford-Fall River (RI-MA) MMSA**

Webster has one AA in the Providence-New Bedford-Fall River (RI-MA) MMSA. As a result, we performed a full-scope review of the entire Providence-New Bedford-Fall River (RI-MA) MSA (#39300).

## **LENDING TEST**

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

The bank's performance under the lending test in the Providence MMSA AA is rated "Outstanding." Based on the full-scope review, the bank's performance in the AA is excellent.

### **Lending Activity**

Refer to Table 1, Lending Volume, in the Providence MMSA AA section of appendix D for the facts and data used to evaluate the bank's lending activity.

Lending activity in the Providence MMSA AA is excellent, considering the strong competition for all types of loans in the bank's AAs. In the AA, Webster had a deposit market share of 2.80 percent as of June 30, 2013, and ranked seventh among 31 depository institutions. Competition for home purchase lending was strong, with 335 lenders in the AA. Webster ranked 12<sup>th</sup> in home purchase lending with a 2.01 percent market share. For home improvement lending, the bank ranked seventh with a 4.29 percent market share. Home refinance lending is highly competitive with 434 total lenders in the AA. Webster ranked 15<sup>th</sup> in home refinance lending with 1.57 percent market share. Webster ranked first in multifamily lending with 9.02 percent market share.

Small business lending is highly competitive in the AA. Webster ranked 14<sup>th</sup> out of 87 total lenders for small business lending, with a market share of 1.29 percent. The top five lenders control a majority of the market with a combined market share of 65.71 percent. Individual market shares of these national credit card banks ranged from 7.66 percent to 24.20 percent.

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

Overall, Webster's geographic distribution of loans in the Providence MMSA AA is good. In performing our analysis, we placed greater weight on the bank's home mortgage lending as home mortgage loans represented the majority of the bank's CRA reportable lending activity. Within home mortgage lending, more weight was given to refinance loans based on amount of originations during the evaluation period.

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

Overall, the geographic distribution of home mortgage loans is good. In evaluating the geographic distribution of home loans in the Providence MMSA AA, it is important to note that the AA's LMI

census tracts contain a low percent of owner-occupied housing units, and are primarily renter-occupied markets. According to the 2010 U.S. Census, 64.39 percent of total housing units in low-income geographies are renter-occupied units and 50.28 percent of total housing units in moderate-income geographies are renter-occupied units. Per the 2000 U.S. Census, 70.00 percent of total housing units in low-income geographies are renter-occupied units, and 60.64 percent of total housing units in moderate-income geographies are renter-occupied units.

Refer to Tables 2, 3, 4, and 5 in the Providence MMSA 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 purchase loans is excellent. In 2012 and 2013, the geographic distribution of home purchase loans was excellent. The percentage of loans in low-income geographies exceeded the percentage of owner-occupied units in these geographies. The percentage of loans in moderate-income geographies exceeded the percentage of owner-occupied units in these geographies. Webster's market share during the period was excellent. The bank's market share in both LMI geographies exceeded the overall market share. Performance in 2011 was weaker than 2012 and 2013, and was considered good. This was due to weaker performance in low-income geographies. With an overall market share of less than one percent, a market share analysis was not meaningful.

The overall geographic distribution of home improvement loans is good. The bank's geographic distribution of home improvement loans in 2012 and 2013 was good. The percentage of loans in low-income geographies was below the percentage of owner-occupied units in these geographies. The percentage of loans in moderate-income geographies was near the percentage of owner-occupied units in such geographies. The bank's market share during this period was adequate. The bank's market share in low-income geographies was below the overall market share. The bank's market share in moderate-income geographies equaled the overall market share. The bank's performance in 2011 was not inconsistent with the performance noted in 2012 through 2013.

The overall geographic distribution of home refinance loans is good. The bank's geographic distribution of home refinance loans during 2012 through 2013 was good. The percentage of loans in low-income geographies was well below the percentage of owner-occupied units in these geographies. The portion of loans in moderate-income geographies was near the percentage of owner-occupied units in these geographies. The bank's market share during this period was excellent. The bank's market share in LMI geographies exceeded the overall market share in these geographies. The bank's geographic distribution of home refinance loans during 2011 was weaker and considered adequate due to weaker performance, particularly in low-income geographies. Webster's market share during 2011 was good. The bank's market share in low-income geographies was below the overall market share. The bank's market share in moderate-income geographies exceeded the overall market share for home refinance loans.

The overall geographic distribution of multifamily loans is excellent. The geographic distribution of multifamily loans during 2012 and 2013 was excellent. The percentage of loans in low-income geographies exceeded the percentage owner-occupied units in these geographies. The percentage of loans in moderate-income geographies exceeded the percentage of owner-occupied units in such geographies. The bank's market share during this period was excellent. The bank's market share in both LMI geographies exceeded the overall market share for multifamily loans. The bank did not originate or purchase a sufficient number of loans in 2011 for a meaningful analysis.

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

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

The overall geographic distribution of small loans to businesses is excellent. The bank's geographic distribution of small loans to businesses in 2012 through 2013 was excellent. The portion of loans in low-income geographies exceeded the percentage of businesses in those geographies. The portion of loans in moderate-income geographies exceeded the percentage of small businesses in these geographies. The bank's market share was excellent. The bank's market share in both LMI geographies exceeded the overall market share. The bank's performance in 2011 was not inconsistent with performance noted in 2012 through 2013.

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

We reviewed summary reports and maps and analyzed Webster's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

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

The overall distribution of lending by income level of borrower is good. As noted previously, we placed greater weight on the bank's home mortgage lending as home mortgage loans represented the majority of the bank's CRA reportable lending activity. Additionally, we considered the impact that higher poverty and unemployment rates would have on lending performance in the AA as part of our conclusions. More weight was given to the bank's performance in 2012 and 2013 than its performance in 2011.

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

Overall, the borrower distribution of home mortgage loans is good. In evaluating the borrower distribution of home loans, it is important to note that according to 2010 U.S. Census data, 8.55 percent of families in the AA are below the poverty level. In addition, unemployment in the AA remains higher than the national average, 9.30 percent versus 6.50 percent, respectively at December 2013. These factors make lending to LMI individuals challenging.

Refer to Tables 8, 9, and 10 in the Providence MMSA 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 purchase loans is excellent. The bank's borrower distribution of home purchase loans during 2012 through 2013 was excellent. The percentage of home purchase loans to low-income borrowers was near the percentage of such families. The portion of loans to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share during the period was excellent. The bank's market share to low-income borrowers exceeded the overall market share. The bank's market share to moderate-income borrowers was near the overall market share. Webster's distribution of home purchase loans during 2011 was weaker but considered adequate due to weaker performance to low-income families that offset good performance to moderate-

income borrowers during the period. With an overall market share of less than one percent, a market share analysis was not meaningful.

The overall borrower distribution of home improvement loans is excellent. The bank's distribution of home improvement loans for 2012 through 2013 was excellent. The percentage of loans to low-income borrowers was near to the percentage of low-income families. The percentage of loans to moderate-income families exceeded the percentage of such families. The bank's market share during the period was excellent. The bank's market share of loans to low-income borrowers was near the overall market share. The bank's market share in moderate-income geographies exceeded the overall market share. The bank's performance during 2011 was weaker and considered good due to weaker performance to low-income borrowers. The bank's market share in 2011 was not inconsistent with the market share during 2012 through 2013.

The overall borrower distribution of home refinance loans is good. The bank's distribution of home refinance loans for 2012 and 2013 was good. The percentage of refinance loans to low-income borrowers was well below the percentage of low-income families. The percentage of loans to moderate-income families exceeded the percentage of such families. The bank's market share was excellent. The bank's market share to low-income borrowers was near the overall market share. The bank's market share to moderate-income borrowers exceeded the overall market share. The bank's performance in 2011 was not inconsistent with the performance noted during 2012 through 2013.

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

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

The overall borrower distribution of small loans to businesses is good. The bank's borrower distribution of small loans to businesses in 2012 and 2013 was considered good. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1.00 million or less) was below the percentage of small businesses. This performance was enhanced by an excellent market share. The bank's market share of loans to small businesses exceeded the overall market share. The bank's performance in 2011 was not inconsistent with the performance noted during 2012 through 2013.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the Providence MMSA AA section of appendix D 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. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

Webster's level of CD lending had a significantly positive impact on its overall lending performance in the Providence MMSA AA. Webster reported 10 loans totaling \$19.39 million to organizations and companies that provide community services targeted to LMI individuals, promote economic development, and activities that revitalize/stabilize LMI geographies. The total outstanding dollar amount represents 16.33 percent of allocated capital.

Specific examples of two noteworthy CD loans originated during this evaluation period include:

- Webster originated five notes, totaling \$1.11 million, to a nonprofit organization that provides residential group homes, vocational counseling, training programs, and services to mentally handicapped and disabled individuals in the AA.
- Webster originated an \$8 million loan to a manufacturing company located in the AA, which provided the financial means to support the company's plans to expand, but stay located inside the AA. This was done for the benefit of the workforce and community, as the AA recovers from the economic downturn and Tropical Storm Irene.

## **Product Innovation and Flexibility**

Webster offers a product mix of flexible loans in the Providence MMSA AA, which has a positive impact on the bank's lending performance. These loan programs include FHA, Fannie Mae Refinance, Home Ownership Possibilities for Everyone (HOPE) mortgages, My Community Mortgages (MCM30), Massachusetts Housing Finance Authority mortgages, United States Department of Agriculture (USDA) mortgages, and Webster Bank Affordable Refinance loans. These loan programs offer flexibility in payment terms, credit guidelines, and down payments. Webster targets HOPE and MCM30 mortgages specifically to LMI individuals; however, the intended purpose of all loan programs is to make owning or rehabilitating a home in the AA more affordable. Webster originated 526 loans that were considered innovative or flexible in the AA, totaling \$89.40 million.

Webster's innovative and flexible product mix also includes several Small Business Association (SBA) loan programs, as well as the bank's Unsecured Small Business Lines of Credit. Webster originated 241 innovative and flexible small business loans in the AA, totaling \$29.51 million.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in the Providence MMSA AA is rated "Outstanding." Based on a full-scope review, the bank's performance in the Providence MMSA AA is excellent.

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

During the evaluation period, the bank originated 57 investments, grants, and donations, totaling \$9.09 million. In addition, three prior period investments remained outstanding at the end of the evaluation period, with a total book value of \$1.30 million. The total investments of \$10.39 million in the AA represent 8.75 percent of allocated capital, reflecting excellent performance.

The bank's responsiveness to the CD needs in the AA is also excellent. Community contacts identified affordable housing as a significant credit need in the AA; 89.41 percent of Webster's qualified investments, donations, and grants went towards affordable housing. This included an \$8.18 million investment in mortgage-backed securities where the underlying mortgages were made to LMI borrowers in the AA. The bank also made a \$750 thousand investment in a CDFI focused on stimulating economic and industrial growth in the AA. Webster made 28 donations and grants that supported services for LMI individuals, with an additional 13 supporting affordable housing.

## **SERVICE TEST**

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

The bank's performance under the service test in the Providence MMSA AA is rated "Outstanding." Based on a full-scope review, the bank's performance in the Providence MMSA AA is excellent.

#### **Retail Banking Services**

Refer to Table 15 in the Providence MMSA 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 branch distribution in the AA is excellent. The bank's branch distribution in 2012 through June 2, 2014, is excellent. Branches were readily accessible to geographies and individuals of different income levels. The percentage of Webster's branches in low-income geographies exceeded the percentage of population living in these geographies. The percentage of Webster's branches in moderate-income geographies was near to the percentage of population living in such geographies. The bank's branch distribution in 2011 was not inconsistent with performance noted in 2012 through June 2, 2014.

Branch openings and closings have generally not adversely affected the accessibility of the bank's delivery systems to LMI geographies or individuals. Webster did not open or close any branches during 2012 or 2013. The bank closed two branches due to poor financial performance in 2011. These branches were located in middle- and upper-income geographies.

Webster's hours and services offered throughout the AA do not vary in a way that inconvenience portions of the AA, particularly LMI individuals. Services offered and hours of operation are comparable among locations regardless of the income level of the geography.

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, ATMs, and telephone banking; these delivery methods provide increased access to banking services throughout all areas in the AA. We placed no significant weight on these alternative delivery systems, as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals.

#### **Community Development Services**

Webster's performance in providing CD services in the Providence MMSA AA is excellent. In the AA, seven bank employees provided their expertise to eight different CD organizations, serving as board or committee members; the bulk of these organizations focused on either economic development or affordable housing in the AA. One employee collaborated with a CD organization and provided monthly seminars on obtaining business financing. In addition, 20 employees participated in 95 CD activities, consisting of first-time homebuyer seminars and information sessions regarding mortgage programs. These educational activities reached 1,387 LMI individuals and were responsive to the identified community needs of affordable housing and financial literacy.

Webster continues to offer an "Opportunity Checking Account" product to meet the needs of un-banked consumers who are ineligible to open regular checking accounts. The account offers access to regular

banking services, such as direct deposit, check writing, ATM cards, and online services, giving these consumers the opportunity to re-establish themselves as banking customers and provide financial stability. Also, to help meet the needs of LMI families in the AA, the bank waives foreign ATM card access fees for State Assistance Electronic Benefit Transfer (EBT) at Webster-owned ATMs. We placed no significant weight on these bank products and services in our analysis, as the bank did not maintain metrics to determine their effectiveness in helping to meet the needs of LMI individuals.

## State Rating

### State of Connecticut

<b>CRA Rating for Connecticut:</b>	<b>Satisfactory</b>
<b>The lending test is rated:</b>	<b>High Satisfactory</b>
<b>The investment test is rated:</b>	<b>High Satisfactory</b>
<b>The service test is rated:</b>	<b>High Satisfactory</b>

The major factors that support this rating include:

- An excellent level of lending for home mortgage loans and small loans to businesses;
- Overall good geographic distribution. Adequate home mortgage loan performance was positively impacted by excellent small loans to businesses performance;
- An overall good borrower income distribution, as evidenced by good home mortgage and small loans to small businesses loan performance;
- CD lending was overall positive in the state, with neutral performance in New Haven, positive performance in Hartford, and significantly positive performance in Bridgeport;
- A good level of qualified investments that were responsive to community needs, as evidenced by excellent performance in the Hartford AA and good performance in the New Haven and the Bridgeport AAs;
- A branch distribution that was accessible to LMI individuals and geographies; and
- An excellent level of CD services that were responsive to community needs.

### Description of Institution's Operations in Connecticut

Webster has five AAs within the State of Connecticut. These AAs included the Bridgeport MSA, comprised of Fairfield County; the Hartford MSA, comprised of Hartford, Middlesex, and Tolland Counties; the New Haven MSA, comprised of New Haven County; the Norwich MSA, comprised of New London County; and the CT non-MSA area, which includes Litchfield County.

Webster provides a full range of loan and deposit products to all AAs. Webster has 123 branches within the state, representing 74.00 percent of the bank's total branch network. There were two branch openings and 11 branch closings in the state during the evaluation period. Webster had 209 deposit-taking ATMs within the AA, representing 81.00 percent of the bank's total ATM network. As of June 30, 2013, the bank ranked second in the state in deposits, representing a 12.03 percent market share. Webster's statewide deposits totaled \$12.88 billion. The New Haven AA is the bank's most significant AA in the state, accounting for 44.44 percent of total bank deposits.

Bridgeport MSA

The banking industry is highly competitive in the AA and includes branches of national and regional banks, local community banks, credit unions and other nonbank financial institutions. As of June 30, 2013, Webster ranked eighth in AA deposits, representing a 3.68 percent market share. The five largest competitors in the AA include Peoples United Bank, Bank of America, JPMorgan Chase Bank, Wells Fargo Bank, and Citibank.

Hartford MSA

The banking industry is highly competitive in the AA and includes branches of national and regional banks, local community banks, credit unions and other nonbank financial institutions. As of June 30, 2013, Webster had total deposits of \$4.14 million and ranked second in the AA in deposits, representing a 10.41 percent market share. Deposits in the AA represented 32.12 percent of the total deposits in the state and 27.52 percent of the total bank deposits. The five largest competitors in the AA include Bank of America, TD Bank, People's United Bank, First Niagara Bank, and Liberty Bank.

New Haven MSA

As of June 30, 2013, there were 28 financial service providers with branches in the AA. Webster ranked first in the AA in deposits, representing a 29.91 percent of market share. The five largest competitors in the AA include Wells Fargo Bank, Bank of America, People's United Bank, First Niagara Bank, and TD Bank.

Refer to the market profiles for the state of Connecticut in appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

**Scope of Evaluation in Connecticut**

For the state of Connecticut, we completed a full-scope review of the Bridgeport MSA, Hartford MSA, and the New Haven MSA. The Norwich MSA and CT Non-MSA areas received limited-scope reviews. The New Haven MSA, Hartford MSA, and Bridgeport MSA received full-scope reviews due to the high percentage of deposits in these areas (44.44 percent, 27.52 percent and 8.56 percent, respectively). These AAs also had the largest volume of total reportable loans in the state as follows: New Haven with 25.72 percent; Hartford MSA with 47.41 percent; and Bridgeport MSA with 16.48 percent. Branch distribution within the state shows New Haven with 19.88 percent of the total branches, Hartford with 30.72 percent, and Bridgeport with 15.06 percent. Ratings are based primarily on results of the full-scope areas. The New Haven MSA AA received the most weight on final ratings because this AA had the largest percent of the bank's deposits, loans, and branches in Connecticut. The volume of multifamily loans was not significant enough to provide a meaningful analysis, with the exception of the Hartford AA. Refer to the tables in appendix A for more information on the Connecticut AAs.

**LENDING TEST****Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the lending test in Connecticut is rated "High Satisfactory." Based on full-scope reviews, the bank's performance in the New Haven and Hartford AAs is good and excellent in the Bridgeport AA.

## **Lending Activity**

The bank's overall lending activity in the state of Connecticut is excellent, considering the strong competition for all types of loans in the bank's AAs. The bank's excellent performance in originating home mortgage loans and small business loans when compared to its local competitors supports this conclusion.

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 lending activity.

### Bridgeport MSA

Webster's lending activity in the Bridgeport MSA is excellent. Home mortgage lending activity is excellent and small business lending activity is excellent considering the competition in the AA.

Based upon FDIC Deposit Market Share data as of June 30, 2013, Webster achieved a 3.68 percent market share of deposits, ranking eighth among 32 financial institutions in the AA, ranking them in the top 25.00 percent of total depository banks. Based upon 2012 Peer Mortgage Data, Webster achieved a 1.79 percent market share of home purchase loans, ranking 14<sup>th</sup> among 264 reporting lenders and is equivalent to being in the top 6.00 percent of lenders. The bank achieved a 6.70 percent market share of home improvement loans, ranking fourth among 93 reporting lenders and is equivalent to being in the top 5.00 percent of lenders. The bank also achieved a 1.59 percent market share of home refinance loans, ranking 14<sup>th</sup> among 400 reporting lenders and is equivalent to being in the top 4.00 percent of lenders. Given the competition from the other reporting lenders in the AA and the bank's higher lender rankings for each product, mortgage lending activity is excellent, even though the lending market share for a substantial portion of these products was below the deposit market share. Webster achieved a 1.44 percent market share of small loans to businesses, ranking 10<sup>th</sup> among 85 reporting lenders, or the top 12.00 percent of lenders. The small business lending activity is excellent given the bank's market share and ranking when compared to the deposit market share and small business lending competition within the AA. The top five lenders for small business lending consist of the nation's largest credit card lenders and collectively have 76.48 percent of the market share.

### Hartford MSA

Webster's lending activity in the Hartford MSA is excellent. Home mortgage lending activity is excellent and small business lending activity is excellent considering competition in the AA.

Based on FDIC Deposit Market Share data as of June 30, 2013, Webster ranked second among 30 institutions and achieved a 10.41 percent market share in the AA. Based on 2012 Peer Mortgage Data, Webster had market share of 3.71 percent and ranked second among 277 reporting lenders for home purchase lending, equivalent to being in the top 1.00 percent of lenders. For home improvement lending, market share was 10.05 percent and the bank ranked second among 120 reporting lenders, or the top two percent of lenders. Webster's market share for home refinance lending was 4.33 percent and the bank ranked fourth out of 390 lenders, or the top 1.00 percent of lenders. Webster ranked second among 38 lenders for multifamily lending, or the top 5.30 percent of lenders, and obtained a 9.00 percent market share. Given the competition from the number of reporting lenders in the AA and the bank's high lender ranking for each product, mortgage lending activity is excellent. Webster's market share for small business lending was 4.30 percent. The bank ranked seventh among 93 lenders, equivalent to the top 7.50 percent of lenders. The top five lenders for small business lending consist of

the nation's largest banks and credit card lenders and, in total, achieved 65.33 percent of the market share. Accounting for the type of competition in the AA, small business lending activity is excellent.

#### New Haven MSA

Webster's lending activity in the New Haven MSA is excellent. Home mortgage lending activity is excellent, and small business lending activity is excellent considering competition in the AA.

