



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

February 7, 2011

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

Webster Bank, National Association  
Charter Number: 24469

Webster Plaza  
Waterbury, Connecticut  
06702

Office of the Comptroller of the Currency

Midsized Bank Supervision  
Suite 2700  
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**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

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

The following table indicates the performance level of **Webster Bank, National Association** (Webster) with respect to the lending, investment, and service tests:

Performance Levels	Webster Bank, National Association (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:

- Lending levels reflect a good responsiveness to credit needs in its AAs.
- A good distribution of loans among geographies of different income levels.
- A good distribution of loans among borrowers of different income levels.
- A good level of community development loans.
- Investments reflect a good responsiveness to credit and community development needs.
- Service delivery systems are accessible to geographies and individuals of different income levels.
- Good performance providing community development services.

## Definitions and Common Abbreviations

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

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

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

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

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

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

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

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

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

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

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

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

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

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

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

**Rated Area:** A rated area is a state or multi-state metropolitan area. For an institution with

domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Small 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 Bank, National Association (Webster) is a midsize, interstate bank headquartered in Waterbury, CT. It is a subsidiary of Webster Financial Corporation, a \$17.7 billion bank holding company also located in Waterbury, CT.

Webster's business strategy focuses primarily on retail lending with more than one-half their loan portfolio in 1-4 family residential loans. The bank's approach is full-service, comprehensive relationships, and quality of service. The bank's customer base is primarily comprised of individual depositors and borrowers. Loan product offerings include mortgage loans for one-to-four family and multi-family residences, home equity lines of credit, commercial loans and lines of credit, and consumer loans. Deposit product offerings consist of various interest-bearing and non-interest-bearing accounts for personal and business use.

As of December 31, 2010, the bank had total assets of \$18 billion, with \$13.7 billion in deposits and \$1.5 billion in Tier 1 capital. The bank's net loans equate to \$10.7 billion, or 59.4 percent of total assets. The loan portfolio is comprised of real estate loans (75.6 percent), commercial and industrial loans (23.3 percent), and loans to individuals (1.1 percent). Real estate loans consist of one-to-four family residential loans (72.4 percent), commercial real estate loans (22.6 percent), construction and development loans (2.3 percent) and others including multi-family residential (2.7 percent).

The bank delivers banking services through 181 branch offices and 270 full-service automated teller machines (ATMs) in the four states of Connecticut, Rhode Island, Massachusetts and New York. The bank's market encompasses all or part of 18 counties in these states, which are delineated as its 10 assessment areas (AAs). The bank actively participates in several Small Business Administration (SBA) programs. Loans underwritten with SBA criteria are included in the bank's small business lending performance. Webster originated 457 SBA program loans totaling \$79 million in the evaluation period.

Webster's approach to community reinvestment is similar to its overall business strategy. The bank builds and maintains relationships with local community organizations and leaders to help meet the credit and community development needs of its AAs. These relationships are based on the bank's same high quality service standards. Most of the bank's affordable mortgage loan business is generated by loan originators assigned specific geographical areas. Other community reinvestment activities, such as community development loans, investments and services, are manifested from delegated responsibilities to named bank employees.

There are no legal, financial, or other impediments that would prevent the bank from meeting the credit needs of its AAs. While the bank receives intense competition from nationwide and regional banks, mortgage companies, and credit card lenders, it is capable of meeting the needs of its AAs in a manner consistent with its resources and business strategy.

Webster was rated "Satisfactory" at its last CRA evaluation dated May 1, 2006.

# Scope of the Evaluation

## Evaluation Period/Products Evaluated

With the exception of community development (CD) loans, the evaluation period for the Lending Test is January 1, 2006 through December 31, 2010. The evaluation period for CD loans, investments, and services is May 1, 2006 through February 7, 2011. A limited number of multi-family loans were originated during the evaluation period. Multifamily loans were not meaningful to overall performance, due to low activity levels.