Based upon FDIC Deposit Market Share data as of June 30, 2013, Webster achieved a 29.91 percent market share of deposits, ranking first among 28 financial institutions in the AA. Based upon 2012 Peer Mortgage Data, Webster had a market share of 3.74 for home purchase loans, ranking third among 232 reporting lenders. The bank achieved a 14.84 percent market share for home improvement loans, ranking first among 95 reporting lenders. For home refinance loans, the bank ranked sixth among 356 lenders with a 3.67 percent market share. These market ranks/shares are excellent when compared to the deposit market rank/share and competition within the AA. Webster achieved a 4.99 percent market share of small loans to businesses, ranking fourth among 78 reporting lenders. Given the competition from the number of reporting lenders in the AA and the bank's high lender ranking for each product, lending activity is excellent.

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

Overall, the geographic distribution of the bank's lending is good. Adequate home mortgage performance was augmented by excellent small loans to businesses performance. In performing our analysis, we placed greater weight on the bank's home mortgage lending as home mortgage loans represented the majority of the bank's CRA reportable lending activity. We also placed greater weight on the bank's performance in 2012 through 2013 than its performance in 2011.

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

Overall, the geographic distribution of home mortgage loans is adequate.

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/purchases.

#### Bridgeport MSA

Overall, the geographic distribution of home mortgage loans is adequate. In evaluating the geographic distribution of home loans in the Bridgeport AA, it is important to note that, according to 2010 and 2000 U.S. Census data, low-income census tracts contained 5.20 percent and 3.34 percent of the total owner-occupied housing units in the AA, respectively. Of the total housing units in low-income geographies (per 2010 Census data), rental and vacant units account for 61.55 percent and 13.79 percent, respectively. According to 2000 Census data, these rental and vacant housing levels in low-income geographies were 68.26 percent and 9.07 percent, respectively. Based on these statistics, the bank had somewhat limited opportunities for home mortgage lending in low-income census tracts. These factors were considered when determining the final conclusion on geographic distribution of home mortgage loans.

The overall geographic distribution of home purchases loans is excellent. The bank's geographic distribution of home purchase loans during 2012 through 2013 was excellent. The percentage of loans in low-income geographies exceeded the percentage of owner-occupied units in these geographies. The

portion of loans made in moderate-income geographies exceeded the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts exceeded its overall market share for home purchase loans. The bank's market share in moderate-income census tracts exceeded its overall market share for home purchase loans. The bank's performance in 2011 was not inconsistent with the performance noted in 2012 through 2013.

The overall geographic distribution of home improvement loans is adequate. The bank's geographic distribution of home improvement loans during 2012 through 2013 was good. The percentage of loans in low-income geographies was well below the percentage of owner-occupied units in these geographies. The portion of loans made in moderate-income geographies was near to the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts exceeded its overall market share for home improvement loans. The bank's market share in moderate-income census tracts exceeded its overall market share for home improvement loans. The bank's performance in 2011 was weaker than the performance noted in 2012 through 2013, and overall was poor. This weaker level of performance had a negative impact on our conclusion and resulted in the overall adequate for this product. For the 2011 performance, the bank's percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in those geographies. The bank's market share in the low-income census tracts was significantly below its overall market share for home improvement loans.

The overall geographic distribution of home refinance loans is very poor. The bank's geographic distribution of home refinance loans during 2012 through 2013 was very poor. The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in these geographies. The portion of loans made in moderate-income census tracts was also significantly below the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts was significantly below its overall market share for home refinance loans. The bank's market share in moderate-income census tracts was well below its overall market share for home refinance loans. The bank's performance in 2011 was stronger than the performance noted in 2012 through 2013, and was considered poor. The bank's percentage of loans within low-income geographies was significantly below the demographics. Likewise, the bank's percentage of loans in moderate-income geographies was significantly below the percentage of owner-occupied units in these geographies. The bank's market share in the low-income census tracts exceeded its overall market share for home refinance loans. The bank's market share in the moderate-income census tracts was good.

#### Hartford MSA

Overall, the geographic distribution of home mortgage loans is good. In evaluating the geographic distribution of home loans in the Hartford AA, it is important to note that low-income census tracts contain 3.56 percent of the owner-occupied housing units in the AA, according to the 2010 U.S. Census. Of the total housing units in low-income tracts, rental units make up 66.43 percent and vacant units make up 15.83 percent, indicating somewhat limited opportunities for home mortgage lending in low-income census tracts. Moderate-income tracts contain 11.13 percent of the owner-occupied housing units in the AA. Of the total housing units in moderate-income geographies, rental units make up 44.06 percent and vacant units make up 7.25 percent. These factors were considered when determining conclusions on geographic distribution.

The overall geographic distribution of home purchase loans is excellent. The bank's geographic distribution of home purchase loans during 2012 through 2013 was excellent. The percentage of loans in low-income geographies exceeded the percentage of owner-occupied units in these geographies. The

percentage of loans in moderate-income geographies exceeded the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts exceeded the overall market share for home purchase loans. The bank's market share in moderate-income census tracts exceeded its overall market share for home purchase loans. The bank's performance in 2011 was weaker than the performance noted in 2012 through 2013 and was considered good. This was based on poor performance in moderate-income geographies that offset excellent performance in low-income geographies.

The overall geographic distribution of home improvement loans is excellent. The bank's geographic distribution of home improvement loans during 2012 through 2013 was excellent. The percentage of loans in low-income geographies exceeded the percentage of owner-occupied units in these geographies. The percentage of loans in moderate-income geographies exceeded the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts exceeded its overall market share for home improvement loans. The bank's market share in moderate-income census tracts exceeded its overall market share for home improvement loans. The bank's performance in 2011 was not inconsistent with the performance noted in 2012 through 2013.

The overall geographic distribution of home refinance loans is adequate. The bank's geographic distribution of home refinance loans during 2012 through 2013 was adequate. The percentage of loans in low-income geographies was well below the percentage of owner-occupied units in these geographies. The percentage of loans in moderate-income geographies was near to the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts was below the overall market share for home refinance loans. The bank's market share in moderate-income census tracts exceeded its overall market share for home refinance loans. The bank's performance in 2011 was not inconsistent with the overall performance noted in 2012 through 2013.

The overall geographic distribution of multifamily loans is good. The bank's geographic distribution of multifamily loans during 2012 through 2013 was good. The percentage of loans in low-income geographies was near the percentage of multifamily units in these geographies. The bank's percentage of loans in moderate-income geographies exceeded the percentage of multifamily units in these geographies. The bank's market share in low-income census tracts exceeded the overall market share for multifamily loans. The bank's market share in moderate-income census tracts was well below the overall market share for multifamily loans. The bank did not originate or purchase a sufficient number of multifamily loans in 2011 to provide a meaningful analysis.

#### New Haven MSA

Overall, the geographic distribution of home mortgage loans is adequate. In evaluating the geographic distribution of home loans in the New Haven AA, it is important to note that low-income census tracts contain 3.46 percent of the owner-occupied housing in the AA. As a result, we attributed more weight to the bank's performance in moderate-income tracts, which contain 16.65 percent on the owner-occupied housing units.

The overall geographic distribution of home purchases loans is good. The bank's geographic distribution of home purchase loans during 2012 through 2013 was good. The percentage of loans in low-income geographies was below the percentage of owner-occupied units in these geographies. The portion of loans made in moderate-income geographies exceeded the percentage of owner-occupied units in these geographies. The bank's market share in both LMI census tracts exceeded its overall

market share for home purchase loans. The bank's performance in 2011 was not inconsistent with the performance noted in 2012 through 2013.

The overall geographic distribution of home improvement loans is adequate. The bank's geographic distribution of home improvement loans during 2012 through 2013 was adequate. The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in these geographies. The portion of loans made in moderate-income geographies was near the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts was near its overall market share for home improvement loans. The bank's market share in moderate-income census tracts exceeded its overall market share for home improvement loans. The bank's performance in 2011 was stronger than the performance noted in 2012 through 2013, and was considered good.

The overall geographic distribution of home refinance loans is poor. The bank's geographic distribution of home refinance loans during 2012 through 2013 was poor. The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in these geographies. The portion of loans made in moderate-income census tracts was well below the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts was below its overall market share for home refinance loans. The bank's market share in moderate-income census tracts was near its overall market share for home refinance loans. The bank's performance in 2011 was not inconsistent with the performance noted in 2012 through 2013.

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

Overall, the geographic distribution of small loans to businesses is excellent.

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/purchase of small loans to businesses.

#### Bridgeport MSA

The overall geographic distribution of small loans to business is excellent. The bank's geographic distribution of small loans to businesses in 2012 through 2013 was excellent. The percentage of small loans made in low-income geographies approximated the percentage of businesses in those geographies. The percentage of small loans made in moderate-income geographies exceeded the percentage of businesses in those geographies. The bank's market share in low-income geographies exceeded its overall market share for small loans to businesses. The bank's market share in moderate-income geographies exceeded its overall market share for small loans to businesses. The bank's performance in 2011 was not inconsistent with the performance noted in 2012 through 2013, and was excellent.

#### Hartford MSA

The overall geographic distribution of small loans to businesses is excellent. The bank's geographic distribution of small loans to businesses in 2012 through 2013 was excellent. The percentage of loans made in low-income geographies exceeded the percentage of businesses in those geographies. The percentage of loans made in moderate-income geographies exceeded the percentage of businesses in those geographies. The bank's market share in low-income census tracts exceeded its overall market share for small loans to businesses. The bank's market share in moderate-income census tracts exceeded its overall market share for small loans to businesses. The bank's performance in 2011 was not inconsistent with the performance in 2012 through 2013.

New Haven MSA

The overall geographic distribution of small loans to business is excellent. The bank's geographic distribution of small loans to businesses in 2012 through 2013 was excellent. The percentage of loans in the low-income geographies approximated the percentage of small businesses in these geographies. The percentage of loans in moderate-income geographies was near the percentage of small businesses in these geographies. The bank's market share in both LMI geographies exceeded the bank's overall market share. The bank's geographic distribution of small loans to businesses for 2011 was not inconsistent with its performance in 2011 through 2012.

***Lending Gap Analysis***

We reviewed summary reports and maps and analyzed Webster's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

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

The overall borrower distribution of the bank's lending is good. As noted previously, we placed greater weight on the bank's home mortgage lending as home mortgage loans represented the majority of the bank's reportable lending activity. Additionally, we considered the level of families below the poverty level in our analysis as well as the general affordability of housing to LMI borrowers. The relatively high housing costs compared to LMI family income levels somewhat impacts these borrowers' ability to purchase homes. In addition, we attributed more weight to the bank's performance in 2012 and 2013 than its performance in 2011.

***Home Mortgage Loans***

The overall borrower distribution of home mortgage loans is good.

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.

Bridgeport MSA

Overall, the borrower distribution of home mortgage loans is good. In evaluating the borrower distribution of home loans in the Bridgeport AA, we noted that 5.59 percent of the families in the AA (2010 U.S. Census) are below the poverty level. The poverty level increased from the 2000 U.S. Census figure (5.00 percent). In addition, we considered the average age of the housing stock in the AA, according to the 2010 U.S. Census, which was 62 years for low-income census tracts and 51 years for moderate-income census tracts. It should be noted here that older housing often has higher maintenance costs compared to new housing stock and frequently requires significant repairs to bring dwelling up to code requirements. These older houses are often less energy efficient, resulting in higher utility costs, which can increase homeownership costs. These additional factors and costs negatively affect the ability of LMI individuals to qualify for mortgage loans.

The overall borrower distribution of home purchase loans is good. The bank's borrower distribution of home purchase loans during 2012 through 2013 was good. The percentage of loans to low-income borrowers was below the percentage of low-income families. The percentage of loans made to

moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers exceeded its overall market share of home purchase loans. The bank's market share of loans to moderate-income borrowers was near to its overall market share of home purchase loans. The bank's performance in 2011 was stronger than the performance noted in 2012 through 2013. For the 2011 performance, the bank's percentage of loans to low-income geographies was excellent.

The overall borrower distribution of home improvement loans is good. The bank's borrower distribution of home improvement loans during 2012 through 2013 was good. The percentage of loans to low-income borrowers was below the percentage of low-income families. The percentage of loans made to moderate-income borrowers approximated the percentage of moderate-income families. The bank's market share of loans to low-income borrowers was near to its overall market share of home improvement loans. The bank's market share of loans to moderate-income borrowers exceeded its overall market share of home improvement loans. The bank's performance in 2011 was not inconsistent with the performance noted in 2012 through 2013.

The overall borrower distribution of home refinance loans is good. The bank's borrower distribution of home refinance loans during 2012 through 2013 was good. The percentage of loans to low-income borrowers was well below the percentage of low-income families. The percentage of loans to moderate-income borrowers was near the percentage of moderate-income families. The bank's market share of loans to low-income borrowers was near the overall market share of refinance loans. The bank's market share of loans to moderate-income borrowers exceeded the overall market share of refinance loans. The bank's performance in 2011 was weaker than the performance noted in 2012 through 2013, and was considered adequate. This was due to adequate penetration to moderate-income borrowers.

#### Hartford MSA

Overall, the borrower distribution of home mortgage loans is good. In evaluating the borrower distribution of home loans in the Hartford AA, we considered the impact of families below poverty in our analysis, recognizing that people living below poverty have a difficult time qualifying for traditional mortgages. Further, we considered that the average age of the housing stock, according to the 2010 U.S. Census, of 64 years for low-income census tracts and 58 years for moderate-income census tracts. Older housing often costs more to maintain, frequently requires significant repairs to bring dwellings up to code requirements and often are less energy efficient, resulting in higher heating and cooling costs. All of these factors add to the overall cost of homeownership, which negatively affects the ability of LMI individuals to qualify for mortgage loans.

The overall borrower distribution of home purchase loans is excellent. The bank's borrower distribution of home purchase loans during 2012 through 2013 was excellent. The percentage of loans to low-income borrowers was good. The percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers exceeded the overall market share of home purchase loans. The bank's market share of loans to moderate-income borrowers exceeded its overall market share of home purchase loans. The bank's performance in 2011 was not inconsistent with the overall performance noted in 2012 through 2013.

The overall borrower distribution of home improvement loans is excellent. The bank's borrower distribution of home improvement loans during 2012 through 2013 was excellent. The percentage of loans to low-income borrowers was good. The percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income

borrowers exceeded the overall market share of home improvement loans. The bank's market share of loans to moderate-income borrowers exceeded the overall market share of home improvement loans. The bank's performance in 2011 was not inconsistent with the performance noted in 2012 through 2013.

The overall borrower distribution of home refinance loans is good. The bank's borrower distribution of home refinance loans during 2012 through 2013 was good. The percentage of loans to low-income borrowers was below the percentage of low-income families. The percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers exceeded its overall market share of home refinance loans. The bank's market share of loans to moderate-income borrowers exceeded its overall market share of home refinance loans. The bank's performance in 2011 was not inconsistent with the overall performance noted in 2012 through 2013.

#### New Haven MSA

Overall, the borrower distribution of home mortgage loans is good. In evaluating the borrower distribution of home loans in the New Haven AA, we considered the impact of poverty rates in our analysis recognizing that people living below poverty have a difficult time qualifying for traditional mortgages. Further, we considered that the average age of the housing stock, according to the 2010 U.S. Census, of 65 years for low-income census tracts and 55 years for moderate-income census tracts. Older housing often costs more to maintain, frequently requires significant repairs to bring dwellings up to code requirements and often are less energy efficient, resulting in higher heating and cooling costs. All of these factors add to the overall cost of homeownership, which negatively affects the ability of LMI individuals to qualify for mortgage loans.

The overall borrower distribution of home purchase loans is good. The bank's borrower distribution of home purchase loans during 2012 through 2013 was good. The percentage of loans to low-income borrowers was below the percentage of low-income families. The percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers exceeded its overall market share of home purchase loans. The bank's market share of loans to moderate-income borrowers was near its overall market share of home purchase loans. The bank's performance in 2011 was not inconsistent with the performance noted in 2012 through 2013.

The overall borrower distribution of home improvement loans is good. The bank's borrower distribution of home improvement loans during 2012 through 2013 was good. The percentage of loans to low-income borrowers was below the percentage of low-income families. The percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to both LMI borrowers exceeded its overall market share of home improvement loans. The bank's performance in 2011 was not inconsistent with the performance noted in 2012 through 2013.

The overall borrower distribution of home refinance loans is good. The bank's borrower distribution of home refinance loans during 2012 through 2013 was good. The percentage of loans to low-income borrowers was well below the percentage of low-income families. The percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to both LMI borrowers exceeded its overall market share of home refinance loans. The bank's performance in 2011 was not inconsistent with the performance noted in 2012 through 2013.

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

The overall borrower distribution of small loans to businesses is good.

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.

#### Bridgeport MSA

The overall borrower distribution of small loans to businesses is good. The bank's borrower distribution of small loans to businesses in 2012 through 2013 was good. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was below the percentage of small businesses. This performance was enhanced by excellent market share. The bank's market share of loans to small businesses exceeded its overall market share of loans to small businesses. The bank's performance in 2011 was not inconsistent with the performance noted in 2012 through 2013 and was considered good.

#### Hartford MSA

The overall borrower distribution of small loans to businesses is good. The bank's borrower distribution of small loans to businesses in 2012 through 2013 was good. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was below the percentage of small businesses. This performance was enhanced by excellent market share. The bank's market share of loans to small businesses exceeded its overall market share of loans to small businesses. The bank's performance in 2011 was not inconsistent with the overall performance in 2012 through 2013.

#### New Haven MSA

The overall borrower distribution of small loans to business is good. The bank's borrower distribution of small loans to businesses in 2012 through 2013 was good. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was below the percentage of small businesses. This adequate performance was partially offset by excellent market share. The bank's market share of loans to small businesses exceeded its overall market share of loans to small businesses. The bank's performance in 2011 was not inconsistent with the performance noted in 2011 through 2012.

### **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 CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

In Connecticut, Webster had an overall positive level of CD loans that were responsive to community needs.

#### Bridgeport MSA

Webster's level of CD lending has a significantly positive impact on its overall lending performance in the Bridgeport AA. Webster originated nine loans totaling \$38.55 million in qualified CD loans in the AA during the evaluation period. This volume represented 26.26 percent of allocated Tier One Capital. The bank's CD loans were highly responsive to AA needs, demonstrated leadership, and supported

affordable housing initiatives for LMI individuals, activities that promoted economic development in the AA, and activities that revitalized or stabilized LMI geographies in the AA.

Specific examples of the CD loans originated during this evaluation period include:

- Two loans, totaling \$20.00 million, were provided to a nonprofit corporation who specializes in skilled nursing care and has a single facility in Fairfield County, CT. A majority of the care recipients are Medicaid and Medicare recipients. The funding is designated to construct a replacement facility for the current skilled nursing facility and it will be located in a moderate-income census tract in the Bridgeport AA.
- A \$7.50 million loan was provided to a public corporation with a history of revitalizing and stabilizing communities in the AA and in Connecticut. The proceeds were combined with Brownfield federal funding, state CHAMP funding and historic tax credits. All of the proceeds developed a transit oriented, green redevelopment of a vacant historic building in the middle of downtown Bridgeport. This property was converted into a mixed-use, affordable housing development. The project revitalized and stabilized downtown Bridgeport by providing commercial space and mixed income residential units.
- Three loans, totaling \$5.50 million, were originated to a nonprofit organization to finance the development of affordable housing. The nonprofit organization utilized the funds for programs that encompass pre-development, acquisition, rehabilitation, and construction of affordable housing as well as down payment and closing cost programs that directly assist loans to LMI families.
- A \$3.00 million loan to the Bridgeport Housing Authority (BHA) to support urban development projects throughout the AA. This line of credit was designed to assist the housing authority to address the timing differences between BHA's Accounts Receivables due from government agencies and the BHA's need to timely pay their operating expenses, until such time that the Receivables are converted into cash.

Two loans totaling \$2.55 million were provided to two SBA 504C projects within the AA. These two projects supported certified development companies who purchased real estate for mixed-use properties to house new businesses. These loans provided small companies in the AA with guarantees for loans for major fixed assets, such as land and buildings, for economic development. SBA 504 loans improve the economy of a locality or assist businesses owned by women, minorities, and veterans.

#### Hartford MSA

Webster's level of CD lending has a positive impact on its overall lending performance in the Hartford AA. Webster originated 12 loans totaling \$28.68 million in qualified CD loans in the AA during the evaluation period. This volume represented 6.08 percent of allocated Tier One Capital. The bank's CD loans were highly responsive to AA needs, demonstrated leadership and supported affordable housing initiatives for LMI individuals, community services targeted to LMI individuals, and activities that promoted economic development in the AA.

Specific examples of the CD loans originated during this evaluation period include:

- Four loans totaling \$12.84 million for affordable housing, including one loan for \$11.44 million to a nonprofit for construction and permanent financing of 74 affordable homes and supportive services for homeless and at-risk military veterans located in Newington, CT. The sponsor for the project, known as Victory Gardens Housing, LLC, was the Women’s Institute for Housing & Economic Development (WIHED). The project included redevelopment of an existing building, originally built in the 1930s, and new development of townhouses and garden style apartments for homeless and low-income veterans and their families. Thirty-seven units have Veteran Affairs Supportive Housing vouchers, which are provided to veterans below 25.00 percent area median income, 20 units are reserved for residents below 50.00 percent area median income, and 17 are reserved for residents under 60.00 percent area median income. The bank provided a leadership role in introducing the project sponsor to the Veterans Housing Administration and helped administer grant and loan programs and applications in partnership with the Federal Home Loan Bank. The bank showed flexibility when the temporary financing needs were changed dramatically during the closing process. Additionally, the bank provided two loans totaling \$650,000 to a nonprofit that was established to manage new and rehabilitated housing units for elderly, handicapped, and LMI individuals.
- Three loans totaling \$5.58 million were originated to organizations providing community services to LMI individuals, including a loan for \$4.58 million to a nonprofit that provides services to LMI children. This loan was provided to fund timing differences between pledges and financial donations that were going to be used for construction expenditures for a new center. Webster introduced the organization to the concept of New Markets Tax Credits (NMTC) and to the Massachusetts Housing Investment Corporation. The project involved use of a leveraged loan structure in which a tax-credit equity investment would be leveraged by a bridge loan financing from Webster’s Commercial Middle Market business. This structure, while complex in nature, results in the net tax-credit equity investment not having to be returned by the sponsor. This was the bank’s first NMTC. The new building will be owned by the borrower, which was a new 501C corporation created as part of this project. Among other services, the organization provides a Power Hour program where mostly LMI children receive homework help and tutoring. The organization also provides a Smart Moves program that teaches healthy choices to teens including resisting drugs, alcohol, and tobacco use. Webster acted in a leadership role for this project by bringing the organization together with the Massachusetts Housing Investment Corporation. Additionally, the bank coupled this loan with an investment in the NMTC.

#### Other Loan Data – Hartford MSA

In the Hartford AA, Webster provided for consideration one standby letter of credit totaling \$10.7 million that had a qualified CD purpose. This letter of credit facilitated the expansion of a healthcare facility in a low-income geography of the AA. This expansion improved the delivery of needed healthcare services to LMI families in the area. Refer to Table 1 Other in the state of Connecticut section of appendix D for facts and data on this letter of credit.

#### New Haven MSA

Webster’s CD lending in this AA had a neutral impact on its overall lending performance in the AA. During the evaluation period, Webster originated fourteen credits totaling \$27.58 million in the New Haven AA, representing 3.62 percent of Tier One Capital.

## Community Development Loans – CT Statewide

In addition to the CD loans that benefit the bank's AAs, Webster originated two qualified CD loans totaling \$5.50 million, located in the greater statewide area. These loans were originated to a Hartford based not-for-profit youth development agency to provide funding for the conversion of a vacant former YMCA building in Willimantic into a new state charter high school in the LMI community of Windham.

## Product Innovation and Flexibility

Webster offers a standard product mix of loans, including FHA, VA, and SBA loans, throughout all of its AAs. The bank's loan product flexibility had a positive impact on its lending test conclusions. Webster offers the following flexible loans programs targeted to LMI borrowers. Loans originated under these programs are included in the bank's home mortgage loans and loans to small businesses and are analyzed under other portions of the Lending Test.

- Webster offers, through the Connecticut Housing Finance Authority (CHFA), a refinance program called CT Families Program plus DAP. The CT Families Program plus DAP enables LMI borrowers who are not able to afford their current mortgage payments and do not qualify for refinancing under other conventional or government products to refinance their mortgage loans. The program applies to homeowners who are delinquent as a result of an increase in interest rate and payment or the occurrence of a financial hardship beyond their control or who are at risk of default. The homeowner is able to refinance into a 30-year fixed rate mortgage. This program was discontinued toward the end of the evaluation period. While it was being offered, the bank made a total of 16 loans for \$2.21 million in the New Haven (\$786 thousand) and Hartford (\$898 thousand) AAs.
- Webster is an active participant in the CHFA Affordable Housing Program that features below market rates on 30-year fixed rate mortgage loans. Rates are based on the sale of CHFA bonds. Other product features include 95.00 percent loan-to-value without requiring mortgage insurance. Borrowers are required to provide \$500 of the down payment from their own funds. The bank made a total of 268 loans for \$26.63 million in the New Haven (\$11 million), Hartford (\$13.02 million), and Bridgeport (\$2.61 million) AAs during the evaluation period in the state.
- 30HOPE program is an affordable housing program offered by Webster that is designed to provide a competitively priced fixed rate mortgage program for LMI individuals or families or for properties in LMI geographies. The program features up to a 95.00 percent loan-to-value for purchase transactions without requiring mortgage insurance. Borrowers are required to provide a \$500 down payment from their own funds. The bank made 295 loans for a total of \$40.11 million in the New Haven (\$10.29 million), Hartford (\$18.07 million), and Bridgeport (\$10.74 million) AAs during the evaluation period in the state.

## Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the lending test in the CT non-MSA is not inconsistent with the bank's overall "High Satisfactory" performance under the lending test in Connecticut. In the Norwich MSA, the bank's performance is weaker than the bank's overall performance in the state due to weaker geographic and borrower distribution. The weaker performance

had no impact on the overall lending test rating in the state. Refer to the Tables 1 through 12 in the state of Connecticut 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 is rated "High Satisfactory." Based on full-scope reviews, the bank's performance in the New Haven MSA and Bridgeport MSA is good and performance in the Hartford MSA is excellent.

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.

#### Bridgeport MSA

During the evaluation period, Webster made 85 investments in the Bridgeport AA totaling \$7.23 million. We considered the ongoing impact that investments made prior to the current evaluation period had within the AA. The remaining balance on two prior period investments as of the date of our examination was \$572 thousand. When considering both current and prior period investments, the total of \$7.80 million represents 5.32 percent of allocated Tier One Capital for the AA. This level is considered good, and is commensurate with the good level of investments made.

The bank's responsiveness to the CD needs in the AA is good. In terms of total dollar volume, 90.09 percent of the bank's investments and grants included government sponsored mortgage-backed securities, all of which were responsive to identified affordable housing needs in the AA. The following are examples of these investments:

- Webster invested in \$7.03 million in government sponsored; mortgage-backed securities where the underlying mortgages were originated to LMI borrowers.
- Webster's prior period investments, with a current book value of \$572 thousand, were government sponsored mortgage-backed securities where the underlying mortgages were originated to LMI borrowers as well.
- Webster invested \$201 thousand in 80 grants and donations to organizations that supported affordable housing initiatives, economic development, revitalization/stabilization and community services targeted towards LMI individuals and geographies over the evaluation period. The investments also included funding for programs that focus on financial counseling and financial literacy support were some of the main identified CD needs in the Bridgeport AA.

#### Hartford MSA

During the evaluation period, Webster made 133 investments in the Hartford MSA totaling \$24.15 million. We considered the ongoing impact that investments made prior to the current evaluation period had within the AA. The remaining balance on five prior period investments as of the date of our examination was \$6.32 million. When considering both current and prior period investments, the total of \$30.46 million represents approximately 6.46 percent of allocated Tier One Capital for the AA. This is an excellent level of investments.

The bank has excellent responsiveness to the CD needs in the AA. In terms of dollar volume, 98.25 percent of the bank's investments and grants included government sponsored mortgage-backed

securities, NMTC and economic development funds, all of which were highly responsive to identified affordable housing and economic development needs in the AA. Following is an example of these investments:

- Webster and its subsidiary, Webster Community Development Corporation, closed and funded a \$10 million leveraged NMTC designed to help fund the construction of a new 38,000-square foot Bristol Boys & Girls Club and Family Center facility. The bank's investment amount was \$3.25 million. Using this financing tool is anticipated to benefit the organization by \$2.1 million. This was Webster's first NMTC and it was coupled with a CD loan to provide financing in the form of a bridge loan that allowed the organization to begin construction while waiting for final funding from other investments.
- Webster invested in \$24.68 million in mortgage-backed securities, where the underlying mortgages were to LMI borrowers in the Hartford AA.
- A prior period investment with current book value of \$2 million to the Connecticut Economic Development Fund continues to support economic development in the AA.

These investments exhibit excellent responsiveness to the CD needs of the Hartford MSA AA and occasional use of innovative and complex investments.

#### New Haven MSA

During the evaluation period, the bank made 53 investments in the AA, totaling \$34.79 million, which consisted of 22 investments (\$34.30 million), 13 donations (\$175.75 thousand) and 28 grants (\$316.5 thousand). The outstanding balance on nine prior period investments was \$6.78 million. When considering both current and prior period investments, the total of \$41.57 million represents 5.46 percent of allocated Tier One Capital for the AA, which is deemed good.

- \$29.30 million of the \$34.30 million (85.00 percent) was in the form of MBSs. The loans in these pools were made to LMI borrowers. All of the loans were made within the AA.
- The remaining \$5.00 million was a LIHTC from an 80-unit affordable housing apartment complex.
- \$6.52 million of (96.00 percent) of the \$6.78 million prior period investment was MBSs comprised of loans to LMI borrowers.

The bank's responsiveness to the CD needs of its AA was good. While its investments were not innovative, the bank showed ongoing responsiveness to its AA needs. Its current period investments support affordable housing (through a LIHTC and MBSs comprised of loans made to LMI borrowers). Webster's grants and donations primarily served the CD purposes of CD services targeted to LMI individual, affordable housing and economic development, with a smaller amount directed toward revitalization and stabilization efforts. It's prior period investments were entirely attributable to affordable housing, primarily through MBSs comprised of loans made to LMI borrowers, and to a lesser extent, through investment in a special needs housing bond issue.

The Center for Housing Policy ([www.foreclosure-response.org](http://www.foreclosure-response.org)) reports that the foreclosure rate in the New Haven AA increased slightly during the evaluation period. A community contact expressed that there is a strong need in the AA for affordable housing. As such, Webster's efforts to support affordable housing are highly responsive to the needs of its AA.

## **Investments – CT Statewide**

In addition to the CD investment that benefit the bank’s AAs, Webster made two qualifying investments totaling \$1.75 million that support affordable housing. One investment was made to a housing investment corporation and the other investment to a housing development corporation.

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

Based on limited-scope reviews, the bank’s performance under the investment test in the Norwich MSA is stronger than the bank’s overall “High Satisfactory” performance under the investment test in Connecticut due to a higher level of investments. In the CT non-MSA area, the bank’s performance is weaker than the bank’s overall performance in the state due to a lower level of investments. The performance in the limited-scope AAs was not significant enough to affect the overall conclusions in the state. Refer to the Table 14 in the state of Connecticut 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 Connecticut is rated “High Satisfactory.” Based on full-scope reviews, the bank’s performance in the Hartford MSA is excellent and performance in the New Haven MSA and Bridgeport MSA 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.

#### Bridgeport MSA

Webster’s branch distribution in the AA is adequate. The bank’s branch distribution in 2012 through 2013 was adequate. Branches were reasonably accessible to essentially all portion of geographies and individuals of different income levels in the assessment area. There was one branch located in a low-income geography. The percentage of branches in low-income geographies was well below the percentage of the population in low-income geographies. There were four branches located in moderate-income census tracts. The percentage of branches in moderate-income census tracts was near the percentage of the population in moderate-income census tracts. Webster’s branch distribution in 2011 was not inconsistent with the performance noted in 2012 through 2013.

Branch openings and closings has not adversely affected the accessibility of the bank’s delivery systems to LMI geographies or individuals. During the evaluation period, there was one branch opening within an upper-income census tract in 2013, as reflected in Table 15. Additionally, there were two branch closings in the Bridgeport AA; both were within upper-income census tracts and closed in 2011. These branches were closed due to business decisions based on lower activity at the closed branches in comparison to activity at other close proximity branches.

Branch hours and services do not vary in a way that would inconvenience portions of the AA, particularly LMI individuals. Services offered and banking hours are comparable among locations regardless of the income level of the geography.

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, ATMs, and telephone banking; these delivery methods provide increased access to banking services throughout all areas in the AA. We placed no significant weight on these alternative delivery systems, as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals.

#### Hartford MSA

Webster's branch distribution in the AA is excellent. The bank's branch distribution in 2012 through 2013 was excellent. Branches were readily accessible to geographies and individuals of different income levels in the assessment area. There were six branches located in low-income geographies. The percentage of branches in low-income geographies equaled the percentage of the population in low-income geographies. There were nine branches located in moderate-income geographies. The percentage of branches in moderate-income geographies exceeded the percentage of the population in moderate-income geographies. Webster's branch distribution in 2011 was not inconsistent with the performance noted in 2012 through 2013.

Despite closing five branches during the evaluation period, branch openings and closing have generally not adversely affected the accessibility of the bank's delivery systems to LMI geographies or individuals. The bank closed three branches during 2011, consisting of one branch in a low-income geography, one branch in a moderate-income geography, and one branch in a middle-income geography. Additionally, two branches in middle-income geographies were closed in 2014 as reflected in Table 15. All branches were closed due to business decisions based on lower business activity at the closed branches in comparison to activity at other branches in close proximity. The bank opened one branch during the evaluation period in 2013. This branch was opened in a geography that did not have an assigned or designated income level.

Branch hours and services did not vary in a way that inconveniences portions of the AA, particularly LMI individuals. Services offered and banking hours are comparable among locations regardless of the income level of the geography.

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, ATMs, and telephone banking; these delivery methods provide increased access to banking services throughout all areas in the AA. We placed no significant weight on these alternative delivery systems, as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals.

#### New Haven MSA

Webster's branch distribution in the AA is good. The bank's branch distribution in 2012 through 2013 was good. Branches were accessible to geographies and individuals of different income levels in the AA. There were four branches located in low-income geographies. The percentage of branches in low-income geographies exceeded the percentage of the population in low-income geographies. There were five branches located in moderate-income geographies. The percentage of branches in moderate-income geographies was below the percentage of the population in these geographies. Webster's branch distribution in 2011 was not inconsistent with the performance noted in 2012 through 2013.

Despite closing four branches during the evaluation period, branch openings and closing have generally not adversely affected the accessibility of the bank's delivery systems to LMI geographies or individuals. The bank closed four branches in 2011, including two in upper-income geographies, one in a middle-income geography, and one in a moderate-income geography. These branches were all closed due to business decisions based on lower business activity. The bank did not open any branches in the AA during the evaluation period.

Branch hours and services did not vary in a way that inconveniences portions of the AA, particularly LMI individuals. Services offered and banking hours are comparable among locations regardless of the income level of the geography.

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, ATMs, and telephone banking; these delivery methods provide increased access to banking services throughout all areas in the AA. We placed no significant weight on these alternative delivery systems, as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals.

### **Community Development Services**

Webster's performance in providing CD services was excellent. In the New Haven MSA and Hartford MSA performance is excellent and in the Bridgeport MSA performance is good. CD services focused on community services and affordable housing services targeted to LMI individuals. Bank employees participated in a variety of organizations and partnerships, some in leadership roles, that benefited LMI individuals, promoted economic development, and provided affordable housing. The Webster employees also provided technical assistance on financial and banking related matters to community groups and to LMI persons and families.

Webster continues to offer Opportunity Checking Account product to meet the needs of un-banked consumers who are ineligible to open regular checking accounts. The account offers access to regular banking services such as direct deposit, check writing, ATM cards and online services giving these consumers the opportunity to re-establish themselves as banking customers and providing financial stability.

In order to help meet the needs of LMI families in the assessment area, the bank waives foreign ATM card access fees for State Assistance Electronic Benefit Transfer (EBT) at Webster owned ATMs. However, we placed no significant weight on these community services, as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of LMI geographies individuals.

#### **Bridgeport MSA**

In the Bridgeport AA, 18 Webster employees provided their expertise to 13 different CD organizations for a total of 600 hours throughout the evaluation period. This represents a good level of activities and good responsiveness to the needs of the community. Within these organizations, Webster held 96 educational sessions throughout the evaluation period with 1,584 individuals in attendance and a commitment of 285 hours. These educational sessions included first-time homebuyer workshops, foreclosure prevention program and mortgage education fairs. Additionally, three Webster employees

demonstrated leadership and served on the Board of Directors or on committees for three organizations totaling 315 volunteer hours.

#### Hartford MSA

In the Hartford MSA, 40 Webster employees provided their expertise to 21 different CD organizations that support affordable housing, community services, economic development, and revitalization and stabilization services for a total of 1,131 hours throughout the evaluation period. This represents an excellent level of activities and excellent responsiveness to the affordable housing needs of the community. In addition, 16 Webster employees demonstrated their leadership and served on the Board of Directors or on committees of these organizations. One of these organizations was the Connecticut Housing Investment Fund, a private nonprofit established to finance affordable housing and neighborhood revitalization projects throughout the state. The employee served as a board member for all three years of the evaluation period. Another organization served was the Local Initiatives Support Corporation (LISC) – CT Statewide, which organizes corporate, government, individual donor, and philanthropic support and invests resources into projects, programs, and initiatives that build on the assets and address challenges of the towns and cities throughout the state. The employee served as a committee member or advisory board member for all three years during the evaluation period. An employee also served as a board member for all three years of the evaluation period for the Connecticut Main Street Center, which provides education and training, resources and tools, and advocacy. The bank also provided 787 financial education classes or workshops totaling 2,713 hours that reached 5,024 attendees. These financial education classes included first-time homebuyer workshops, foreclosure prevention, mortgage education fairs, and other financial education and literacy workshops.

#### New Haven MSA

Webster exhibited excellent performance in addressing the CD needs of the New Haven AA. In total, the bank served 230 organizations. By type of organization, there were 28 affordable housing, 188 community service, 13 economic development, and one revitalization and stabilization activity.

The bank has an excellent level of CD services that are responsive of the needs of the AA. Webster has supported employee volunteerism to aid the economic and social health of the communities it serves. Eight employees, most of whom are officers, served in leadership roles as board or committee members (serving 1,442) hours and two other employees served in other capacities (serving 68 hours) to twelve qualified organizations, for a total of 1,510 hours of service. In total, the employees devoted 2,167 hours of assistance and guidance, of which 952 hours pertained to affordable housing, 253 hours to economic development, 24 revitalization or stabilization and 938 hours to various community services. Close to 700 of the 938 community services hours was providing financial education in the form of 191 workshops or presentations at which there were 948 attendees. The mission statements of the organizations on which Webster employees held leadership roles included serving the homeless, providing technical support and financing to assist targeted communities and LMI individuals, providing guidance to foster business growth, sustaining neighborhoods through loans and investments, revitalizing neighborhood and helping ensure individual self-sufficiency.

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

Based on limited-scope reviews, the bank's performance under the service test in the Norwich MSA is not inconsistent with the bank's overall "High Satisfactory" performance under the service test in Connecticut. The bank's performance in the CT non-MSA area is stronger than the overall performance in the state, and is considered excellent. Performance differences in this area was based on stronger

branch distribution and was not significant enough to impact the bank's overall rating. Refer to Table 15 in the state of Connecticut section of appendix D for the facts and data that support these conclusions.

## State of Massachusetts

**CRA Rating for Massachusetts<sup>2</sup>: Satisfactory**  
**The lending test is rated: High Satisfactory**  
**The investment test is rated: Outstanding**  
**The service test is rated: High Satisfactory**

The major factors that support this rating include:

- An excellent level of lending for home mortgage loans and a good level of small loans to businesses;
- Overall good geographic distribution as shown by a good geographic distribution of home mortgage loans and excellent performance of loans to small business;
- An overall good lending performance to borrowers of different incomes and businesses of different sizes as shown by good borrower distribution of mortgage loans and adequate distribution of small loans to small businesses;
- An excellent level of qualified investments that demonstrate ongoing responsiveness to community needs;
- A branch distribution that was accessible to geographies and individuals of different income levels; and
- An adequate level of CD services.

## Description of Institution's Operations in Massachusetts

Webster has two AAs within the state of Massachusetts. The Boston-Quincy MD AA, which is comprised of two noncontiguous areas within the northern and central/southern portion of the MD and Springfield MSA, which consist of the south central portion of Hampden County.

Webster provides a full range of loan and deposit products to all AAs. Webster has 11 branches within the state, representing 7.00 percent of the bank's total branch network. There were no branch openings or closings in the state during the evaluation period. Webster had 13 deposit-taking ATMs within the AA, representing 5.00 percent of the bank's total ATM network. As of June 30, 2013, the bank ranked 23<sup>rd</sup> in the state in deposits, representing a 0.52 percent market share. Webster's statewide deposits totaled \$858.86 million. The Boston MD is the bank's only full-scope area and accounts for 91.50 percent of total bank deposits.

As of June 30, 2013 there were 56 financial service provider with branches in the AA. Webster ranked 13<sup>th</sup> in the AA in deposits, representing a 0.52 percent of market share. The five largest competitors in

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

the AA include State Street Bank and Trust Company, Bank of America, N.A., RBS Citizens, N.A., The Bank of New York Mellon, and Santander Bank, N.A.

Refer to the market profiles for the state of Massachusetts in appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

## **Scope of Evaluation in Massachusetts**

For the state of Massachusetts, we completed a full-scope review of the Boston MD. The Springfield MSA received limited-scope review. The Boston MD received a full-scope review due to the high percentage of bank deposits in this area (91.50 percent of all bank deposits in the state). The bank did not originate/purchase a sufficient number of multifamily loans during the evaluation period to perform a meaningful analysis. Refer to the table in appendix A for more information on the Massachusetts AAs.

## **LENDING TEST**

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

The bank's performance under the lending test in Massachusetts is rated "High Satisfactory." Based on full-scope reviews the bank's performance in the Boston MD is good.