## Evaluation Period/Economic Conditions

During the evaluation period nationwide economic and banking weaknesses were evident at levels not experienced since 1929-1930. Federal rescue and stabilization plans were implemented in the banking industry. The housing industry came to a stand-still; mortgage delinquencies and foreclosures increased dramatically. Many borrowers experienced major reduction in housing values to the extent mortgages exceeded real estate values. Unemployment increased, mortgage underwriting became more conservative, and the resulting fewer loan originations were easily disproportionate to deposit levels. These are performance context factors, and they were considered in evaluating bank performance of Webster's home mortgage lending programs.

Performance context issues described in the discussion of home mortgage loans also impact the bank's market share and rank of small loans to businesses. Specifically, nationwide economic and banking weaknesses in the evaluation period refocused banking activities to those of capital preservation. Business expansion subsided and loan originations were disproportionate to deposit levels. Declining business activity was a root cause of widely reported higher unemployment levels. Small businesses also focused on capital preservation through debt consolidation and debt reduction.

## Data Integrity

We assessed Webster's processes and internal controls for collecting, reporting, and verifying the accuracy of data on home mortgage loans, small loans to businesses, and CD loans, and for identifying qualified investments and CD services. We found the bank's processes to be adequate and control weaknesses, where they were identified, have been corrected. Data used in this evaluation was accurate.

## Selection of Areas for Full-Scope Review

For purposes of this evaluation, there are three states and one Multistate MSA considered in the evaluation. In each state where the bank has an office, a sample of assessment areas (AAs) within that state was selected for full-scope review. These full-scope areas were selected based on the highest percentage of deposits. In the Multistate MSA, the bank has branches in all counties. As a result, the entire Multistate MSA received a full-scope evaluation. Refer to the "Scope" section under each state rating for details regarding how the areas were selected and why they are representative.

## Ratings

As discussed, three states and one Multistate MSA are considered in Webster's overall evaluation. The four ratings are rolled-up and become Webster's overall evaluation.

The bank's overall rating is a blend of the four rating areas, which are weighted in overall conclusions based upon deposits generated. Connecticut has the highest levels of deposits among the four rating areas at 84 percent. Connecticut's rating carries the most overall weight in the evaluation.

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

When determining conclusions for each AA under the Lending Test, we weighted home mortgage loans more heavily than small loans to businesses. Of the home mortgage products, we weighted home purchase loans more heavily than home improvement loans or home refinance loans. This weighting is reflective of the significance of new home ownership, an identified significant need for affordable housing, and Webster's volume for each product type over the evaluation period. Market share analysis of lender performance under Geographic and Borrower Distribution was performed only when the data was sufficient to present meaningful conclusions.

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

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

# 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:

- Lending levels reflect a good responsiveness to the credit needs of its AAs.
- A good distribution of loans among geographies of different income levels.
- A good distribution of loans among borrowers of different income levels.
- A good level of community development loans.
- Investments reflect a good responsiveness to credit and community development needs.
- Service delivery systems are accessible to geographies and individuals of different income levels.
- Good performance in providing community development services.

## Description of Institution's Operations in Connecticut

Webster has five AAs within the State of Connecticut; the New Haven AA, the Hartford AA, the Bridgeport AA, the Norwich-New London AA, and the Litchfield AA. It has 136 branches within the state, representing 75.1 percent of the bank's total branch network. Eighty-four percent of Webster's total deposits are from Connecticut, and Webster ranked second for deposit market share with 12.0 percent share of state deposits as of June 30, 2010. During the evaluation period, Webster originated 78.8 percent of its total HMDA and small business loan volume within the State of Connecticut.

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

## Scope of Evaluation in Connecticut

The bank has five AAs in the State of Connecticut. We conducted full-scope reviews of the New Haven-Milford, CT MSA (35300) and the Hartford-West Hartford-East Hartford, CT MSA (25540). We chose these two areas for full-scope reviews because the deposit volume is greatest in these areas. In Connecticut, the New Haven AA represents 45.5 percent of total

deposits, 26.2 percent of the bank's total lending, and 26.5 percent of the bank's total branches. The Hartford AA represents 36.3 percent of total deposits, 48.7 percent of the bank's total lending, and 40.4 percent of the bank's total branches. The New Haven AA received slightly more weighting in our analysis because it represents 45.5% of deposits and the Hartford MSA represents 36.3% of deposits. The remaining three AAs received limited-scope reviews. They include:

- Bridgeport-Stamford-Norwalk, CT MSA (14860)
- Norwich-New London, CT MSA (35980)
- Litchfield County, CT Non-MSA (99999)

Our ratings are primarily based on conclusions reached in evaluating the bank's performance in the full-scope AAs. CD lending has a positive impact on the bank's Lending Test rating. Refer to Appendix A for additional information regarding the AAs receiving full- and limited-scope reviews.