### **Lending Activity**

The bank's overall lending activity in the state of Massachusetts is excellent. The bank operates only six banking offices in the Boston AA, reflecting a limited presence. Other local financial institutions and nationwide lenders without a branch presence in the AA dominate the lending market. The bank's excellent performance in originating home mortgage loans and small business loans is commensurate with its limited presence.

Refer to Tables 1 Lending Volume Other 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 MD is excellent. Although home mortgage lending activity appears good, after we considered the significant impact from strong competition in the MD, we concluded that mortgage lending was excellent. The overall strong competitive banking environment supports an overall conclusion of excellent lending activity.

Based on FDIC Deposit Market Share data as of June 30, 2013, Webster ranked 13<sup>th</sup> among 56 institutions and achieved a 0.52 percent deposit market share in the AA. The bank's deposit market share placed them in the top 23.20 percent of all depository institutions in the AA. Based on 2012 Peer Mortgage Data, Webster had market share of 0.27 percent and ranked 63<sup>rd</sup> among 342 reporting lenders for home purchase lending. This market share placed the bank in the top 18.40 percent of home purchase lenders. For home improvement lending, market share was 0.65 percent and the bank ranked 40<sup>th</sup> among 171 reporting lenders. The bank's home improvement market share was in the top 23.40 percent of home improvement lenders in the AA. Webster's market share for home refinance lending was 0.22 percent and the bank ranked 79<sup>th</sup> out of 427 lenders. This market share placed the bank in the top 18.50 percent of all home refinance lenders in the AA. Given the high volume of competitors in the

AA, the bank's ranking in mortgage lending activity is excellent. Webster's market share for small business lending was 0.18 percent. The bank ranked 27<sup>th</sup> among 112 lenders, with the top five lenders dominating the market with 71.16 percent of the total market share.

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

Overall, the geographic distribution of the bank's lending in the full-scope Boston MD was good. In performing our analysis, we placed greater weight on the bank's home mortgage lending as home mortgage loans represented the majority of the bank's CRA reportable lending activity. We also placed greater weight on the bank's performance in 2012 through 2013 than its performance in 2011.

#### ***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/purchases.

Overall, the geographic distribution of home mortgage loans is good. In evaluating the geographic distribution of home loans in the Boston MD, it is important to note that low-income census tracts contain 1.06 percent of the owner-occupied housing units in the AA. Additionally, of the total housing units in low-income geographies, 69.66 percent are rental units. Moderate-income tracts contain 8.70 percent of the owner-occupied housing units in the AA. Rental units make up 36.31 percent of the total housing units in the moderate-income geographies. These factors were considered when determining final conclusions on geographic distribution.

The overall geographic distribution of home purchase loans is good. The bank's geographic distribution of home purchase loans during 2012 through 2013 was excellent. The percentage of loans in low-income geographies exceeded the percentage of owner-occupied units in these geographies. The percentage of loans in moderate-income geographies exceeded the percentage of owner-occupied units in these geographies. With an overall market share of less than 1.00 percent, a market share analysis was not meaningful. The bank's performance in 2011 was weaker than the performance noted in 2012 through 2013 and was poor. This was based on poor performance in moderate-income geographies. This poor performance in 2011 offset the otherwise excellent performance for 2012 and 2013.

The overall geographic distribution of home improvement loans is excellent. The bank's geographic distribution of home improvement loans during 2012 through 2013 was excellent. The percentage of loans in low-income geographies exceeded the percentage of owner-occupied units in these geographies. The percentage of loans in moderate-income geographies exceeded the percentage of owner-occupied units in these geographies. With an overall market share of less than 1.00 percent, a market share analysis was not meaningful. The bank did not originate/purchase a sufficient number of home improvement loans in 2011 to perform an analysis.

The overall geographic distribution of home refinance loans is good. The bank's geographic distribution of home refinance loans during 2012 through 2013 was adequate. The percentage of loans in low-income geographies was well below the percentage of owner-occupied units in these geographies. The percentage of loans in moderate-income geographies exceeded the percentage of owner-occupied units in these geographies. With an overall market share of less than 1.00 percent, a market share analysis was not meaningful. The bank's performance in 2011 was not inconsistent with the overall performance noted in 2012 through 2013.

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

Overall, the geographic distribution of small loans to businesses is excellent.

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/purchase of small loans to businesses.

The overall geographic distribution of small loans to business is excellent. The bank's geographic distribution of small loans to businesses in 2012 through 2013 was excellent. The percentage of loans in the low-income geographies exceeded the percentage of small businesses in these geographies. The percentage of loans in moderate-income geographies exceeded the percentage of small businesses in these geographies. With an overall market share of less than 1.00 percent, a market share analysis was not meaningful. The bank's geographic distribution of small loans to businesses for 2011 was weaker than its performance in 2012 through 2013 and was good. This conclusion was due to good performance in low-income geographies.

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

We reviewed summary reports and maps and analyzed Webster's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

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

The overall borrow distribution of the bank's lending is good. As noted earlier, more weight was given to the bank's performance in 2012 through 2013 than to its performance in 2011.

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

The overall distribution of home mortgage loans by borrower income levels is good.

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 evaluating the borrower distribution of home loans in the Boston MD, we considered the impact of poverty and unemployment rates on lending performance in the AA as part of our conclusions. Further, we considered that the average age of the housing stock, according to the 2010 U.S. Census, is 57 years for low-income census tracts and 59 years for moderate-income census tracts. Older housing often costs more to maintain, frequently requires significant repairs to bring dwellings up to code requirements and often are less energy efficient, resulting in higher heating and cooling costs. All of these factors add to the overall cost of homeownership, which have an impact on the ability of LMI individuals to qualify for mortgage loans.

The overall borrower distribution of home purchase loans is good. The bank's borrower distribution of home purchase loans during 2012 through 2013 was good. The percentage of loans to low-income borrowers was below the percentage of low-income families. The percentage of loans made to

moderate-income borrowers exceeded the percentage of moderate-income families. With an overall market share of less than 1.00 percent, a market share analysis was not meaningful. The bank's performance in 2011 was weaker than the overall performance noted in 2012 through 2013 and was adequate. The weaker performance was attributed to the bank's poor performance in loans to low-income borrowers.

The overall borrower distribution of home improvement loans is excellent. The bank's borrower distribution of home improvement loans during 2012 through 2013 was excellent. The percentage of loans to low-income borrowers was good. The percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families. With an overall market share of less than 1.00 percent, a market share analysis was not meaningful. The bank did not originate/purchase a sufficient number of home improvement loans in 2011 to perform a meaningful analysis.

The overall borrower distribution of home refinance loans is good. The bank's borrower distribution of home refinance loans during 2012 through 2013 was good. The percentage of loans to low-income borrowers was below the percentage of low-income families. The percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families. With an overall market share of less than 1.00 percent, a market share analysis was not meaningful. The bank's performance in 2011 was stronger than the overall performance noted in 2012 through 2013 and was excellent. This was due to good lending performance to low-income borrowers.

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

The overall borrower distribution of small loans to businesses is adequate.

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.

The overall borrower distribution of small loans to businesses is adequate. The bank's borrower distribution of small loans to businesses in 2012 through 2013 was poor. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was well below the percentage of small businesses. With an overall market share of less than 1.00 percent, a market share analysis was not meaningful. The bank's performance in 2011 was stronger than the overall performance in 2012 through 2013 and was good, and elevated the overall conclusion to adequate.

### **Community Development Lending**

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's CD lending in the Boston AA had a neutral impact on its overall lending performance.

During the evaluation period, Webster's originated two CD qualifying loans totaling \$3.10 million in the Boston AA, representing 3.45 percent of Tier One Capital.

## **Product Innovation and Flexibility**

Webster offered a standard product mix of loans including FHA, FannieMae, U.S. Department of Agriculture, and Small Business Association loans. In addition, Webster offered loan programs targeted to LMI borrowers demonstrating product flexibility.

- 30HOPE program is an affordable housing program offered by Webster that is designed to provide a competitively priced fixed rate mortgage program for LMI individuals or families or for properties in LMI geographies. The program features up to a 95 percent loan-to-value for purchase transactions without requiring mortgage insurance. Borrowers are required to provide a \$500 down payment from their own funds. The bank made 13 loans for a total of \$2.37 million during the evaluation period.
- Webster offers, through the Massachusetts Housing Finance Authority, a fixed rate first mortgage program to borrowers who meet income and other eligibility criteria at or below interest rates based on the sale of bond proceeds. The bank made a total of 3 loans for \$1.03 million in the state of Massachusetts.

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

Based on the limited-scope review, the bank's performance under the lending test in the Springfield MSA is weaker than the bank's overall "High Satisfactory" performance under the lending test in Massachusetts, and is considered adequate. This was due to poor geographic distribution and adequate borrower income distribution. The weaker performance had no impact on the lending test rating. Refer to the Tables 1 through 12 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 is rated "Outstanding." Based on full-scope review, the bank's performance in the Boston MD is excellent.

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.

During the evaluation period, the bank made 32 investments in the AA, totaling \$2.38 million, which consisted of three investments (\$2.20 million), 14 donations (\$87 thousand) and 15 grants (\$98.5 thousand). We considered the ongoing impact that investments made prior to the current evaluation period had within the AA. The outstanding balance on two prior period investments was \$12.61 million. When considering both current and prior period investments, the total of \$14.99 million represents 16.73 percent of allocated Tier One Capital for the AA, which performance is excellent.

The bank's responsiveness to the CD needs of its AA is also excellent. While its investments were not innovative, the bank showed ongoing responsiveness to its AA needs. Its current period investments support affordable housing (through a community loan fund and MBSs backed by loans to LMI

borrowers. Webster's grants and donations served the CD purposes of affordable housing, economic development, CD services targeted to those of LMI and revitalization and stabilization efforts.

Webster's prior period investments represented over 84 percent of the total investment dollars in the AA, and were entirely attributable to affordable housing (through a housing loan fund and MBSs comprised of loans to LMI borrowers. Following are examples of some of these investments:

- Of the \$12.61 million investment, \$11.92 million was an investment in a MA Housing Partnership Fund. Webster made its first investment in the fund in 2004 and has sustained its commitment over the past decade. The fund provides permanent financing or refinancing of multi-unit rental properties in Boston. These developments are in the form of villages or commons. During this evaluation period, the fund financed three such complexes ranging from 26 to 64 units, with a combined 139 affordable housing units, of which 11 units are extremely low-income, 68 are low-income and 60 are moderate-income.
- The \$689 thousand remainder of the \$12.61 million consists of MBSs that provide financing for affordable housing.

Research of the market area indicated that the high cost of purchasing homes has resulted in a strong demand for rental and leased property. There had also been a recent uptick in foreclosures. Together, these factors convey a strong need for affordable housing, as was corroborated by a community contact. The bank's decision to support affordable housing is highly responsive to such needs of its AA.

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

Bases on the limited-scope review, the bank's performance under the investment test in the Springfield MSA is not inconsistent with the bank's over "Outstanding" performance under the investment test in Massachusetts. Refer to Table 14 in the state of Massachusetts section of appendix D for the facts and data that supports this conclusion.

## **SERVICE TEST**

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

Webster's performance under the service test in Massachusetts is rated "High Satisfactory." Based on full scope review, the bank's performance in the Boston MD is good.

### **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 branch distribution in the AA is good in light of the bank's rather limited presence in the AA with only six branches. The bank's branch distribution in 2012 through 2013 was good. Branches were accessible to geographies and individuals of different income levels in the assessment area. There were no branches in the low-income geographies; however, we noted a relatively small population in these areas. There were two branches in moderate-income census tracts. The percentage of branches in moderate-income census tracts exceeded the percentage of the population in moderate-income census

tracts. Webster's branch distribution in 2011 was not inconsistent with the performance noted in 2012 through 2013.

During the evaluation period, there were no branch openings or closings in the AA.

Branch hours and services do not vary in a way that would inconvenience portions of the AA, particularly LMI individuals. Services offered and banking hours are comparable among locations regardless of the income level of the geography.

Bank management complements its traditional service delivery methods with certain alternative delivery processes, such as: online banking, which includes bill payment and mobile banking; automated teller machines; and a bank at work program.

### **Community Development Services**

Webster's performance in providing CD services in the Boston AA was adequate. The bank provided CD services to eleven qualified CD organizations, which included a bank employee serving on the board of directors of an affordable housing organization for two years, devoting 60 hours of assistance to that board. Another Webster employee provided financial expertise in the form of financial and literacy educational service to two nonprofit organizations, one of which assists refugee and immigrant populations and the other's mission is to use entrepreneurship to entice, low-income students to finish high school and complete college. Webster employee also conducted six educational seminars that reached 52 attendees in the Boston MD AA, which covered various financial literacy topics including foreclosure prevention and first-time homebuyer education.

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

Based on the limited-scope review, the bank's performance under the service test in the Springfield MSA is not inconsistent than the bank's overall "High Satisfactory" performance under the service test in Massachusetts. Refer to Table 15 in the Massachusetts section of appendix D for the facts and data that support this conclusion.

## State of New York

<b>CRA Rating for New York:</b>	<b>Satisfactory</b>
<b>The lending test is rated:</b>	<b>High Satisfactory</b>
<b>The investment test is rated:</b>	<b>Outstanding</b>
<b>The service test is rated:</b>	<b>High Satisfactory</b>

The major factors that support this rating include:

- An excellent level of lending for home mortgage loans and small loans to businesses;
- Overall adequate geographic distribution, as shown by an adequate distribution of home mortgage loans and good distribution of loans to small businesses;
- Overall poor borrower distribution, as evidenced by poor home mortgage performance and adequate small loans to small businesses performance;
- A significantly positive level of CD loans that were responsive to community needs;
- An excellent level of qualified investments that were highly responsive to community needs;
- A branch distribution that was accessible to individuals living in LMI geographies; and
- An adequate level of CD services that were responsive to community needs.

## Description of Institution's Operations in New York

Webster has one AA in the state of New York. This AA is the New York-White Plains-Wayne NY-NJ AA, which is comprised of the southern two-thirds of Westchester County. The AA is a portion of the New York-White Plains-Wayne NY-NJ MD.

Webster provides a full range of loan and deposit products to the AA. Webster has eight branches within the state, representing 4.82 percent of the bank's total branch network. There was one branch opening in 2011 and one branch closing in the state during the evaluation period.

The banking industry is highly competitive in the AA and includes branches of national and community banks. The bank's deposits in the New York AA as of June 30, 2013, totaled approximately \$252 thousand, representing 0.62 percent of the deposit market share in the AA. Webster ranked 18<sup>th</sup> out of 36 depository institutions in the AA. The largest competitors in the AA include Morgan Stanley, JPMorgan Chase, Citibank and Wells Fargo.

Refer to the market profiles for the state of New York in appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

## Scope of Evaluation in New York

For the state of New York, we completed a full-scope review of the New York-White Plains-Wayne MD area. We placed greater weight on the bank's home mortgage lending as home mortgage loans represented the majority of the bank's CRA reportable lending activity. We also placed greater weight on the bank's performance in 2012 through 2013 than its performance in 2011. The bank did not originate/purchase a sufficient number of home improvement or multifamily loans during the evaluation period to perform a meaningful analysis.

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in the state of New York is rated "High Satisfactory." Based on full-scope reviews, the bank's performance in the New York MD is good.

### Lending Activity

The bank's overall lending activity in the state of New York is excellent, especially after considering the strong competition for all types of loans in the bank's AAs.

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 lending activity.

Webster's lending activity in the New York MD AA is excellent. Based upon FDIC Deposit Market Share data as of June 30, 2013, Webster achieved a 0.62 percent market share of deposits, ranking 18<sup>th</sup> among 36 financial institutions in the AA. Webster achieved a 0.80 percent market share of home purchase loans, ranking 17<sup>th</sup> among 220 reporting lenders and achieved a 0.70 percent market share of refinance loans, ranking 22<sup>nd</sup> among 272 reporting lenders. These market ranks/shares are excellent when compared to the deposit market rank/share and competition within the AA. Webster achieved a 0.37 percent market share of small loans to businesses, ranking 18<sup>th</sup> among 93 reporting lenders.

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

Overall, the geographic distribution of the bank's lending is adequate. In performing our analysis, we placed greater weight on the bank's home mortgage lending as home mortgage loans represented the majority of the bank's CRA reportable lending activity. We also placed greater weight on the bank's performance in 2012 through 2013 than its performance in 2011.

#### *Home Mortgage Loans*

Overall, the geographic distribution of home mortgage loans is adequate.

Refer to Tables 2, 3, 4, and 5 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/purchases.

In evaluating the geographic distribution of home loans in the New York MD AA, it is important to note the AA's LMI census tracts contain a low percent of owner-occupied housing and are primarily renter-

occupied markets. According to 2010 U.S. Census, 79.45 percent of total housing units in low-income geographies and 72.78 percent of the total housing units in moderate-income geographies are rental units. This indicates limited opportunities for home mortgage lending in LMI census tracts. We attributed more weight to the bank's performance in moderate-income tracts.

The overall geographic distribution of home purchase loans is adequate. The bank's geographic distribution of home purchase loans during 2012 through 2013 was adequate. The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in these geographies. We did, however, note that there were very few owner-occupied housing units in these geographies and, therefore, gave slightly more weight to performance in moderate-income CTs. The percentage of loans made in moderate-income geographies exceeded the percentage of owner-occupied units in these geographies. With an overall market share of less than 1.00 percent, a market share analysis was not meaningful. The bank's performance in 2011 was weaker than the performance noted in 2012 through 2013. The bank originated/purchased only 23 home purchase loans in 2011, with none in low- or moderate-income census tracts.

The overall geographic distribution of home refinance loans is adequate. The bank's geographic distribution of home refinance loans during 2012 through 2013 was adequate. The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in these geographies. We did, however, note that there were very few owner-occupied housing units in these geographies and, therefore, gave slightly more weight to performance in moderate-income CTs. The percentage of loans made in moderate-income census tracts was below the percentage of owner-occupied units in these geographies. With an overall market share of less than 1.00 percent, a market share analysis was not meaningful. The bank's performance in 2011 was not inconsistent with the performance noted in 2012 through 2013.

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

Overall, the geographic distribution of small loans to businesses is good.

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/purchase of small loans to businesses.

The overall geographic distribution of small loans to business is good. The bank's geographic distribution of small loans to businesses in 2012 through 2013 was good. The percentage of loans made in low-income geographies was significantly below the percentage of businesses in those geographies. However, we noted that there were very few businesses located in low-income geographies which limits opportunities. We gave more consideration to performance in moderate-income CTs. The percentage of loans made in moderate-income geographies was near the distribution of businesses in those geographies, reflecting good performance. With an overall market share of less than 1.00 percent, a market share analysis was not meaningful. The bank's performance in 2011 was not inconsistent with the performance noted in 2012 through 2013.

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

We reviewed summary reports and maps, and analyzed Webster's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

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

The overall borrower distribution of the bank's lending is adequate. As noted previously, we placed greater weight on the bank's home mortgage lending as home mortgage loans represented the majority of the bank's CRA reportable lending activity. In addition, we attributed more weight to the bank's performance in 2012 through 2013 than its performance in 2011.

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

The overall borrower distribution of home mortgage loans is poor.

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.

The overall borrower distribution of home purchase loans is adequate. The bank's borrower distribution of home purchase loans during 2012 through 2013 was adequate. The percentage of loans to low-income borrowers was significantly below the percentage of low-income families. The percentage of loans made to moderate-income borrowers was near the percentage of moderate-income families. With an overall market share of less than 1.00 percent, a market share analysis was not meaningful. The bank's performance in 2011 was stronger than the performance noted in 2012 through 2013 and was good, due to excellent performance to low-income borrowers.

The overall borrower distribution of home refinance loans is poor. The bank's borrower distribution of home refinance loans during 2012 through 2013 was poor. The percentage of loans to low-income borrowers was well below the percentage of low-income families. The percentage of loans to moderate-income borrowers was significantly below the percentage of moderate-income families. With an overall market share of less than 1.00 percent, a market share analysis was not meaningful. The bank's performance in 2011 was stronger than the performance noted in 2012 through 2013 and was adequate, due to adequate moderate-income borrower performance.

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

The overall borrower distribution of small loans to businesses is adequate.

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.

The overall borrower distribution of small loans to businesses is adequate. The bank's borrower distribution of small loans to businesses in 2012 through 2013 was adequate. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was below the percentage of small businesses. With an overall market share of less than 1.00 percent, a market share analysis was not meaningful. The bank's performance in 2011 was not inconsistent with the performance noted in 2012 through 2013.

## Community Development Lending

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 CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans.

Webster had an excellent level of CD loans that were responsive to community needs.

Webster's level of CD lending had a significantly positive impact on its overall lending performance in the AA. Webster originated seven loans totaling \$21 million in qualified CD loans in the AA during the evaluation period. This volume represented 72.89 percent of allocated Tier One Capital for this AA. The bank's CD loans were highly responsive to AA needs. The bank demonstrated a high level of leadership and provided loans in an extremely competitive market. These loans supported affordable housing initiatives for LMI individuals, community services targeted to LMI individuals, activities that promoted economic development in the AA, and activities that revitalized or stabilized LMI geographies.