Under the Lending Test, we placed somewhat more weight on home mortgage lending. Home mortgage lending represents 70.7 percent of lending activity and is the focus of the bank's CRA strategy. Regarding home mortgage lending, more weight was given to home purchase loans due to its critical role in meeting affordable housing needs. A limited number of multifamily loans were originated during the evaluation period. Multifamily loans were not meaningful to overall performance, due to low activity levels.

As part of our evaluation of the bank's CRA performance, we contacted two community based organizations in each full-scope AA to determine the areas' economic conditions as well as general banking and CD needs. Three of the organizations dealt with affordable housing for low- and moderate-income individuals and the revitalization and stabilization of low-income neighborhoods while the other primarily dealt with small business lending. These organizations indicated that providing affordable housing is a primary and continuing credit need. One contact in New Haven also noted that there was a need for increased access to banking products such as checking and savings accounts for the unbanked while another indicated there was a need for loan modifications and foreclosure prevention programs. The need for affordable housing was considered in our evaluation performance in all full-scope AAs under the Lending, Investment and Service Tests.

Refer to the Market Profiles for the State of Connecticut section in Appendix C for other performance context information for the AAs that received full-scope reviews.

## **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 rated good.

## Lending Activity

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.

Considering performance context, Webster's lending activity in the State of Connecticut is good. Performance context factors discussed under Scope of the Evaluation-Economic Conditions, including national, regional, geographic and demographic, were considered in assessing performance with all loan types in both full-scope AAs. The bank's lending activity in the full-scope New Haven AA is adequate, and in the full-scope Hartford AA it is good. Lending activity is adequate for home mortgage loans in the New Haven AA and good in the Hartford AA. Lending activity for small loans to businesses is adequate in the New Haven AA and excellent in the Hartford AA.

### Foreclosure Prevention Program

Webster's Default Management Services group implements the Loss Mitigation Program to assist eligible homeowners with Webster-owned first mortgages and/or home equity lines of credit that are facing economic difficulties and the threat of foreclosure. The bank is committed to assisting qualified borrowers who have a verified financial hardship. The Loss Mitigation Program achieves this goal by assisting borrowers in the early stages of delinquency to identify and evaluate affordable and sustainable alternatives to foreclosure. Mortgage assistance is focused on creating affordable, sustainable payment plans, and may include such options as: temporarily reducing the monthly payment, extending fixed payment periods on adjustable loans, extending mortgages beyond the current length, refinancing, or adjusting interest rates. Webster's mortgage assistance programs were designed with input from community and housing organizations. The percent of bank modifications completed to total modifications completed is not available. However, after reviewing the number of modifications completed in the New Haven and Hartford AAs from June 1, 2008 through December 31, 2010 positive consideration was given to Lending Test results in both full-scope areas.

### New Haven AA

Home mortgage lending activity is adequate. Webster's market share and rank for home mortgage loans is lower than its deposit market share and rank; this performance is adequate when consideration is given to several performance context factors, referenced above. In addition, the AA is highly competitive. As well, our nation's largest banking institutions and mortgage companies vigorously compete for the limited number of loan opportunities in low- and moderate-income geographies. These lenders include multiple non-bank lenders that do not take deposits in the AA as well as large banks with a nationwide presence that offer a wide variety of home mortgage products.

FDIC data as of June 30, 2010 shows Webster had a deposit market share of 27.4 percent and was ranked 1<sup>st</sup> among 27 institutions reporting deposits in the New Haven-Milford, CT MSA.

For home mortgage loans, Webster's market share (by number) based on aggregate data from 2009 (the most recent data available) was 2.8 percent, and the bank ranked 9<sup>th</sup> out of 387 lenders reporting such loans in the MSA. For home purchase loans, Webster's market share

(by number), based on aggregate data from 2009 (the most recent data available) was 2.1 percent, and the bank ranked 12<sup>th</sup> out of 233 lenders reporting such activity in the MSA. For home improvement loans, the bank had a market share of 10.8 percent, and the bank ranked 1<sup>st</sup> out of 84 lenders reporting such activity in the MSA. For refinance loans, the bank had a market share of 2.7 percent, and the bank ranked 10<sup>th</sup> out of 350 lenders reporting such activity in the MSA.

Lending activity for small loans to businesses is adequate. Performance context issues described in Scope of the Evaluation-Economic Conditions were considered in our analysis of small loans to businesses.

Based on 2009 aggregate data (the most recent that is available) the bank's market share of small loans to businesses was 10.0 percent (based on dollar volume) and the bank was ranked 3<sup>rd</sup> out of 68 lenders reporting such loans in the MSA. Market share and rank were based on the dollar volume of loans rather than number of loans because of the inclusion of credit card lenders in the reporting. Credit card lenders originated a large number of loans, but the dollar volume was significantly smaller. For example, the top eight reporters of small loans to businesses were significant credit card lenders that combined had a market share of 79.9 percent, based on numbers of loans, but only 20.4 percent based on dollar volume. Therefore, a comparison based on dollar volume was more meaningful in this analysis. For further discussion on performance context issues, please see the Market Profile in Appendix C.

#### Hartford AA

Home mortgage lending activity is good. Webster's market share and rank for home mortgage loans is lower than its deposit market share and rank; this performance is good when consideration is given to several performance context factors, referenced above. In addition, the AA is highly competitive. As well, our nation's largest banking institutions and mortgage companies vigorously compete for the limited number of loan opportunities in low- and moderate-income geographies. These lenders include multiple non-bank lenders that do not take deposits in the AA as well as large banks with a nationwide presence that offer a wide variety of home mortgage products.

FDIC data as of June 30, 2010 shows Webster had a deposit market share of 11.4 percent and was ranked 2<sup>nd</sup> among 28 institutions reporting deposits in the Hartford-West Hartford-East Hartford, CT MSA.

For home mortgage loans, Webster's market share (by number) based on aggregate data from 2009 (the most recent data available) was 3.7 percent, and the bank ranked 7<sup>th</sup> out of 464 lenders reporting such loans in the MSA. For home purchase loans, Webster's market share (by number), based on aggregate data from 2009 (the most recent data available) was 2.6 percent, and the bank ranked 9<sup>th</sup> out of 283 lenders reporting such activity in the MSA. For home improvement loans, the bank had a market share of 10.3 percent, and the bank ranked 1<sup>st</sup> out of 119 lenders reporting such activity in the MSA. For refinance loans, the bank had a market share of 3.6 percent, and the bank ranked 7<sup>th</sup> out of 411 lenders reporting such activity in the MSA.

Lending activity for small loans to businesses is excellent. Performance context issues described in Scope of the Evaluation-Economic Conditions were considered in our analysis of small loans to businesses.

Based on 2009 aggregate data (the most recent that is available) the bank's market share of small loans to businesses is 11.1 percent (based on dollar volume) and the bank is ranked 2<sup>nd</sup> out of 81 lenders reporting such loans in the MSA. Market share and rank were based on the dollar volume of loans rather than number of loans because of the inclusion of credit card lenders in the reporting. Credit card lenders originated a large number of loans, but the dollar volume was significantly smaller. For example, the top eight reporters of small loans to businesses were significant credit card lenders that combined had a market share of 80.2 percent, based on numbers of loans, but only 19.8 percent based on dollar volume. Therefore, a comparison based on dollar volume is more meaningful in this analysis. For further discussion on performance context issues, please see the Market Profile in Appendix C.