Specific examples of noteworthy CD loans originated during this evaluation period include:

- Two loans totaling \$6.95 million were originated to a nonprofit corporation who specializes in affordable housing needs. This corporation delivers financing, technical expertise and works closely with community organizations to create and preserve affordable housing.
- A \$5.50 million loan was originated to a nonprofit provided of housing and social services for the homeless and low-income families in the Metropolitan NY area. Webster took a lead role on the construction of a 28-unit housing development located in Greenburg, NY. The development replaced emergency temporary housing site with permanent affordable housing.
- One loan totaling \$6.05 million was originated to a local business designed to revitalize and stabilize the community. This business is located in Yonkers, NY, which is designated as a Federal Empowerment Zone. This business is an automobile resale and salvage offering affordable and restored vehicles to those who are otherwise unable to finance or purchase a new vehicle.

## Product Innovation and Flexibility

Webster offered a standard product mix of loans including FHA, FannieMae, FreddieMac, U.S. Department of Agriculture and Small Business Association loans. In addition, Webster offered loan programs targeted to LMI borrowers demonstrating product flexibility.

- Webster participates in programs offered by the State of New York Mortgage Agency (SONYMA) targeted to LMI borrowers. Program features include competitive interest rates, low down payment requirements, flexible underwriting guidelines and down payment assistance. Under this program, the bank originated five loans totaling \$592,000.

- Webster created a LMI specific first time homebuyers program. The Webster Bank Affordable Housing Program is designed to provide a competitively priced fixed rate mortgage program for LMI individuals or families or for properties in LMI geographies. Features include up to 95 percent LTV for purchase transactions, mortgage insurance is not required, a \$500 down payment from borrower's own funds while the balance may be gifted.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in the state of New York is rated "Outstanding." Although the bank's performance in the New York MD full-scope area was adequate, the performance within the state elevates it to an excellent level after considering the excellent volume and responsiveness of investments made by the bank in the statewide area.

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 originated 26 grants and donations in the New York MD, totaling \$79 thousand. We considered the ongoing impact that investments made prior to the current evaluation period had within the AA. Two prior period investments totaling \$525 thousand were in the bank's AA. These prior period investments were Low Income Housing Tax Credit investments that supported affordable housing. When considering both current and prior period investments, the total of \$604 thousand represented 2.10 percent of Tier One Capital for the AA. This level is considered adequate. As noted above, after considering the level of statewide investments, the bank's performance is elevated to an excellent. In this AA, the bank faced very strong competition from large nationwide institutions for investments, and despite that, was able to invest in affordable housing tax credits. The bank made grants and donations to entities which support affordable housing and community services targeted to LMI residents.

Funding for affordable housing and community services targeted to LMI individuals were the main identified CD needs in the AA. The bank's investments supported affordable housing, community services to LMI families, and support for economic development activities.

### **Investments – NY Statewide**

In addition to the CD investments that benefited the bank's AA, 10 prior period investments that benefited the state of New York totaling \$1.53 million remained on the bank's books at the end of the evaluation period. These investments supported affordable housing through Low Income Housing Tax Credits. These investments represented 5.39 percent of the allocated Tier One Capital to the state, and had a significantly positive impact on the investment test rating for the state.

## **SERVICE TEST**

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

Webster's performance under the service test in the state of New York is rated "High Satisfactory." Based on our full-scope review, the bank's performance New York MD assessment area 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.

Webster's branch distribution in the AA is good. Branches were accessible to geographies and individuals of different income levels in the assessment area. There were no branches located in low-income geographies, but the percentage of population that resides in low-income geographies was only 2.44 percent. There was one branch located in a moderate-income census tract. The percentage of branches in moderate-income census tracts was excellent when compared to the percentage of the population in moderate-income census tracts.

Branch openings and closings have not adversely affected the accessibility of the bank's delivery systems to LMI geographies or individuals. There was one branch opening in 2011 and one branch closing in 2012 in the New York MD area. One branch was opened in an upper-income CT and one branch was closed in a middle-income CT. The Greenburg branch was closed due to poor financial performance and the fact that two of the bank's banking centers were within 0.70 miles of each other.

Branch services and hours did not vary in a way that inconveniences portions of the AA, particularly LMI individuals. Services offered and banking hours are comparable among locations regardless of the income level of the geography. All branches have Saturday office hours.

The bank maintains a list of employees who speak foreign languages. As of January 2014, the list includes 55 different languages representing employees throughout the organization; banking centers/branches, business lines and the Customer Care Center. Webster employees can contact these individuals if they require assistance with language interpretation.

Bank management complements its traditional service delivery methods with certain alternative delivery processes, such as: online banking, which includes bill payment and mobile banking; automated teller machines; and, a bank at work program.

#### **Community Development Services**

Webster's performance in providing CD services in the New York MD is good. CD services focused primarily on community services targeted to LMI individuals. Bank employees participated in a variety of organizations and partnerships, some in leadership roles, that benefited LMI individuals, promoted economic development, and provided affordable housing. They also provided technical assistance on financial and banking related matters to numerous community groups, LMI persons and families.

During the evaluation period, six Webster employees provided their expertise to 36 different CD organizations. Two senior officers demonstrated leadership and served on the Board of Directors or on

committees for four organizations that totaled 246 hours. In addition, Webster bankers conducted 32 financial education seminars that reached 180 attendees. Financial literacy topics include foreclosure prevention, first-time homebuyer education, mortgage products available, loan eligibility, and steps to improving credit ratings.

The bank's Community Development Officer was invited to join the membership of the Westchester Business Council Economic Development Leadership whose goal includes affordable housing.

Webster continues to offer the Opportunity Checking Account product to meet the needs of un-banked consumers who are ineligible to open regular checking accounts. The account offers access to regular banking services such as direct deposit, check writing, ATM cards and online services giving these consumers the opportunity to re-establish themselves as banking customers and providing financial stability.

In order to help meet the needs of LMI families in the assessment area, the bank waives foreign ATM card access fees for State Assistance Electronic Benefit Transfer (EBT) at Webster owned ATMs. However, we placed no significant weight on these community services, as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals.

## 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 nonmetropolitan 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): 01/01/2011 to 12/31/2013 Investment, Service Tests and CD Loans: 02/07/2011 to 06/02/2014	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Webster Bank, N.A. (Webster) Waterbury, CT	Home Purchase; Home Improvement; Home Refinance; Multifamily; Small Business; Community Development loans; Qualified Investments; Services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
NA		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Providence-New Bedford-Fall River RI-MA MMSA  <u>Connecticut</u>  Hartford-West Hartford-East Hartford MSA  New Haven-Milford MSA  Bridgeport-Stamford-Norwalk MSA  Norwich-Lew London MSA  CT Non-MSA  <u>Massachusetts</u>  Boston-Quincy MD  Springfield MSA  <u>New York</u>  New York-White Plains-Wayne, NY-NJ MD	Full-Scope Review  Full-Scope Review  Full-Scope Review  Full-Scope Review  Limited-Scope Review  Limited-Scope Review  Full-Scope Review  Limited-Scope Review  Full-Scope Review	All of Rhode Island and Bristol County, MA  Entire Hartford-West Hartford-East Hartford, CT MSA  All of New Haven County  Fairfield County  Shoreline towns in New London County  Litchfield County  Financial district in the City of Boston, Plymouth County, central of Suffolk County, and southern portion of Norfolk County  South central portion of Hampden County  Southern portion of Westchester County

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

RATINGS WEBSTER BANK, N.A.				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Webster	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Multistate Metropolitan Area or State:				
Connecticut	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Providence-New Bedford- Fall River RI-MA Multistate MSA	Outstanding	Outstanding	Outstanding	Outstanding
Massachusetts	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
New York	High Satisfactory	Outstanding	High Satisfactory	Satisfactory

(\*) 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

### Providence-New Bedford-Fall River (RI-MA) Multistate MMSA

Demographic Information for Full-Scope Area: Providence-New Bedford-Fall River MMSA 2000 Census						
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
Business by Geography	143,095	7.21	15.19	43.91	33.68	0.00
Farms by Geography	3,152	3.05	6.63	45.08	45.24	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 2011 Households Below Poverty Level		53,013 74,500 12%	Median Housing Value Unemployment Rate (2000 US Census)	139,513 2.89%		

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

Demographic Information for Full-Scope Area: Providence-New Bedford-Fall River MMSA 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	368	12.77	20.92	37.23	28.26	0.82
Population by Geography	1,600,852	10.40	19.24	38.80	31.56	0.00
Owner-Occupied Housing by Geography	391,560	3.99	12.94	44.73	38.34	0.00
Business by Geography	122,523	8.88	16.10	39.68	35.24	0.09
Farms by Geography	3,060	3.59	8.30	38.69	49.41	0.00
Family Distribution by Income Level	400,698	22.56	16.87	20.08	40.49	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	158,004	18.04	27.09	36.28	18.59	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2013 Households Below Poverty Level		70,496 71,100 13%	Median Housing Value Unemployment Rate (2010 US Census)	301,214 4.42%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2013 FFIEC updated MFI

The Providence-New Bedford-Fall River RI-MA MSA is a multistate AA, which includes the entire state of Rhode Island and Bristol County in the state of Massachusetts. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI geographies.

According to the 2000 U.S. Census, the total population of the AA was 1.58 million. The distribution of families by income level was 21.00 percent low-income, 17.00 percent moderate-income, 22.00 percent

middle-income, and 39.00 percent upper-income. According to the 2010 U.S. Census, the total population increased to 1.6 million, and the distribution of families by income level was 23.00 percent low-income, 17.00 percent middle-income, 20.00 percent middle, and 40.00 percent upper.

The bank offers a full range of commercial and consumer loan/deposit products and services. Competition in the AA is high, with 31 total depository institutions. Competition includes large interstate banks, regional banks, as well as mortgage companies, credit unions, and community banks. Webster Bank has 24 branches in the AA, and 27 deposit-taking ATMs. As of June 30, 2013, Webster Bank's deposits in the AA totaled \$1.04 billion, which is 2.80 percent of the market. The bank's deposits rank seventh out of 31 depository institutions; the top five depository institutions account for 76.40 percent of total deposits in the AA. The top five depository institutions include RBS Citizens, Bank of America, Santander Bank, The Washington Trust Company of Westerly, and Bank Rhode Island.

### Employment and Economic Factors

According to the Bureau of Labor Statistics (<http://beta.bls.gov>), unemployment in the Providence AA improved during the evaluation period, but remains higher than the national average; 9.30 percent in December 2013, compared to the national average of 6.50 percent. Unemployment in the AA fell from 12.20 percent in February 2011 to 9.30 percent in December 2013. Unemployment in the state of Rhode Island fell from 12.10 percent in February 2011 to 8.90 percent in December 2013. Unemployment in Bristol County, Massachusetts fell from 11.60 percent in February 2011 to 9.30 percent in December 2013.

The percentage of families in the AA living below the poverty level is moderate and increased from 8.47 percent at the 2000 U.S. Census to 8.55 percent at the 2010 U.S. Census. Significant portions of families in LMI geographies live below the poverty level; 30.50 percent of families in low-income geographies and 16.24 percent in moderate-income geographies live below the poverty level. LMI geographies account for one-third of the census tracts in the AA based on the 2010 U.S. Census.

The largest industries in the AA include education and health services, government, and retail. The top five employers are Lifespan, Care New England Health System, CVS Caremark, Citizens Financial Group Inc., Naval Station Newport, and Brown University.

### Housing

There are limited opportunities for residential mortgage lending in this AA's LMI geographies due to a low number of units, low rate of owner occupancy, high unemployment, and a high poverty rate. The number of housing units is much lower in LMI geographies than middle- and upper-income geographies.

According to the 2000 U.S. Census, 55.74 percent of the total housing units in the AA were owner-occupied. LMI geographies are primarily rental markets, with rental units accounting for 70.00 percent of the housing units in low-income geographies and 60.64 percent of the housing units in moderate-income geographies.

Home ownership in LMI geographies is difficult due to high median housing prices compared to median family incomes, and a poverty rate of 13.00 percent in the AA. According to the National Association

of Realtors ([www.realtor.org](http://www.realtor.org)), the median housing value for the AA was \$231 thousand at year-end 2013. The median housing values ranged from \$217 thousand in 2011, \$215 thousand in 2012, and \$231 thousand in 2013. Median home prices are relatively high in the AA when coupled with a median family income of \$71 thousand and a poverty rate of 13.00 percent (according to 2010 U.S. Census). Based on this median family income, LMI families earned at most approximately \$36 thousand and \$57 thousand, respectively. These income levels would make it difficult to afford owner-occupied housing in this AA for LMI borrowers.

There were no significant shifts in the housing mix indicated by the 2010 U.S. Census. Owner-occupied housing increased slightly to 56.75 percent, while rental occupied units decreased to 33.27 percent; vacant units increased to 9.99 percent. The majority of housing units in LMI geographies remained rental units, totaling 64.39 percent in low-income geographies, and 50.28 percent in moderate-income geographies.

The median age of housing stock is higher in LMI geographies than middle- and upper-income geographies, contributing to the lower median housing values in LMI geographies. Older housing typically has lower purchase prices, but often cost more to maintain. Per the 2000 U.S. Census, the median age of housing in low-income geographies was 54 years, and 55 years for moderate-income geographies. Per the 2010 Census, the median age of stock was 69 years for low-income geographies, and 66 years for moderate-income. Due to the older age of housing stock in LMI geographies, we would expect increased demand for home improvement lending. However, this is partially mitigated by the overall low number of housing units in LMI geographies.

Foreclosures in the Providence-New Bedford-Fall River RI-MA MSA are moderate as the MSA ranks 95<sup>th</sup> for foreclosures out of 366 total metropolitan areas in the US. According to the Center for Housing Policy ([www.foreclosure-response.org](http://www.foreclosure-response.org)), the foreclosure rate for the AA as of September 2013 (the most recent data) was 4.90 percent. The foreclosure rate fluctuated during the evaluation period, ranging from 6.10 percent in September 2011 to 6.50 percent in September 2012, down to 4.90 percent in September 2013.

### Community Contact

We conducted one community contact and attended a CRA listening session, both focused on CD issues specific to this AA. The organization represented by the initial community contact focuses on providing innovative financial services that help lift people in the AA out of poverty. There were six organizations involved in the CRA listening session; they focus on economic development and affordable housing. The organizations stated that the credit needs of the AA include affordable housing, affordable banking services, and affordable retail loan products. In addition, there is a need in the area for financial literacy education.

## State of Connecticut

### Bridgeport-Stamford-Norwalk MSA

Demographic Information for Full-Scope Area: Bridgeport-Stamford-Norwalk MSA 2000 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	209	12.92	20.57	32.54	33.97	0.00
Population by Geography	882,567	10.24	22.80	33.16	33.80	0.00
Owner-Occupied Housing by Geography	224,509	3.34	16.53	39.53	40.60	0.00
Business by Geography	133,670	7.56	19.04	33.66	39.74	0.00
Farms by Geography	2,942	5.30	20.26	35.42	39.02	0.00
Family Distribution by Income Level	229,851	21.61	17.25	19.58	41.56	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	89,326	18.94	32.92	31.12	17.02	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		77,332 105,300 7%	Median Housing Value Unemployment Rate (2000 US Census)		297,989 2.41%	

(\* ) The NA category consists of geographies not assigned an income classification.

Source: 2000 US Census and 2011 HUD updated MFI

Demographic Information for Full-Scope Area: Bridgeport-Stamford-Norwalk MSA 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	210	15.71	17.62	31.90	34.76	0.00
Population by Geography	916,829	13.48	19.50	33.65	33.38	0.00
Owner-Occupied Housing by Geography	234,419	5.20	15.88	40.35	38.57	0.00
Business by Geography	121,366	10.22	16.25	32.64	40.89	0.00
Farms by Geography	2,895	9.57	16.89	35.54	38.00	0.00
Family Distribution by Income Level	230,561	22.70	16.66	19.96	40.68	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	90,748	24.14	28.20	31.57	16.09	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2013 Households Below Poverty Level		100,593 101,300 8%	Median Housing Value Unemployment Rate (2010 US Census)		503,921 3.95%	

(\* ) The NA category consists of geographies not assigned an income classification.

Source: 2010 US Census and 2013 FFIEC updated MFI

The Bridgeport-Stamford-Norwalk MSA AA is located in southwestern Connecticut. This AA is comprised of the entire Bridgeport-Stamford-Norwalk MSA and the MSA consists of one county, Fairfield County. Fairfield County is one of eight counties in Connecticut. Fairfield County includes four of the state's largest cities: Bridgeport, Stamford, Norwalk and Danbury. The AA has 210 census tracts, as of the 2010 U.S. Census. According to the U.S. Census American Factfinder website ([factfinder2.census.gov](http://factfinder2.census.gov)), the AA population grew by 34,262 or 3.88 percent between census years 2000 and 2010. The population has remained stable as the U.S. Census American Factfinder data indicates estimated growth, through year-end 2012, in the area to be at 0.23 percent or 918,829. The Bridgeport AA meets the requirements of the CRA regulation and does not arbitrarily exclude any area, particularly LMI geographies.

Based on the FFIEC Updated MSA Median Family income, the weighted average family income in the AA as of 2013 was \$101,300. This is a \$4,000 (3.80 percent) decrease when comparing this amount to the 2011 updated median family income (\$105,300). There was an overall net increase in the number of LMI families from 2011 to 2013. According to the U.S. Census data, low-income families increased from 21.61 percent in census year 2000 to 22.70 percent in census year 2010, or 5.04 percent. There was a decrease in the number of moderate-income families over the same time period, from 17.25 percent in census year 2000 to 16.66 percent in census year 2010. Within those low-income families, the number of families living below the poverty level grew. Families living below the poverty level increased to 5.59 percent in the 2010 Census from 5.00 percent in the 2000 Census. This is an 11.80 percent increase within the AA.

Strong competition exists for financial services within the Bridgeport AA. Per the June 30, 2013 FDIC Deposit Market Share Report, the bank ranks eighth out of 32 depository financial institutions in the AA, with a 3.68 percent market share. The competition is comprised of a large regional bank along with several large nationwide institutions. The top five competitors, in order of their ranking, are Peoples United Bank, Bank of America, JPMorgan Chase Bank, Wells Fargo Bank and Citibank. These competitors control 64.63 percent of the deposit share within this AA. The competition maintains 216 offices in the AA. Webster has 25 full-service branches in the AA as of the end of the evaluation period. The bank supplements its branch network with 36 deposit-taking ATMs. The bank's deposits in the Bridgeport MSA as of June 30, 2013, totaled \$1.29 billion, representing 10.00 percent of total Webster deposits in the state of Connecticut.

### Employment and Economic Factors

The economic condition of the Bridgeport AA has remained relatively stable over the evaluation period. According to the U.S. Bureau of Labor Statistics, a significant number of the AA's workforce is employed by local government, with 45,300 employees as of December 2012. Beyond state and local governments, the Bridgeport AA is home to several major industries, which include education and healthcare services. The fastest growing industry in the same 12 months was the leisure and hospitality job group. The top five employers for the Bridgeport AA are State and Local Governments, Sikorsky Aircraft Corporation, Western Connecticut Health System, Pitney Bowes, and UBS. These four companies employed 19,300 as of year-end 2012. The healthcare industry will continue to see great growth in the Bridgeport AA due to the presence of six large hospitals in Fairfield County along with growth in ambulatory services and nursing/residential care facilities.

Over the past twelve months, there has been a slight shift in the composition of jobs within the Bridgeport AA as noted in the Comprehensive Housing Market Analysis (U.S. Bureau of Labor Statistics). This 1.10 percent shift created a net increase in jobs of 4,500. This is the same increase in jobs as was noted in 2011. The service providing sector of the non-farm jobs was the fastest growing section at the rate of 1.5 percent. Within this job sector, the leisure and hospitality sector was the fastest growing industry at 6.60 percent. The second highest growth group is the education and health services sector with a growth rate of 2.60 percent. These growth rates were offset with several sectors seeing decreases. These job sectors were manufacturing and financial activities groups with decreases in the amount of 3.40 percent and 1.60 percent, respectively.

The Bureau of Labor Statistics reports, as of December 2013, that the unemployment rate for the AA was 6.30 percent, which was below the statewide rate (6.80 percent) and slightly below the national rate (6.50 percent). Unemployment rates for the AA during the evaluation period ranged from a high of 9.30

percent in January 2011 to a low of 6.30 percent in December 2013. Annual unemployment rates for the AA, during the evaluation period, were 8.30 percent for 2011, 7.70 percent for 2012, and 7.20 percent for 2013.

### Housing

The median sales price of existing single-family homes for the AA, according to the National Association of Realtors ([www.realtor.org](http://www.realtor.org)), was \$390,600 for year-end 2011. The median sales price for 2012 was \$390,500, and for 2013 was \$403,000, indicating an overall constant sales prices during the evaluation period. At these median sales prices, it is somewhat difficult for LMI families to qualify for a mortgage loan, with median family incomes of at most approximately \$51 thousand and \$81 thousand for LMI families, respectively (according to 2013 FFIEC updated MFI).