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

The bank's geographic distribution of loans in Connecticut is good. The geographic distribution of home mortgage loans is good considering performance context factors highlighted under Scope of the Evaluation-Economic Conditions. The discussion under New Haven and Hartford contains further detail on performance context. The distribution of small loans to businesses is excellent. The geographic distribution of Webster's home mortgage loans is good and small loans to businesses are excellent in the New Haven AA. The geographic distribution of Webster's home mortgage loans is good and small loans to businesses are excellent in the Hartford AA.

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

Refer to Tables 2, 3, and 4 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.

#### **New Haven AA**

The overall geographic distribution of home mortgage loans in the New Haven AA is good considering performance context issues impacting low- and moderate-income geographies. Examples include the distribution of housing by type, especially in low-income geographies, which limits home mortgage lending opportunities. In low-income geographies, 68.0 percent of housing is renter occupied and in moderate-income geographies 54.3 percent of housing is renter occupied. In addition, high median housing values severely restrict home purchase originations and in turn, refinancing.

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

share of loans originated in moderate-income geographies is somewhat lower than its overall market share of home purchase loans.

The geographic distribution of home improvement loans is excellent. Performance is good in low-income geographies and excellent in moderate-income geographies. The portion of home improvement loans made in low-income geographies is near to the portion of owner-occupied housing units in those low-income geographies. The portion of home improvement loans made in moderate-income geographies exceeds the portion of owner-occupied housing units in those geographies. The bank's market share of home improvement loans originated in low-income geographies significantly exceeds the bank's overall market share of home improvement loans. Webster's market share of loans originated in moderate-income geographies is near to the bank's overall market share of home purchase loans.

The geographic distribution of home refinance loans is adequate, given performance context factors discussed above. Performance is very poor in low-income geographies, but is adequate considering performance context and performance is adequate in moderate-income geographies. The portion of home refinance loans made in low-income geographies is significantly lower than the portion of owner-occupied housing units in those low-income geographies, but is considered adequate given high numbers of rental properties in low-income geographies and having to own one in a high housing cost environment in order to refinance it; both factors severely limit lending opportunities. The portion of home refinance loans made in moderate-income geographies is somewhat lower than the portion of owner-occupied housing units in those geographies. The bank's market share of home refinance loans originated in low-income geographies is lower than the bank's overall market share of home refinance loans, given performance context. Webster's market share of loans originated in moderate-income geographies is somewhat lower than the bank's overall market share of home refinance loans.

### Hartford AA

The overall geographic distribution of home mortgage loans in the Hartford AA is good considering performance context issues impacting low- and moderate-income geographies. Examples include the distribution of housing by type, especially in low-income geographies which limits home mortgage lending opportunities. In low-income geographies, 72.7 percent of housing is renter occupied and in moderate-income geographies 53.2 percent of housing is renter occupied. In addition, high median housing values severely restrict home purchase originations.

The geographic distribution of home purchase loans is good. Performance is excellent in low-income geographies and good in moderate-income geographies. The portion of home purchase loans made in low-income geographies exceeds the portion of owner-occupied housing units in those low-income geographies. The portion of home purchase loans made in moderate-income geographies is near to the portion of owner-occupied housing units in those geographies. The bank's market share of loans originated in low-income geographies is significantly lower than the bank's overall market share of home purchase loans. Webster's market share of loans originated in moderate-income geographies is lower than its overall market share of home purchase loans. More weight is placed on percentage of bank loans compared to percentage of owner-occupied units.

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

The geographic distribution of home refinance loans is adequate. Performance is very poor in low-income geographies, but is adequate after considering performance context, and performance is adequate in moderate-income geographies. The portion of refinance loans made in low-income geographies is significantly lower than the portion of owner-occupied housing units in those geographies, but is considered adequate given high numbers of rental properties in low-income geographies and having to own one in a high housing cost environment in order to refinance it; both factors severely limit lending opportunities. The portion of refinance loans made in moderate-income geographies is somewhat lower than the portion of owner-occupied housing units in those geographies. The bank's market share of refinance loans originated in low-income geographies is significantly lower than the bank's overall market share of refinance loans. Webster's market share of refinance loans originated in moderate-income geographies is near to the bank's overall market share of refinance loans.

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

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

Overall, the geographic distribution of small loans to businesses is excellent in the New Haven and Hartford AAs.

#### *New Haven AA*

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

#### *Hartford AA*

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

to moderate-income geographies exceeds its overall market share for small loans to businesses.

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

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

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

This portion of the evaluation is performed at the bank level rather than the state or AA level. A majority of home mortgage and small loans to businesses originated/purchased by Webster over the evaluation period were within its combined AAs. Overall, 56 percent of loans by number and 58 percent by dollar amount were inside the bank's combined AAs. By product, 47 percent of home mortgage loans by number and 52 percent by dollar were inside the combined AAs. Early in the evaluation period, Webster participated in a national, mortgage lending program. These loans were a component of total mortgages; a lower inside ratio resulted than would have without these loans. National lending activities were terminated. Recent performance in combined AAs reflects higher inside ratio performance. We expect the inside ratio to be much stronger in the future. For small loans to businesses, 98 percent by number and 97 percent by dollar amount were inside the bank's combined AAs. This performance was positively factored into the overall analysis of the distribution of loans by income level of the geography.

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

The bank's distribution of loans by income level of the borrower is good in the State of Connecticut. The bank's distribution of home mortgage loans is good, and the distribution of loans to small businesses, by income level of the borrower, is adequate. The borrower distribution of home mortgage loans is good in the New Haven AA. The borrower distribution of home mortgage loans is excellent in the Hartford AA.

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

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

The overall borrower distribution of home mortgage loans is good. Performance context issues, discussed below, make it difficult to provide home mortgage loans to low-income borrowers in all AAs. For this reason, more weight was given to lending to moderate-income borrowers when reaching our conclusions.

Housing prices have increased significantly for several years throughout the state including both full-scope AAs. Income levels did not keep pace and low-income families were almost shut out of the housing market unless sufficient subsidies were available. As home prices declined during the current housing and economic crisis, homes became somewhat more affordable. However, the AA's high poverty rate further limited the ability of many low-income

families to become homeowners, even with the assistance of subsidy programs and special mortgage products. High property taxes and homeowner's insurance costs also contribute to the inability of low-income borrowers to become home owners. For further discussion on performance context issues, please see the Market Profiles in Appendix C.

### New Haven AA

The overall distribution of home mortgage loans in the New Haven AA is good. Levels of low- and moderate-income borrower income compared to housing stock costs make qualifying for home mortgage originations very difficult. The updated, median price of houses at yearend 2010 was \$231,000. The adjusted median family income for 2010 was \$78,900. A low-income borrower could qualify for a mortgage of approximately \$135,000.

Home purchase loan borrower distribution is good. Performance is adequate for low-income borrowers and excellent for moderate-income borrowers. The portion of home purchase loans made to low-income borrowers is significantly lower than the portion of families defined as such, but is adequate considering performance context. The portion of home purchase loans made to moderate-income borrowers significantly exceeds the percentage of families defined as such. Webster's market share of home purchase loans made to low- and moderate-income borrowers exceeds its overall market share of home purchase loans to people of all incomes.

Home improvement loan borrower distribution is excellent. Performance is good for low-income borrowers and excellent for moderate-income borrowers. The portion of home improvement loans made to low-income borrowers is somewhat lower than the portion of families defined as such, but good considering performance context. The portion of home improvement loans made to moderate-income borrowers significantly exceeds the portion of families defined as such. The bank's market share of home improvement loans made to low-income borrowers significantly exceeds its overall market share of home improvement loans made to low-income borrowers. Webster's market share of home improvement loans made to moderate-income borrowers exceeds the market share of home improvement loans made to moderate-income borrowers.

Refinance loan borrower distribution is good. The demand for refinance loans by low-income families is generally very limited. Many times low-income families have taken advantage of various subsidy programs and special mortgage products that have very low interest rates that would not make it necessary for them to refinance for a lower interest rate. Also, some special programs do not allow for refinancing. Performance is adequate for low-income borrowers and excellent for moderate-income borrowers. The portion of home refinance loans made to low-income borrowers is significantly lower than the portion of families defined as such, but is adequate considering performance context. The portion of home refinance loans made to moderate-income borrowers exceeds the portion of families defined as such. The bank's market share of home refinance loans made to low-income borrowers is somewhat lower than its overall market share of home refinance loans made to low-income borrowers. Webster's market share of home refinance loans made to moderate-income borrowers is near to the market share of home refinance loans made to moderate-income borrowers.