Foreclosure rates have improved in the AA from 2011 to 2013. The Center for Housing Policy ([www.foreclosure-response.org](http://www.foreclosure-response.org)) reported foreclosure rates as of September 2011 and 2013 for the AA of 5.80 percent and 5.00 percent. In terms of foreclosure rates, the AA ranked 103<sup>rd</sup> out of 366 metropolitan areas in 2011 and 89<sup>th</sup> out of 366 metropolitan areas in 2013. To break this rate down further, the prime foreclosure rate was at 3.30 percent compared to the sub-prime foreclosure rate of 22.30 percent. These statistics are an improvement over September 2012 figures, which were reported at a 6.30 percent foreclosure rate, a prime foreclosure rate of 4.20 percent and a sub-prime foreclosure rate of 27.50 percent. The ranking was nearly the same at 88 out of 366 from 2012 to 2013, the region saw a 20.63 percent improvement in the overall foreclosure rate.

According the 2010 U.S. Census, 12.85 percent of owner-occupied units were located in low-income census tracts, which is higher than the 9.29 percent reported in the 2000 U.S. Census. Of the total housing units in low-income geographies, 61.55 percent were occupied rental units and 13.79 percent that were vacant units. These statistics show an increase in the number of vacant units and decrease in the number of rental units when compared to 2000 Census data, which showed 9.07 percent vacant units and 68.26 percent rental units. In moderate-income geographies, 43.07 percent were occupied rental units and 7.87 percent were vacant units, according to 2010 US Census data. Similar to low-income geographies, the percent of vacant units increased and rental units decreased from the 2000 Census. Per 2000 Census data, vacant units were 4.56 percent and rental units were 50.04 percent

According to the 2010 U.S. Census, the median age of housing stock in low-income census tracts is 62 years and 51 years in moderate-income census tracts. This is compared to 45 years in middle-income and 47 years in upper-income census tracts. Older housing often costs more to maintain and frequently requires significant repairs to bring the dwelling up to current code requirements. Older homes are typically less energy efficient and often result in higher heating and cooling costs that add to the overall costs of homeownership. The increased energy costs and additional expenses related to rehabilitation limit the ability for LMI individuals to qualify for a home purchase, let alone the additional expenses needed for home improvement.

Overall, opportunities for home mortgage lending in LMI geographies and to LMI families are limited due to: median sales prices of existing homes; a limited inventory of owner-occupied units; increasing poverty rates; and the advanced age of housing stock.

Community Contact

One community contact conducted in the AA was reviewed as part of this performance evaluation. This organization is an economic development council that is comprised of six entities from the Bridgeport-Stamford-Norwalk MSA. This organization identified that there is a significant population of LMI residents of the county who have significant housing and other social service needs. Banking and other financial services are lacking in these communities especially in the East End, Eastside and South End of Bridgeport where poverty levels are considered high for such a rich metropolitan area. The low-income neighborhoods lack affordable housing and better education opportunities. Bridgeport is the largest city in the MSA and it has the highest levels of poverty. Stamford, which is a major financial center and home to several large firms including UBS, RBS and other hedge funds companies, has significant pockets of poverty and in need of affordable housing.

The contact stressed that the low-income areas on the Eastside, East End, and South End of Bridgeport need affordable housing and economic development projects to help revitalize and stabilize the area. Residents in these areas have little opportunity for better job opportunities because they lack the healthcare and mechanical labor skills needed to acquire better jobs. Sponsorship and funding of programs to enhance these skills will help to enhance the economy of the county. Banks can also establish branches in the economically depressed areas and reduce the high cost of financial services in those communities while helping to revitalize the communities through participation in consortiums and other funds that reduce risks.

**Hartford-West Hartford-East Hartford MSA**

Demographic Information for Full-Scope Area: Hartford-West Hartford-East Hartford MSA 2000 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	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	0.08
Owner-Occupied Housing by Geography	294,785	2.33	9.56	53.21	34.90	0.00
Business by Geography	132,331	8.68	11.71	48.27	31.10	0.24
Farms by Geography	3,178	1.76	6.54	50.57	41.10	0.03
Family Distribution by Income Level	298,162	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		64,156	Median Housing Value		144,727	
HUD Adjusted Median Family Income for 2011		86,500	Unemployment Rate (2000 US Census)		2.95%	
Households Below Poverty Level		8%				

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

Source: 2000 US Census and 2011 HUD updated MFI

Demographic Information for Full-Scope Area: Hartford-West Hartford-East Hartford 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	290	15.86	14.48	39.31	28.28	2.07
Population by Geography	1,212,381	11.76	13.99	41.64	31.30	1.31
Owner-Occupied Housing by Geography	323,477	3.56	11.13	46.70	38.61	0.00
Business by Geography	114,851	9.33	10.92	41.98	37.38	.039
Farms by Geography	3,141	2.83	6.91	44.00	46.16	0.10
Family Distribution by Income Level	310,244	21.35	16.97	22.11	39.57	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	118,886	21.38	20.77	39.09	18.74	0.01
Median Family Income		82,299	Median Housing Value		122,575,03	
FFIEC Adjusted Median Family Income for 2013		85,500	Unemployment Rate (2010 US Census)		4.02%	
Households Below Poverty Level		9%				

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

Source: 2010 US Census and 2013 FFIEC updated MFI

The Hartford-West Hartford-East Hartford MSA AA is comprised of three contiguous counties: Hartford, Middlesex, and Tolland, is located in the central region of the state and is the largest metropolitan area in Connecticut. The AA includes the city of Hartford, the state's capital, the county seat for Hartford County, and the third most populated urban area in the MSA. As of the 2010 U.S. Census, the AA population increased by 63,763 or 5.55 percent between the 2000 U.S. Census and the 2010 U.S. Census. Census bureau estimates made in July 2013 indicate low population growth in the Hartford-West Hartford-East Hartford MSA AA to 1,215,211 or 0.23 percent over the 2010 U.S. Census information. The assessment area meets the requirements of the CRA regulation and does not arbitrarily exclude LMI geographies.

Based on the 2000 U.S. Census, the median family income in the AA was \$64,156, and the HUD adjusted Median Family Income for 2011 was \$86,500. By the time of the 2010 U.S. Census, the median family income increased 28.28 percent to \$82,299; however, the HUD adjusted Median Family

Income decreased 1.16 percent to \$85,500. According to the 2010 U.S. Census, 38.32 percent of the families were LMI, which represented an increase from 37.88 percent based on the 2000 U.S. Census. Families living below the poverty level increased from 5.95 percent based on the 2000 U.S. Census to 6.67 percent based on the 2010 U.S. Census. According to the US Department of Agriculture, the poverty rates during 2012 for Hartford County were 12.20 percent, for Middlesex County were 6.40 percent, and for Tolland County were 7.30 percent compared to 10.60 percent statewide and 15.90 percent nationwide. The AA has a large immigrant population with pockets of non-English speaking communities that have very high poverty rates within certain low-income census tracts. Suburban areas tend to have wealthier populations whereas the urban cores tend to have the poorer neighborhoods.

Strong competition for financial services exists within the bank's AA, as there are several branches of national and regional banks, local community banks, credit unions, and other nonbank financial institutions operating in the AA. The majority of the bank's branches in the state are in this AA. Webster has 51 full-service branches in the AA as of June 2, 2014. The bank supplements its branch network with 93 deposit-taking ATMs. The bank's deposits in the Hartford-West Hartford-East Hartford MSA as of June 30, 2013, totaled \$4.14 billion, representing 32.10 percent of total Webster deposits in the state. Webster ranked second out of 30 depository banks with a 10.41 percent deposit market share in the AA. Bank of America is ranked first and dominates the market with 45.40 percent deposit market share. The remaining top five institutions are TD Bank ranked third with 6.93 percent, People's United Bank ranked fourth with 5.33 percent and First Niagara Bank ranked fifth with 4.84 percent.

### Employment and Economic Factors

The primary industries in the AA, based on number of employees as of 2012, are state and local government, insurance carriers, restaurants, general medical and surgical hospitals, and aerospace product and parts manufacturing. The top five employers are State and Local Government, Hartford HealthCare, Hartford Financial Services Group, Pratt & Whitney/United Technologies, and University of Connecticut. United Technologies Corporation is headquartered in Hartford and comprises some of the national's largest engineering and manufacturing firms, which also have operations in the Hartford AA.

Insurance carrier payrolls remained level in 2013, breaking a long streak of declines dating back to 2008; however, the state's high business costs have caused the industry to relocate workers out of Connecticut. The health insurance side of the industry will benefit from expanded coverage due to the state's health insurance exchange that was set up under the Affordable Care Act. County and city governments continue to reduce jobs as their budgets are cut. Hartford's aerospace industry should begin to increase payrolls as the world market for civilian aircraft starts to recover driven by the export business to Germany and China. The professional services industry is growing, particularly in legal services and architectural and engineering design services because of a large share of college graduates remaining in state.

According to the Bureau of Labor Statistics, as of December 2013, the unemployment rate for the AA was 6.80 percent, which was the same as the statewide average and slightly above the national average (6.50 percent). Unemployment rates for the AA during the evaluation period ranged from a high of 9.00 percent in January 2011 to a low of 6.80 percent in December 2013. Average annual unemployment rates during the evaluation period were 9.00 percent for 2011, 8.30 percent for 2012, and 7.80 percent for 2013.

Housing

The Median Sales Price of Existing Single-Family Homes for the AA, according to The National Association of Realtors ([www.realtor.org](http://www.realtor.org)), as of year-end 2011 was \$227,600, 2012 was \$228,800, and 2013 was \$227,000. This indicates that overall sales prices remained constant during the evaluation period. With a 2013 adjusted median family income of \$85,500, LMI families earned at most approximately \$43 thousand and \$68 thousand, respectively. This along with the home prices makes qualifying for traditional mortgage products difficult for LMI families. According to the Center for Housing Policy ([www.foreclosure-response.org](http://www.foreclosure-response.org)), foreclosure rates as of September 2013 were 4.30 percent and the Hartford-West Hartford-East Hartford MSA ranked 125 out of 366 metropolitan areas. This is an improvement over September 2012, which reported a 5.40 percent foreclosure rate and a ranking of 133 and September 2011, which reported a foreclosure rate of 4.60 percent and ranking of 182. As of September 2013, the foreclosure rate for prime rate mortgages was 2.60 percent, compared to 20.50 percent for subprime mortgage loans.

Per the 2010 U.S. Census, only 3.56 percent of owner-occupied units were located in low-income census tracts, and this is slightly higher than the 2.33 percent reported by the 2000 U.S. Census. Approximately 11.13 percent of owner-occupied units were located in moderate-income census tracts, compared to 9.56 percent as reported in the 2000 U.S. Census. Per the 2010 U.S. Census, in low-income census tracts, 66.43 percent of occupied housing units were rentals and 15.83 percent were vacant. In moderate-income census tracts, 44.06 percent of occupied housing units were rentals, and 7.25 percent were vacant units. The percentage of vacant homes located in LMI census tracts increased from the 2000 U.S. Census, which reported 12.73 percent vacant units in low-income census tracts and 6.56 percent in moderate-income census tracts. Due to the low percentage of owner-occupied units and high percentage of rental units in LMI census tracts, the opportunities for residential lending in those tracts are somewhat limited in relation to the opportunities available in middle- and upper-income census tracts.

The median age of housing stock in low-income census tracts, according to the 2010 U.S. Census, is 64 years and 58 years in moderate-income census tracts as compared to 44 years in middle-income and 39 years in upper-income census tracts. Older housing often costs more to maintain and frequently requires significant repairs to bring the dwelling up to current code requirements. Older homes are typically less energy efficient and often result in higher heating and cooling costs that add to the overall costs of homeownership. The increased energy costs and additional expenses related to rehabilitation limit the ability for LMI individuals to qualify for home purchase loans let alone the additional expenses needed for home improvement. While the age of the housing stock does indicate a need for home improvement lending, the low percentage of owner-occupied units in LMI census tracts in addition to strong competition in the AA limits the opportunity for home improvement lending.

Overall, opportunities for lending in LMI census tracts are somewhat limited due to median sales prices that are approximately 2.75 times the median family income, limited inventory of owner-occupied units in those geographies, moderately high poverty rates, and the advanced age of housing stock in those geographies that increase cost to home ownership.

Community Contact

Four community contacts were reviewed as part of this performance evaluation. These contacts included an advocacy organization, community-based development organization, economic development organization, and an affordable housing organization. Organizations contacted identified

affordable housing that incorporates mixed-use and mixed-income development, rehabilitation of existing homes, incorporation of supportive services, and neighborhood revitalization as needs in the AA. Opportunities include investment and lending opportunities to assist in affordable housing projects where the AA has received state and federal funds and brownfield grants.

Multiple cities within the AA have received funds under Community Development Block Grant Programs. Each of the cities receiving funds is required to develop a five-year plan, which identifies needs and priorities for the use of the funds. A review of the plans for the cities of Middletown and East Hartford indicate that the needs of the communities are related to job creation, placement and coaching; neighborhood revitalization and stabilization; affordable housing and affordable rents including seniors and disabled individuals; housing rehabilitation; and public services for the elderly, youth, and homeless.

**New Haven-Milford MSA**

Demographic Information for Full-Scope Area: New Haven-Milford MSA 2000 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	185	12.43	19.46	43.24	24.32	0.54
Population by Geography	824,008	9.45	19.46	45.77	25.31	0.01
Owner-Occupied Housing by Geography	201,349	3.04	12.33	52.39	32.24	0.00
Business by Geography	93,709	7.47	17.54	43.19	31.78	0.02
Farms by Geography	1,840	2.83	11.09	42.07	44.02	0.00
Family Distribution by Income Level	211,878	20.85	17.34	22.55	39.26	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	80,907	16.50	26.95	42.83	13.72	0.00
Median Family Income		60,512	Median Housing Value		143,946	
HUD Adjusted Median Family Income for 2011		81,400	Unemployment Rate (2000 US Census)		3.02%	
Households Below Poverty Level		10%				

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

Source: 2000 US Census and 2011 HUD updated MFI

Demographic Information for Full-Scope Area: New Haven-Milford MSA 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	189	14.29	21.16	35.45	29.10	0.00
Population by Geography	862,477	11.07	21.98	35.57	31.38	0.00
Owner-Occupied Housing by Geography	216,131	3.46	16.65	40.50	39.39	0.00
Business by Geography	83,211	8.41	15.43	38.62	37.53	0.00
Farms by Geography	1,800	3.17	12.22	32.89	51.72	0.00
Family Distribution by Income Level	217,115	22.94	16.70	19.78	40.59	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	86,054	18.78	31.63	33.10	16.48	0.00
Median Family Income		77,379	Median Housing Value		272,790	
FFIEC Adjusted Median Family Income for 2013		77,800	Unemployment Rate (2010 US Census)		4.44%	
Households Below Poverty Level		11%				

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

Source: 2010 US Census and 2013 FFIEC updated MFI

The bank's New Haven AA is composed of the entire New Haven-Milford, CT MSA. As of the 2010 census, the AA population increased by 38,469 or 4.5 percent between the 2000 census and the 2010 census. Census Bureau estimates made in July 2013 indicate less than 0.1 percent decrease in population in the New Haven AA to 862,287. The bank's AA does not arbitrarily exclude any areas, particularly LMI geographies.

Based on the 2000 census, the median family income in the AA was \$60,512. By the time of the 2010 census, the median family income increased 27.9 percent to \$77,379. In terms of the distribution of families by income, at 2010, we note that 39.64 percent were LMI, as compared to 38.14 percent in the 2000 census. According to 2000 census data, approximately 20.85 percent of families were low-income, earning a median annual income of less than \$30,300. With the 2010 census data, the percentage of low-income families increased to 22.94 percent. The percentage of moderate-income families decreased from 17.34 percent to 16.70 percent in 2010. The 2000 census data showed approximately 10 percent of

all families had incomes below the poverty level, and 4.72 percent of households received public assistance. Within LMI census tracts, the percent of families below the poverty level was high at 29.44 and 13.23 percent, respectively. In the 2010 census, the overall percentage of families below the poverty level increased slightly in total and within LMI census tracts to 33.51 and 13.05 percent, respectively. As demonstrated in the demographic tables for 2000 and 2010, there is not a significant difference in the demographic data for these census years other than a very significant increase in median housing values, which almost doubled between 2000 and 2010. According to the 2010 census, the median price of housing in the New Haven MD is \$272,790. Due to the high prices, home ownership is very difficult for most low- and many moderate-income families.

As of June 2013, the bank had \$6.7 billion in deposits in the AA. This represents 51.9 percent of the bank's total deposits in the state of Connecticut. There were 28 FDIC insured financial institutions in the AA with 167 offices. Webster Bank, NA, ranks number one within a very competitive AA. Webster Bank, NA operates 33 branches and 58 deposit-taking ATMs in the AA. Webster's main competitors include Wells Fargo Bank, NA, Bank of America, NA, and Peoples Bank, NA.

### Employment and Economic Factors

According to the Bureau of Labor Statistics, as of December 2013, the unemployment rate for the AA was 8.1 percent, which is higher than both statewide and national rate, 6.80 and 6.50 percent, respectively. During the evaluation period, annual unemployment rates were 9.3 percent for 2011, 8.6 percent for 2012, and 8.1 percent for 2013. The AA is primarily urban with most of the population residing in larger cities. The Bureau of Labor Statistics labor force data indicates the leading industries are education and health services, trade, transportation and utilities, government, restaurants, and professional and business services, and leisure and hospitality. Major employers in this AA are Yale University, Yale New Haven Health System, Southern Connecticut State University, Bozzuto's Inc, and VA Medical Center-West Haven.

According to the OCC Economic Data report, the New Haven AA is recovering at a steady pace, though job growth still lags the U.S. average. The data report shows that New Haven AA ranks 216 out of 392 in employment growth. A significant number of the workforce is a part of the education and healthcare services category. Despite unspectacular job gains, labor market slack is diminishing and the unemployment rate has fallen to almost 8 percent. During first quarter 2014, the New Haven AA is still far from a full recovery, and slowing job growth in healthcare is still a concern. The economy continues to be sustained with increases in education payrolls, especially at Yale University and the colleges and universities.

### Housing

Based on 2000 census data, 201,349 of all housing units, or 59.09 percent, are owner occupied, and 34.54 percent being occupied rental units. Within LMI CTs, the percent of occupied rental units is high at 67.99 and 54.31 percent, respectively. The 2010 census saw a decrease in occupied rental units, both in total (31.5 percent) and in low- (64.61 percent) and moderate-income (46.84 percent) areas. According to the National Association of Realtors, the median housing price in the AA was \$203,100 as of March 31, 2013. This is a lower value compared to \$214,500 in March 31, 2011. This median price is significantly higher than the 2000 census median housing value of \$143,946 but below that of the 2010 census. The New Haven AA median family income increased by 28 percent to \$77,379 during census year 2010, noting a significant increase from census year 2000. Although housing is

generally affordable in the AA, the initial cost of home ownership could make originating home loans challenging in both LMI areas. According to the Center for Housing Policy ([www.foreclosure-response.org](http://www.foreclosure-response.org)), the foreclosure rate in the New Haven AA was 6.4 percent as of September 2013 compared to 5.6 percent in March 2011. This shows a slight increase in the foreclosure rate during the evaluation period.

According the 2010 U.S. census, 3.46 percent of owner-occupied units were located in low-income census tracts, and this is slightly higher than the 3.04 percent reported in the 2000 U.S. Census. Approximately 16.65 percent of owner-occupied units were located in moderate-income census tracts, compared to 12.33 percent as reported in the 2000 U.S. Census. Per the 2010 U.S. Census, in low-income census tracts, 64.61 percent of occupied housing units were rentals and 17.25 percent were vacant. In moderate-income census tracts, 46.84 percent of occupied housing units were rentals, and 9.05 percent were vacant units. The percentage of vacant homes located in LMI census tracts from the 2000 U.S. Census were 14.15 and 9.21 percent, respectively. In the low-income census tracts, 67.99 percent of occupied housing units were rentals and 54.31 percent were rentals in the moderate-income census tracts. In addition to the higher median sales price of existing homes, the low percentage of owner-occupied units and high percentage of rental units in LMI census tracts caused limited opportunities for residential lending in those tracts.

Overall, opportunities for lending in LMI census tracts are somewhat limited due to: median sales prices of existing homes is higher than the median family income; a limited inventory of owner-occupied units in these geographies; increasing poverty rates; and the advanced age of housing stock in these geographies that further increase the cost of homeownership.