## Hartford AA

The overall borrower distribution of home mortgage loans in the Hartford AA is excellent. Levels of low- and moderate-income borrower income compared to housing stock costs make qualifying for home mortgage originations very difficult. The updated, median price of houses in the third quarter 2010 was \$244,100. The adjusted median family income for 2010 was \$84,700. A low-income borrower could qualify for a mortgage of approximately \$135,000.

Home purchase loan borrower distribution is excellent. Performance is good for low-income borrowers and excellent for moderate-income borrowers. The portion of home purchase loans made to low-income families is lower than the percentage of families defined as such, but good considering performance context. The portion of home purchase loans made to moderate-income borrowers exceeds the portion of families defined as such. The bank's market share for home purchase loans made to low-income borrowers is somewhat lower than its overall market share of home purchase loans made to low-income borrowers. Webster's market share of home purchase loans made to moderate-income borrowers is near to its overall market share of moderate-income borrowers.

Home improvement borrower distribution is excellent. Performance is good for low-income borrowers and excellent for moderate-income borrowers. The portion of home improvement loans made to low-income borrowers is lower, but good considering performance context discussed above to the percentage of families defined as such. The portion of loans made to moderate-income borrowers exceeds the portion of families defined as such. The bank's market share for home improvement loans to low-income borrowers significantly exceeds its overall market share of home improvement loans made to low-income borrowers. Webster's market share of home improvement loans made to moderate-income borrowers is near to its overall market share of home improvement loans to moderate-income borrowers.

Refinance loan borrower distribution is good. The demand for refinance loans by low-income families is generally very limited. Many times low-income families have taken advantage of various subsidy programs and special mortgage products that have very low interest rates that would not make it necessary for them to refinance for a lower interest rate. Also, some special programs do not allow for refinancing. Performance is adequate for low-income borrowers and excellent for moderate-income borrowers. The portion of loans made to low-income borrowers is lower than the portion of families defined as such, but is adequate considering performance context. The portion of loans made to moderate-income borrowers exceeds the portion of families defined as such. The bank's market share of home refinance loans to low-income borrowers exceeds its overall market share of home refinance loans made to low-income borrowers. Webster's market share of home refinance loans made to moderate-income borrowers is somewhat lower than its overall market share of home refinance loans to moderate-income borrowers.

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

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

The bank's distribution of small loans to businesses in the State of Connecticut is adequate. The distribution is adequate in the New Haven and Hartford AAs.

#### New Haven AA

The borrower distribution of small loans to businesses is adequate, after considering performance context factors detailed under Scope of Examination-Economic Conditions. The portion of small loans to businesses (businesses with revenues of \$1 million or less) is lower than the portion of businesses defined as such, but is adequate considering performance context. Webster's market share of small loans to small businesses significantly exceeds its overall market share.

#### Hartford AA

The borrower distribution of small loans to businesses is adequate, after considering performance context factors detailed under Scope of Examination-Economic Conditions. The portion of small loans to businesses (businesses with revenues of \$1 million or less) is lower than the portion of businesses defined as such. Webster's market share of small loans to small businesses significantly exceeds its overall market share.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the State of Connecticut section of Appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

Overall, the bank's CD lending is good and has a positive impact on the overall Lending Test rating. Performance is adequate in the New Haven AA and excellent in the Hartford AA.

#### New Haven AA

Webster has an adequate level of CD lending in the New Haven AA. This performance has a neutral impact on the overall Lending Test for this AA.

Webster originated 15 community development loans totaling \$12 million during the current evaluation period. The loans largely support affordable housing for low- and moderate-income persons but also include loans supporting economic development and community services targeted towards low- and moderate-income persons. None of the loans are considered innovative or complex.

#### Hartford AA

Webster has an excellent level of CD lending in the Hartford AA. This performance has a positive impact on the overall Lending Test for this AA.