### Community Contact

In conjunction with this evaluation, we contacted a housing development corporation with a mission of providing safe, affordable housing and homeownership opportunities for LMI individuals in New Haven, CT. The organization acquires and rehabilitates existing structures to provide affordable housing stock in the city and helps to stabilize neighborhoods. The organization has renovated over 260 homes for LMI families, provides other homeownership services for first time homebuyers, and homeownership and foreclosure counseling. The contact acknowledged that due the high poverty rate the opportunities are endless. According to the contact, some of the most pressing financial needs and opportunities for financial institutions in this AA are:

- Affordable housing
- Job training and employment opportunities
- Better education for LMI individuals

## State of Massachusetts

### Boston-Quincy MD

Demographic Information for Full-Scope Area: Boston-Quincy MD 2000 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	153	3.92	12.42	51.63	31.37	0.65
Population by Geography	759,426	2.08	11.62	54.37	31.63	0.30
Owner-Occupied Housing by Geography	200,584	0.49	8.40	56.88	34.23	0.00
Business by Geography	98,914	10.63	7.45	38.91	42.99	0.02
Farms by Geography	1,541	1.82	5.39	59.77	33.03	0.00
Family Distribution by Income Level	192,739	16.92	17.06	23.56	42.46	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	65,494	3.53	19.14	58.09	19.24	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		62,948 87,600 7%	Median Housing Value Unemployment Rate (2000 US Census)		212,774 2.26%	

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

Demographic Information for Full-Scope Area: Boston-Quincy MD 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	170	4.71	11.18	50.00	31.76	2.35
Population by Geography	794,389	3.70	10.51	54.64	30.89	0.26
Owner-Occupied Housing by Geography	216,986	1.06	8.70	58.29	31.94	0.00
Business by Geography	88,475	2.63	6.00	41.85	49.33	0.18
Farms by Geography	1,505	0.66	3.99	64.32	30.96	0.07
Family Distribution by Income Level	197,999	18.34	16.77	22.15	42.74	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	69,518	6.21	16.82	57.63	19.34	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2013 Households Below Poverty Level		83,664 88,000 9%	Median Housing Value Unemployment Rate (2010 US Census)		407,557 4.17%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2013 FFIEC updated MFI

The Boston-Quincy MD AA includes two noncontiguous areas within the northern and central/southern portion of the MD. The Northern area consists of the central portion of Suffolk County, in the City of Boston financial district. The Central/Southern area consists of all of Plymouth County and the southern portion of Norfolk County. This area includes 38 communities, with the LMI tracts concentrated within the City of Brockton. There are 170 census tracts in the AA, as of the 2010 Census. 2010 U.S. Census data reflects that the AA population increased 34,963 or 4.60 percent between the 2000 U.S. Census and the 2010 U.S. Census. The assessment area meets the requirements of the CRA regulation and does not arbitrarily exclude LMI geographies.

Based on the 2000 U.S. Census, the Median Family Income in the AA was \$62,948, and the HUD adjusted Median Family Income for 2011 was \$87,600. By the time of the 2010 U.S. Census, the Median Family Income increased 32.91 percent to \$83,664. The FFIEC adjusted Median Family Income only increased 0.46 percent to \$88,000 as of 2013. According to the 2010 U.S. Census, 35.11 percent of the families were LMI, which represented an increase from 33.98 percent based on the 2000 U.S. Census. Families living below the poverty level increased from 4.63 percent based on the 2000 U.S. Census to 5.19 percent based on the 2010 U.S. Census. According to the U.S. Department of Agriculture, the poverty rates during 2012 for Plymouth County were 7.80 percent, Norfolk County were 7.50 percent, and Suffolk County were 20.50 percent compared to 11.90 percent statewide and 15.90 percent nationwide.

Strong competition to provide financial services exist within the bank's AA. The June 2013 FDIC Deposit Market Share Report shows that Webster ranked 13th of 56 depository financial institutions, with a .52 percent market share. Competitors include several branches of national, regional, and local community banks operating in the AA. The top five deposit-taking institutions, combined, commanded 85.63 percent of the AA deposit market. Webster's top five competitors, in order of market share rank, were State Street Bank and Trust Company, Bank of America, RBS Citizens, The Bank of New York Mellon and Santander Bank. These five banks maintained 305 offices within the AA. In contrast, Webster has six full-service branches in the AA as of June 2, 2014. The bank supplements its branch network with seven deposit-taking ATMs. The bank's deposits in the Boston-Quincy MD as of June 30, 2013, totaled \$786.07 million, representing 91.50 percent of total Webster deposits in the state.

### Employment and Economic Factors

Employment in the Boston area is most concentrated within the education and health services, professional and business services, government, and financial activities sectors. Major employers include State and Local Government, Massachusetts General Hospital, Brigham and Women's Hospital, Boston University, and Children's Hospital Boston. One of the largest construction projects in the state is the \$280 million expansion of Brigham and Women's Hospital. Children's Hospital also recently completed a \$200 million additional that will expand its radiology department and add approximately 60 beds to the hospital. Additionally, two universities, Northeastern University and Suffolk University, are also in the midst of significant infrastructure investments. Northeastern is in the final stages of construction of an \$80 million dormitory and has announced plans for a \$225 million science and engineering building, while Suffolk recently broke ground on a \$62 million academic building. Projects such as these provide a boost to the area's construction and related trade employment.

According to the Bureau of Labor Statistics (BLS), as of December 2013, the unemployment rate for the AA was 5.60 percent, which was lower than the statewide average of 6.70 percent and the national average of 6.50 percent. Unemployment rates for the AA during the evaluation period ranged from a high of 7.10 percent in January 2011 to a low of 5.20 percent in November 2012. Annual unemployment rates during the evaluation period were 6.20 percent for 2011, 5.70 percent for 2012, and 6.00 percent for 2013.

### Housing

The median sales price of existing single-family homes for the AA, according to The National Association of Realtors, as of year-end 2011 was \$346,200, 2012 was \$351,200, and 2013 was \$375,900. This indicates that overall sales prices increased 8.58 percent over the evaluation period. At

these median sales prices, it is somewhat difficult for LMI families to qualify for a mortgage loan, with median family incomes of at most approximately \$44 thousand and \$70 thousand for LMI families, respectively (according to 2013 FFIEC updated MFI). According to the U.S. Department of Housing and Urban Development, as of June 2013, 5.20 percent of total home loans in the Boston-Suffolk submarket (which consists of Suffolk County and includes the city of Boston) were 90 or more days delinquent, in foreclosure, or transitioned into Real Estate Owned (REO). That rate was down from 5.90 percent the prior year. The statewide rate as of June 2013 was 6.20 percent. For the South Shore submarket (which consists of Norfolk and Plymouth Counties), as of June 2013, 6.10 percent of total home loans were 90 or more days delinquent, in foreclosure, or in REO which was down from 6.40 percent the prior year.

Per the 2010 U.S. Census, only 1.06 percent of owner-occupied units were located in low-income census tracts. This is slightly higher than the .49 percent reported by the 2000 U.S. Census. Approximately 8.70 percent of owner-occupied units were located in moderate-income census tracts, compared to 8.40 percent as reported in the 2000 U.S. Census. Of the total housing units in low-income census tracts (per 2010 Census data), 69.66 percent were rentals and 8.85 percent were vacant. In moderate-income geographies, 36.31 percent were rentals and 9.48 percent were vacant units. Compared to 2000 Census data, the level of rental units decreased and vacant units increased slightly in both LMI geographies. Due to the low percentage of owner-occupied units and high percentage of rental units in LMI census tracts, the opportunities for residential lending in those areas is limited in relation to opportunities available in other geographies.

The median age of housing stock in low-income geographies, according to the 2010 U.S. Census, is 57 years and 59 years in moderate-income geographies as compared to 45 years in middle-income and 47 years in upper-income geographies. In general, older housing often costs more to maintain, frequently requires repairs, and is typically less energy efficient, which results in higher heating and cooling costs than newer homes. These factors all add to the overall costs of homeownership and negatively impact the ability of LMI individuals to qualify for home loans. While the age of the housing stock does indicate a need for home improvement lending, the low percentage of owner-occupied units in LMI census tracts in addition to strong competition in the AA limits the opportunities for home improvement lending.

Overall, opportunities for home mortgage lending in LMI geographies and to LMI borrowers is somewhat limited due to: somewhat high median sales prices compared to LMI incomes; limited inventory of owner-occupied units in LMI geographies; and the advanced age of housing stock.

### Community Contact

For this evaluation, we reviewed two recent community contacts, one from a financial intermediary organization and the other from a housing partnership fund. These contacts stated that credit needs in the area include financing for mixed-income commercial properties, acquisition financing for charter schools and health centers, and financing of small residential rental properties. Affordable rental housing was also an identified need in the area.

**State of New York****New York-White Plains-Wayne MD**

Demographic Information for Full-Scope Area: New York-White Plains-Wayne MD 2000 Census						
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
Business by Geography	82,221	1.28	10.71	16.85	71.11	0.05
Farms by Geography	1,141	0.79	4.47	23.05	71.69	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 2011 Households Below Poverty Level		49,461 67,400 10%	Median Housing Value Unemployment Rate (2000 US Census)		283,752 2.33%	

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

Source: 2000 US Census and 2011 HUD updated MFI

Demographic Information for Full-Scope Area: New York-White Plains-Wayne MD 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	172	2.91	12.21	26.74	56.40	1.74
Population by Geography	721,349	2.24	13.91	26.60	56.91	0.35
Owner-Occupied Housing by Geography	154,947	0.31	4.16	20.40	75.13	0.00
Business by Geography	71,030	1.42	12.90	21.11	64.52	0.05
Farms by Geography	1,140	0.79	10.79	25.26	63.16	0.00
Family Distribution by Income Level	177,992	15.02	11.68	14.31	58.99	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	47,525	5.90	27.75	34.55	31.80	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2013 Households Below Poverty Level		64,171 66,000 9%	Median Housing Value Unemployment Rate (2010 US Census)		521,612 3.35%	

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

Source: 2010 US Census and 2013 FFIEC updated MFI

The New York-White Plains-Wayne NY-NJ AA is comprised of the southern two-thirds of Westchester County. The AA is a portion of the New York-White Plains-Wayne NY-NJ MD. The AA's population increased by 17,826 or 2.53 percent between the 2000 Census and the 2010 Census. The assessment area meets the requirements of the CRA regulation and does not arbitrarily exclude LMI geographies.

Based on the 2000 Census, the 2011 updated median family income in the AA was \$67,400. By the time the 2010 census data was released, the 2013 updated median family income decreased 2.08 percent to \$66,000. In terms of the distribution of families by income, at 2010, we note that 15.02 percent were low- and 11.68 moderate-income, representing an increase from 14.24 reported as low- and 11.32

moderate-income in the 2000 census. Families living below the poverty level decreased slightly from 7.33 percent in the 2000 census to 6.45 percent in the 2010 census.

Strong competition for financial services exists within the bank's AA, as there are several branches of nationwide and regional banks, local community banks, credit unions, and other nonbank financial institutions operating in the AA. Webster has eight full-service branches in the AA as of June 2, 2014. The bank supplements its branch network with ten deposit-taking ATMs. The bank's deposits in the New York AA as of June 30, 2013, totaled \$252,480, representing 0.62 percent of the deposit market share. Webster ranked 18<sup>th</sup> out of 36 depository institutions in the AA. Morgan Stanley Private Bank, N.A. is ranked first and dominates the market with 33.50 percent deposit market share. The remaining top institutions are JPMorgan Chase, which ranked second with 18.36 percent, Citibank ranked third with 12.60 percent and Wells Fargo ranking fourth with 5.86 percent.

### Employment and Economic Factors

Within the AA, the largest employers in the service-providing sectors are government, education and health services, professional and business services, and wholesale and retail trade. The largest industries are IBM Corporation, Westchester Medical Center, PepsiCo Incorporated, ITT Corporation, Nokia, Inc. and Fuji Photo Films SA Inc. The education and health services sector is the largest employment sector and the second fastest growing sector in the area since 2000. IBM is the largest employer in the area and the second largest employer in the United States, with nearly 7,500 employees in the area. Declines in government payrolls are expected to slow as state and local government revenues increase because of the improving economy.

According to the Bureau of Labor Statistics as of December 2013, the unemployment rate for the AA was 5.20 percent, which is significantly below the statewide unemployment rate of 6.60 percent for the same period. The national average unemployment rate as of December 2013 was 6.50 percent. Unemployment rates during the evaluation period for Westchester County ranged from a high of 7.60 percent in July 2012 to a low of 5.20 percent in December 2013. Annual unemployment rates during the evaluation period were 7.00 percent for 2011, 7.20 percent for 2012, and 6.3 percent for 2013.

### Housing

The Median Sales Price of Existing Single-Family Homes for the AA, according to The National Association of Realtors ([www.realtor.org](http://www.realtor.org)), as of year-end 2011 was \$442,600, \$444,900 for 2012, and \$465,700 for 2013. This indicates that sale prices stayed constant for 2011 and 2012 and showed a significant increase for 2013. The median sales price of single-family home is very high when considering the average updated median family income of \$66,700 reported during the evaluation period.

There are limited opportunities for residential mortgage lending in LMI census tracts. Per 2010 Census data, of the total owner-occupied housing units in the AA, only 0.31 percent were located in low-income census tracts, which is slightly less than the 0.35 percent reported in 2000 Census data. Approximately 4.16 and 3.09 percent of owner-occupied units were located in moderate-income census tracts, per 2010 and 2000 Census data, respectively. Per the 2010 census, of the total housing units in low-income census tracts, 79.45 percent of occupied housing units were rentals and 13.27 percent were vacant. In moderate-income census tracts, 72.78 of occupied housing units were rentals, and 9.93 percent were vacant units. The percentage of vacant homes located in LMI census tracts increased from the 2000

U.S. Census, which reported 6.90 percent vacant units in low-income census tracts and 5.60 percent in moderate-income census tracts. Due to the low percentage of owner-occupied units and the high percentage of rental units in LMI census tracts, opportunities for residential mortgage lending in LMI census tracts are limited in relation to the opportunities in middle- and upper-income geographies.

The weighted average of median year building for housing is 1945. The age of the housing stock in the AA creates an additional barrier to homeownership beyond affordability. Generally, older homes are more costly to maintain and are not energy efficient, resulting in higher overall maintenance costs. These increased expenses, including maintenance and rehabilitation, limit LMI individuals from qualifying for a home purchase loans in addition to home improvement loans that may be needed for repairs and maintenance.

### Community Contact

One grassroots community group was contacted as part of this performance evaluation. This organization is a nonprofit provider of housing and services for homeless and low-income families in the New York Metro area. The organization identified access to affordable housing as well as supportive services for LMI individuals and families as key needs. Within this category are sub-populations that need assistance as well, including veterans, formerly incarcerated individuals, young adults (ages 18-24) and senior citizens. Funding support is needed for job readiness training and employment services.

## 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.

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. 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, 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. 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.

## **Tables of Performance Data**

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Tables provided cover the bank's performance from January 1, 2012 through December 31, 2013.

### **Providence-New Bedford-Fall River MMSA**

#### **State of Connecticut**

#### **State of Massachusetts**

#### **State of New York**

**Table 1. Lending Volume**

LENDING VOLUME		Geography: PROVIDENCE MMSA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
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>												
Providence-New Bedford-Fall River MMSA	100.00	2,471	456,740	674	129,489	0	0	10	19,393	3,145	586,229	100.00

\* Loan Data as of December 31, 2013. Rated area refers to either state or multistate MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2011 to June 2, 2014.

\*\*\* Deposit Data as of June 30, 2013. Rated Area refers to either the state, multistate MA, or institution, as appropriate.

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

Geographic Distribution: HOME PURCHASE		Geography: PROVIDENCE MMSA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013							
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>															
Providence-New Bedford-Fall River MMSA	824	100.00	3.99	8.86	12.94	23.79	44.73	40.05	38.34	27.31	1.95	3.62	3.26	1.88	1.38

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 2010 Census information.

\*\*\*\* Data shown includes only One-to-Four family and manufactured housing. (Property type of 1 or 2)

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

Geographic Distribution: HOME IMPROVEMENT		Geography: PROVIDENCE MMSA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013							
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>															
Providence-New Bedford-Fall River MMSA	262	100.00	3.99	2.29	12.94	12.60	44.73	48.85	38.34	36.26	4.33	1.01	4.32	4.69	4.21

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 2010 Census information.

\*\*\*\* Data shown includes only One-to-Four family and manufactured housing. (Property type of 1 or 2)

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

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: PROVIDENCE MMSA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography*				
Assessment Area:	Total Home Mortgage Refinance 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>																
Providence-New Bedford-Fall River MMSA	1,343	100.00	3.99	3.57	12.94	11.91	44.73	40.73	38.34	43.78	1.56	1.95	2.40	1.54	1.42	

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 2010 Census information.

\*\*\*\* Data shown includes only One-to-Four family and manufactured housing. (Property type of 1 or 2)

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

Geographic Distribution: MULTIFAMILY		Geography: PROVIDENCE MMSA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013							
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>															
Providence-New Bedford-Fall River MMSA	42	100.00	23.18	30.95	22.70	42.86	36.76	23.81	17.37	2.38	9.02	9.84	15.79	4.55	2.44

\* Based on 2012 Peer Mortgage Data (USPR)

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

\*\*\* Percentage of Multifamily Units is the number of multifamily units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

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

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: PROVIDENCE MMSA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013							
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>															
Providence-New Bedford-Fall River MMSA	673	100.00	8.88	14.12	16.10	21.99	39.68	37.89	35.24	26.00	1.29	2.35	1.87	1.26	0.95

\* Based on 2012 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 (2013).

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

Borrower Distribution: HOME PURCHASE		Geography: PROVIDENCE MMSA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013							
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>1</sup>				
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Providence-New Bedford-Fall River MMSA	824	100.00	22.56	15.66	16.87	30.20	20.08	23.31	40.49	30.83	2.18	4.30	1.87	2.18	1.75

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 3.2% of loans originated and purchased by bank.

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

Borrower Distribution: HOME IMPROVEMENT		Geography: PROVIDENCE MMSA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013							
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>†</sup>				
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Providence-New Bedford-Fall River MMSA	262	100.00	22.56	13.85	16.87	20.00	20.08	21.54	40.49	44.62	4.48	3.89	5.13	3.45	4.96

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.8% of loans originated and purchased by bank.

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

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: PROVIDENCE MMSA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>†</sup>				
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Providence-New Bedford-Fall River MMSA	1,343	100.00	22.56	5.68	16.87	18.36	20.08	27.65	40.49	48.31	1.80	1.55	2.01	1.85	1.72

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 3.1% of loans originated and purchased by bank.

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: PROVIDENCE MMSA		Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
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>									
Providence-New Bedford-Fall River MMSA	674	100.00	72.31	55.19	56.68	21.66	21.66	1.29	2.02

\* Based on 2012 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 - 2013).

\*\*\*\* 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 1.48% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
Geography: PROVIDENCE MMSA									
Evaluation Period: JANUARY 1, 2011 TO JUNE 2, 2014									
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Providence-New Bedford-Fall River MMSA	3	1,301	57	9,093	60	10,394	0.00	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: PROVIDENCE MMSA				Evaluation Period: JANUARY 1, 2012 TO JUNE 2, 2014			
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>																								
Providence-New Bedford-Fall River MMSA	100.00	24	100.00	12.50	16.67	45.83	25.00	0	0	0	0	0	0	10.40	19.24	38.80	31.56							

**Table 1. Lending Volume**

LENDING VOLUME		Geography: CONNECTICUT						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
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>												
Bridgeport-Stamford-Norwalk MSA	16.48	1,433	604,965	779	118,507	0	0	9	38,550	2,212	723,472	9.99
Hartford-West Hartford-East Hartford MSA	47.41	4,428	792,462	1,936	268,563	0	0	12	28,680	6,364	1,061,025	32.12
New Haven-Milford MSA	25.72	2,333	408,257	1,120	158,808	0	0	14	27,581	3,453	567,065	51.86
<b>Limited Review:</b>												
CT non-MSA area	8.55	851	151,590	297	32,793	0	0	0	0	1,148	184,383	5.35
Norwich-New London MSA	1.84	211	56,575	36	4,292	0	0	0	0	247	60,867	0.67
CT Statewide	0.00	0	0	0	0	0	0	2	5,500	2	5,500	0.00

\* Loan Data as of December 31, 2013. Rated area refers to either state or multistate MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2011 to June 2, 2014.

\*\*\* Deposit Data as of June 30, 2013. Rated Area refers to either the state, multistate MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME		Geography: CONNECTICUT				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013								
Assessment Area:	% of Rated Area Loans (#) in MA/AA	Total Optional Loans**		Community Development Letters of Credit**		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>														
Bridgeport-Stamford-Norwalk MSA	0.00	0	0	0	0	0	0	0	0	0	0	0	0	9.99
Hartford-West Hartford-East Hartford MSA	100.00	1	10,706	1	10,706	0	0	0	0	0	0	0	0	32.12
New Haven-Milford MSA	0.00	0	0	0	0	0	0	0	0	0	0	0	0	51.86
<b>Limited Review:</b>														
CT non-MSA area	0.00	0	0	0	0	0	0	0	0	0	0	0	0	5.35
Norwich-New London MSA	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0.67

\* Loan Data as of December 31, 2013. Rated area refers to either state or multistate MA rating area.

\*\* The evaluation period for Optional Product Line(s) is from January 01, 2011 to June 2, 2014.

\*\*\* Deposit Data as of June 30, 2013. Rated Area refers to either the state, multistate MA, or institution, as appropriate.

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

Geographic Distribution: HOME PURCHASE			Geography: CONNECTICUT				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography*				
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>																
Bridgeport-Stamford-Norwalk MSA	421	17.16	5.20	5.46	15.88	15.91	40.35	31.83	38.57	46.79	1.76	2.17	2.34	1.28	1.98	
Hartford-West Hartford-East Hartford MSA	1,144	46.64	3.56	4.90	11.13	14.16	46.70	47.64	38.61	33.30	3.68	5.18	4.54	3.70	3.30	
New Haven-Milford MSA	661	26.95	3.46	2.87	16.65	20.88	40.50	39.33	39.39	36.91	3.73	4.80	5.26	3.68	3.11	
<b>Limited Review:</b>																
CT non-MSA area	169	6.89	0.00	0.00	10.99	11.24	56.19	53.25	32.82	35.50	4.28	0.00	3.23	4.09	4.97	
Norwich-New London MSA	58	2.36	2.17	1.72	12.88	5.17	45.50	29.31	39.45	63.79	2.21	2.56	0.56	1.57	3.38	

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 2010 Census information.

\*\*\*\* Data shown includes only One-to-Four family and manufactured housing. (Property type of 1 or 2)

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

Geographic Distribution: HOME IMPROVEMENT			Geography: CONNECTICUT								Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
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>															
Bridgeport-Stamford-Norwalk MSA	135	12.15	5.20	2.96	15.88	14.07	40.35	43.70	38.57	39.26	6.77	9.52	13.58	7.65	4.84
Hartford-West Hartford-East Hartford MSA	538	48.42	3.56	4.09	11.13	13.57	46.70	48.70	38.61	33.64	10.02	15.15	16.03	10.69	7.51
New Haven-Milford MSA	301	27.09	3.46	1.66	16.65	14.62	40.50	40.86	39.39	42.86	14.92	14.81	20.54	15.58	13.14
<b>Limited Review:</b>															
CT non-MSA area	114	10.26	0.00	0.00	10.99	7.89	56.19	65.79	32.82	26.32	12.47	0.00	6.67	14.29	10.71
Norwich-New London MSA	23	2.07	2.17	0.00	12.88	4.35	45.50	39.13	39.45	56.52	3.46	0.00	2.86	2.31	5.31

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 2010 Census information.

\*\*\*\* Data shown includes only One-to-Four family and manufactured housing. (Property type of 1 or 2)

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

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: CONNECTICUT				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography				
Assessment Area:	Total Home Mortgage Refinance 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>																
Bridgeport-Stamford-Norwalk MSA	869	15.38	5.20	1.27	15.88	6.33	40.35	40.16	38.57	52.24	1.60	0.33	0.88	1.78	1.64	
Hartford-West Hartford-East Hartford MSA	2,723	48.19	3.56	2.09	11.13	9.70	46.70	45.50	38.61	42.71	4.33	3.64	6.34	4.40	4.01	
New Haven-Milford MSA	1,364	24.14	3.46	1.47	16.65	8.65	40.50	35.26	39.39	54.62	3.66	3.07	3.41	3.51	3.84	
<b>Limited Review:</b>																
CT non-MSA area	566	10.02	0.00	0.00	10.99	4.77	56.19	56.54	32.82	38.69	5.59	0.00	3.94	5.54	5.98	
Norwich-New London MSA	129	2.28	2.17	0.00	12.88	5.43	45.50	26.36	39.45	68.22	1.94	0.00	0.85	1.16	2.95	

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 2010 Census information.

\*\*\*\* Data shown includes only One-to-Four family and manufactured housing. (Property type of 1 or 2)

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

Geographic Distribution: MULTIFAMILY			Geography: CONNECTICUT								Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
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>															
Bridgeport-Stamford-Norwalk MSA	8	19.51	27.12	37.50	37.71	12.50	27.47	37.50	7.71	12.50	3.95	3.23	0.00	9.09	16.67
Hartford-West Hartford-East Hartford MSA	23	56.10	30.71	26.09	18.62	34.78	38.97	21.74	11.70	17.39	9.00	14.81	4.76	5.56	12.50
New Haven-Milford MSA	7	17.07	19.68	28.57	30.98	14.29	37.19	14.29	12.16	42.86	5.26	10.00	3.45	3.33	6.25
<b>Limited Review:</b>															
CT non-MSA area	2	4.88	0.00	0.00	20.12	50.00	65.08	50.00	14.80	0.00	8.33	0.00	33.33	0.00	0.00
Norwich-New London MSA	1	2.44	8.93	0.00	59.55	0.00	19.89	100.00	11.62	0.00	8.33	0.00	0.00	25.00	0.00

\* Based on 2012 Peer Mortgage Data (USPR)

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

\*\*\* Percentage of Multifamily Units is the number of multifamily units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

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

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: CONNECTICUT								Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
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>															
Bridgeport-Stamford-Norwalk MSA	779	18.70	10.22	10.01	16.25	20.92	32.64	40.69	40.89	28.37	1.44	1.78	1.93	1.89	0.92
Hartford-West Hartford-East Hartford MSA	1,933	46.41	9.33	9.83	10.92	13.81	41.98	45.89	37.38	30.47	4.30	6.72	6.20	4.44	3.51
New Haven-Milford MSA	1,120	26.89	8.41	8.04	15.43	14.46	38.62	41.07	37.53	36.43	3.23	3.80	3.36	3.45	3.07
<b>Limited Review:</b>															
CT non-MSA area	297	7.13	0.00	0.00	11.40	8.42	56.17	61.62	32.43	29.97	3.17	0.00	2.03	3.85	3.01
Norwich-New London MSA	36	0.86	2.08	0.00	23.88	13.89	38.37	22.22	35.38	63.89	0.61	0.00	0.28	0.37	1.37

\* Based on 2012 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 (2013).

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

Borrower Distribution: HOME PURCHASE		Geography: CONNECTICUT										Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
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>																
Bridgeport-Stamford-Norwalk MSA	421	17.16	22.70	10.89	16.66	18.99	19.96	18.23	40.68	51.90	1.87	2.15	1.76	1.74	1.93	
Hartford-West Hartford-East Hartford MSA	1,144	46.64	21.35	13.33	16.97	32.81	22.11	23.90	39.57	29.96	4.00	4.70	4.10	3.57	3.96	
New Haven-Milford MSA	661	26.95	22.94	12.36	16.70	29.00	19.78	24.09	40.59	34.55	4.13	4.43	3.81	4.10	4.33	
<b>Limited Review:</b>																
CT non-MSA area	169	6.89	15.81	15.09	17.47	28.93	23.54	20.75	43.17	35.22	4.50	5.73	4.38	3.61	4.77	
Norwich-New London MSA	58	2.36	19.03	5.66	20.13	13.21	21.75	11.32	39.08	69.81	2.30	1.43	1.50	0.74	3.75	

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 5.2% of loans originated and purchased by bank.

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

Borrower Distribution: HOME IMPROVEMENT			Geography: CONNECTICUT				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
Bridgeport-Stamford-Norwalk MSA	135	12.15	22.70	12.31	16.66	16.15	19.96	15.38	40.68	56.15	7.15	6.58	9.66	3.53	7.79	
Hartford-West Hartford-East Hartford MSA	538	48.42	21.35	13.75	16.97	25.42	22.11	25.61	39.57	35.22	10.18	15.22	11.86	8.66	8.84	
New Haven-Milford MSA	301	27.09	22.94	10.03	16.70	20.42	19.78	27.68	40.59	41.87	14.96	24.42	16.28	14.77	12.34	
<b>Limited Review:</b>																
CT non-MSA area	114	10.26	15.81	20.00	17.47	14.55	23.54	27.27	43.17	38.18	12.36	25.00	9.76	12.80	10.40	
Norwich-New London MSA	23	2.07	19.03	0.00	20.13	14.29	21.75	9.52	39.08	76.19	3.20	0.00	3.85	0.00	6.19	

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 2.7% of loans originated and purchased by bank.

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

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: CONNECTICUT				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans***	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
Bridgeport-Stamford-Norwalk MSA	869	15.38	22.70	5.92	16.66	15.15	19.96	21.07	40.68	57.87	1.72	1.63	1.81	1.71	1.71	
Hartford-West Hartford-East Hartford MSA	2,723	48.19	21.35	10.32	16.97	21.06	22.11	26.39	39.57	42.23	5.01	7.31	5.13	4.59	4.89	
New Haven-Milford MSA	1,364	24.14	22.94	6.16	16.70	17.88	19.78	26.48	40.59	49.47	4.15	4.94	4.03	4.28	4.02	
<b>Limited Review:</b>																
CT non-MSA area	566	10.02	15.81	6.06	17.47	20.00	23.54	30.46	43.17	43.49	6.26	4.99	7.47	6.81	5.66	
Norwich-New London MSA	129	2.28	19.03	6.50	20.13	10.57	21.75	22.76	39.08	60.16	2.10	1.20	1.14	1.78	2.74	

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 3.5% of loans originated and purchased by bank.

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: CONNECTICUT		Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
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>									
Bridgeport-Stamford-Norwalk MSA	779	18.69	73.38	60.21	68.16	16.56	15.28	1.44	2.22
Hartford-West Hartford-East Hartford MSA	1,936	46.45	72.31	59.25	68.90	16.27	14.82	4.30	6.59
New Haven-Milford MSA	1,120	26.87	72.71	59.46	71.07	14.82	14.11	3.23	4.99
<b>Limited Review:</b>									
CT non-MSA area	297	7.13	76.47	74.75	80.81	7.41	11.78	3.17	6.00
Norwich-New London MSA	36	0.86	71.76	58.33	75.00	13.89	11.11	0.61	0.84

\* Based on 2012 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 - 2013).

\*\*\*\* 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 1.46% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: CONNECTICUT				Evaluation Period: JANUARY 1, 2011 TO JUNE 2, 2014			
Assessment Area:	Prior Period Investments <sup>*</sup>		Current Period Investments		Total Investments			Unfunded Commitments <sup>**</sup>	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Bridgeport-Stamford-Norwalk MSA	2	572	85	7,232	87	7,804	9.16	0	0
Hartford-West Hartford-East Hartford MSA	5	6,316	133	24,147	138	30,463	35.76	0	0
New Haven-Milford MSA	9	6,777	44	34,791	72	41,568	48.79	0	0
<b>Limited Review:</b>									
CT Non-MSA area	0	0	18	2,277	18	2,277	2.67	0	0
Norwich-New London MSA	1	187	14	1,150	15	1,337	1.57	0	0
CT Statewide	0	0	2	1,750	2	1,750	2.05	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: JANUARY 1, 2012 TO JUNE 2, 2014																	
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>																	
Bridgeport-Stamford-Norwalk MSA	9.99	25	20.33	4.00	16.00	52.00	28.00	1	0	0	0	0	+1	13.48	19.50	33.65	33.38
Hartford-West Hartford-East Hartford MSA	32.12	51	41.46	11.76	17.65	43.14	25.49	1	2	0	0	-1	0	11.76	13.99	41.64	31.30
New Haven-Milford MSA	51.86	33	26.83	12.12	15.15	45.45	27.27	0	0	0	0	0	0	11.07	21.98	35.57	31.38
<b>Limited Review:</b>																	
CT non-MSA area	5.35	11	8.94	0.00	18.18	54.55	27.27	0	1	0	0	-1	0	0.00	12.90	56.03	31.07
Norwich-New London MSA	0.67	3	2.44	0.00	33.33	33.33	33.33	0	0	0	0	0	0	5.04	27.12	35.73	30.56

**Table 1. Lending Volume**

LENDING VOLUME		Geography: MASSACHUSETTS						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
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-Quincy MD	57.10	270	93,736	88	18,555	0	0	2	3,095	358	112,291	91.53
<b>Limited Review:</b>												
Springfield MSA	42.90	232	36,130	37	5,239	0	0	0	0	269	41,369	8.47

\* Loan Data as of December 31, 2013. Rated area refers to either state or multistate MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2011 to June 2, 2014.

\*\*\* Deposit Data as of June 30, 2013. Rated Area refers to either the state, multistate MA, or institution, as appropriate.

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

Geographic Distribution: HOME PURCHASE			Geography: MASSACHUSETTS				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography*				
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>																
Boston-Quincy MD	84	42.64	1.06	2.38	8.70	13.10	58.29	48.81	31.94	35.71	0.27	0.49	0.52	0.24	0.24	
<b>Limited Review:</b>																
Springfield MSA	113	57.36	5.39	4.42	24.00	15.04	39.11	50.44	31.50	30.09	1.55	1.69	0.90	1.77	1.74	

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 2010 Census information.

\*\*\*\* Data shown includes only One-to-Four family and manufactured housing. (Property type of 1 or 2)

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

Geographic Distribution: HOME IMPROVEMENT			Geography: MASSACHUSETTS				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography				
Assessment Area:	Total Home Improvement 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>																
Boston-Quincy MD	29	55.77	1.06	3.45	8.70	10.34	58.29	55.17	31.94	31.03	0.65	8.33	0.00	0.64	0.67	
<b>Limited Review:</b>																
Springfield MSA	23	44.23	5.39	13.04	24.00	0.00	39.11	52.17	31.50	34.78	1.69	0.00	0.00	2.27	1.92	

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 2010 Census information.

\*\*\*\* Data shown includes only One-to-Four family and manufactured housing. (Property type of 1 or 2)

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

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: MASSACHUSETTS					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography				
Assessment Area:	Total Home Mortgage Refinance 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>																
Boston-Quincy MD	156	62.15	1.06	0.64	8.70	13.46	58.29	54.49	31.94	31.41	0.22	0.29	0.53	0.25	0.14	
<b>Limited Review:</b>																
Springfield MSA	95	37.85	5.39	0.00	24.00	8.42	39.11	32.63	31.50	58.95	0.98	0.00	0.24	0.60	1.63	

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 2010 Census information.

\*\*\*\* Data shown includes only One-to-Four family and manufactured housing. (Property type of 1 or 2)

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

Geographic Distribution: MULTIFAMILY		Geography: MASSACHUSETTS						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013							
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-Quincy MD	1	50.00	7.23	0.00	10.74	0.00	36.65	100.00	45.38	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
Springfield MSA	1	50.00	41.77	0.00	21.85	0.00	29.11	0.00	7.27	100.00	4.00	0.00	0.00	0.00	50.00

\* Based on 2012 Peer Mortgage Data (USPR)

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

\*\*\* Percentage of Multifamily Units is the number of multifamily units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

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

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: MASSACHUSETTS				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography				
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>															
Boston-Quincy MD	88	70.40	2.63	7.95	6.00	14.77	41.85	59.09	49.33	18.18	0.18	0.27	0.26	0.25	0.09
<b>Limited Review:</b>															
Springfield MSA	37	29.60	20.84	8.11	25.62	13.51	28.85	29.73	24.69	48.65	0.25	0.18	0.32	0.12	0.40

\* Based on 2012 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 (2013).

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

Borrower Distribution: HOME PURCHASE		Geography: MASSACHUSETTS						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013							
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-Quincy MD	84	42.64	18.34	9.64	16.77	18.07	22.15	19.28	42.74	53.01	0.30	0.41	0.22	0.23	0.36
<b>Limited Review:</b>															
Springfield MSA	113	57.36	28.15	9.17	16.62	32.11	19.04	23.85	36.19	34.86	1.74	1.07	1.95	1.53	2.07

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\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 2.5% of loans originated and purchased by bank.

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

Borrower Distribution: HOME IMPROVEMENT		Geography: MASSACHUSETTS					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
Boston-Quincy MD	29	55.77	18.34	10.34	16.77	24.14	22.15	34.48	42.74	31.03	0.68	1.52	0.66	0.73	0.45	
<b>Limited Review:</b>																
Springfield MSA	23	44.23	28.15	8.70	16.62	17.39	19.04	52.17	36.19	21.74	1.86	2.78	0.89	3.28	1.40	

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 Families is based on the 2010 Census information.

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

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

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: MASSACHUSETTS					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans***	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
Boston-Quincy MD	156	62.15	18.34	7.84	16.77	16.34	22.15	28.76	42.74	47.06	0.25	0.39	0.29	0.29	0.21	
<b>Limited Review:</b>																
Springfield MSA	95	37.85	28.15	2.11	16.62	18.95	19.04	29.47	36.19	49.47	1.21	0.33	1.44	1.11	1.30	

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 1.2% of loans originated and purchased by bank.

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: MASSACHUSETTS			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
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-Quincy MD	88	70.40	71.09	48.86	47.73	22.73	29.55	0.18	0.20
<b>Limited Review:</b>									
Springfield MSA	37	29.60	71.58	48.65	70.27	13.51	16.22	0.25	0.46

\* Based on 2012 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 - 2013).

\*\*\*\* 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 4.00% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: MASSACHUSETTS				Evaluation Period: JANUARY 1, 2011 TO JUNE 2, 2014			
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-Quincy MD	2	12,614	32	2,384	34	14,998	100.00	0	0
<b>Limited Review:</b>									
Springfield MSA	1	602	16	662	17	1,264	100.00	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: MASSACHUSETTS Evaluation Period: JANUARY 1, 2012 TO JUNE 2, 2014																	
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-Quincy MD	91.53	6	100.00	0.00	33.33	50.00	16.67	0	0	0	0	0	0	3.70	10.51	54.64	30.89
<b>Limited Review:</b>																	
Springfield MSA	8.47	5	100.00	0.00	40.00	20.00	40.00	0	0	0	0	0	0	16.74	28.76	31.34	23.17

**Table 1. Lending Volume**

LENDING VOLUME		Geography: NEW YORK						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
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>												
New York-White Plains-Wayne MD	100.00	185	102,426	146	28,967	0	0	7	20,985	331	131,393	100.00

\* Loan Data as of December 31, 2013. Rated area refers to either state or multistate MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2011 to June 2, 2014.

\*\*\* Deposit Data as of June 30, 2013. Rated Area refers to either the state, multistate MA, or institution, as appropriate.

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

Geographic Distribution: HOME PURCHASE		Geography: NEW YORK						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013							
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>															
New York-White Plains-Wayne MD	85	100.00	0.31	0.00	4.16	10.59	20.40	14.12	75.13	75.29	0.75	0.00	1.45	0.62	0.75

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 2010 Census information.

\*\*\*\* Data shown includes only One-to-Four family and manufactured housing. (Property type of 1 or 2)

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

Geographic Distribution: HOME IMPROVEMENT		Geography: NEW YORK								Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					
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>															
New York-White Plains-Wayne MD	13	100.00	0.31	0.00	4.16	7.69	20.40	23.08	75.13	69.23	2.16	0.00	10.00	4.44	1.35

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 2010 Census information.

\*\*\*\* Data shown includes only One-to-Four family and manufactured housing. (Property type of 1 or 2)

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

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: NEW YORK				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography				
Assessment Area:	Total Home Mortgage Refinance 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>															
New York-White Plains-Wayne MD	74	100.00	0.31	0.00	4.16	2.70	20.40	14.86	75.13	82.43	0.67	0.00	0.00	0.48	0.73

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 2010 Census information.

\*\*\*\* Data shown includes only One-to-Four family and manufactured housing. (Property type of 1 or 2)

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

Geographic Distribution: MULTIFAMILY			Geography: NEW YORK				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans****	% MF Units***	% BANK Loans****	% MF Units***	% BANK Loans****						
<b>Full Review:</b>																
New York-White Plains-Wayne MD	13	100.00	3.78	15.38	21.40	38.46	36.35	7.69	38.46	38.46	3.57	22.22	5.13	0.00	3.17	

\* Based on 2012 Peer Mortgage Data (USPR)

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

\*\*\* Percentage of Multifamily Units is the number of multifamily units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

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

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: NEW YORK				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography				
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>																
New York-White Plains-Wayne MD	146	100.00	1.42	0.00	12.90	10.96	21.11	32.19	64.52	56.85	0.37	0.00	0.36	0.76	0.29	

\* Based on 2012 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 (2013).

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

Borrower Distribution: HOME PURCHASE		Geography: NEW YORK						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013							
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>															
New York-White Plains-Wayne MD	85	100.00	15.02	1.19	11.68	10.71	14.31	15.48	58.99	72.62	0.81	2.94	1.42	0.37	0.84

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 1.2% of loans originated and purchased by bank.

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

Borrower Distribution: HOME IMPROVEMENT		Geography: NEW YORK						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013							
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>															
New York-White Plains-Wayne MD	13	100.00	15.02	15.38	11.68	0.00	14.31	15.38	58.99	69.23	2.32	40.00	0.00	0.00	1.98

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 Families is based on the 2010 Census information.

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

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

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: NEW YORK				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans***	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
New York-White Plains-Wayne MD	74	100.00	15.02	3.03	11.68	4.55	14.31	10.61	58.99	81.82	0.72	0.00	0.87	0.70	0.73	

\* Based on 2012 Peer Mortgage Data (USPR)

\*\* 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 Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 10.8% of loans originated and purchased by bank.

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: NEW YORK		Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
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>									
New York-White Plains-Wayne MD	146	100.00	74.77	54.11	58.90	10.27	30.82	0.37	0.52

\* Based on 2012 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 - 2013).

\*\*\*\* 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 4.11% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: NEW YORK				Evaluation Period: JANUARY 1, 2011 TO JUNE 2, 2014			
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>									
New York-White Plains-Wayne MD	2	525	26	79	28	604	28.30	0	0
NY Statewide	10	1,530	0	0	10	1,530	71.70	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: JANUARY 1, 2012 TO JUNE 2, 2014			
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>																							
New York-White Plains-Wayne MD	100.00	8	100.00	0.00	12.50	25.00	62.50	0	1	0	0	-1	0	2.24	13.91	26.60	56.91						

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: BROADER REGIONAL AREA/NATIONWIDE				Evaluation Period: JANUARY 1, 2011 TO JUNE 2, 2014			
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>									
Broader Regional Area with Potential to Benefit an AA	1	109	1	1,000	2	1,109	100.00	0	0
Nationwide	1	22	0	0	1	22	100.00	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.