Webster originated 12 CD loans for \$21.7 million in the Hartford AA during the evaluation period. Eight of the twelve loans involved affordable housing for people with low- and moderate-income.

## **Product Innovation and Flexibility**

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

In the New Haven AA, Webster offers several flexible HMDA loan programs to low- and moderate-income borrowers. The Connecticut Families plus Down Payment Assistance Program (DAP), the 30 HOPE loan program, Connecticut Housing Finance Authority (CHFA) plus DAP, Urban Rehabilitation Homeownership Program, and the My Community Mortgage programs are flexible based upon bank specific terms and conditions. In this AA, Webster originated 398 loans, totaling \$54.9 million. Webster participates in other HMDA loan programs that are flexible based upon national or state-designed underwriting criteria. In the New Haven AA, participation totaling 263 loans and \$53.8 million provides a positive impact to the overall Lending Test.

In the Hartford AA, Webster offers several flexible HMDA loan programs to low- and moderate-income borrowers. The Connecticut Families plus Down Payment Assistance Program (DAP), the 30 HOPE loan program, Connecticut Housing Finance Authority (CHFA) plus DAP, Urban Rehabilitation Homeownership Program, and the My Community Mortgage programs are flexible based upon bank specific terms and conditions. In the Hartford MSA, Webster originated 421 loans, totaling \$56.4 million. The bank participates in other HMDA loan programs that are flexible based upon national or state-designed underwriting criteria. In this AA, participation totaling 427 loans and \$86.5 million provides a positive impact to the overall Lending Test.

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

Based on our limited-scope reviews, the bank's performance under the Lending Test in the Bridgeport limited scope AA is stronger and performance in the Litchfield limited scope AA is good and is not inconsistent with the bank's overall "High Satisfactory" performance under the Lending Test in the state. Performance in the Norwich-New London AA is adequate and is weaker than the overall "High Satisfactory" performance in the State of Connecticut. The weaker performance is due to a lower level of lending in low- and moderate-income geographies. Performance in limited-scope AAs did not negatively impact the overall rating for the Lending Test. Refer to Tables 1 through 13 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 in the State of Connecticut is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the New Haven and Hartford AAs is good.

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.

### New Haven AA

The level of investment activity in the New Haven AA is good. The current period investment activity consists primarily of mortgage backed securities totaling \$17,899,006 and secured by loans originated to low- and moderate-income borrowers located in the New Haven AA. The bank made a \$2,000,000 Equity Equivalent Investment (EQ2) in a certified Community Development Financial Institution (CDFI). This investment will be used to provide loans, technical assistance and training to low- and moderate-income small business owners. The bank also purchased a bond for \$255,000 with the Connecticut Housing Finance Authority. This bond supports the development of special needs housing for low-income individuals. In addition, the bank made qualified grants and donations totaling \$923,927 in the New Haven AA. These grants and donations support affordable housing for people with low- and moderate-income; provide community services targeted to people with low- and moderate-income; support economic development through the financing of small size businesses that are creating, retaining or improving jobs for people with low- and moderate-income or in low- and moderate-income geographies; and support revitalization and stabilization of low- and moderate-income geographic areas. The AA has a good number of investment opportunities based on discussions with bank management, community contacts, and OCC internal resources.

### Hartford AA

The level of investment activity in the Hartford AA is good. The current period investment activity consists primarily of mortgage backed securities totaling \$19,010,806 and secured by loans originated to low- and moderate-income borrowers located in the Hartford AA. The bank also made a \$750,000 Capital Certificate Investment with the Connecticut Housing Investment Fund (CHIF). This fund provides financing for the construction and rehabilitation of 1 to 4 family properties located in low- and moderate-income communities. In addition, the bank made qualified grants and donations totaling \$1,341,064 in the Hartford AA. These grants and donations support affordable housing for people with low- and moderate-income; provide community services targeted to people with low- and moderate-income; support economic development through the financing of small size businesses that are creating, retaining or improving jobs for people with low- and moderate-income or in low- and moderate-income geographies; and support revitalization and stabilization of low- and moderate-income geographic areas.

The bank had one prior period investment in a Small Business Investment Company (SBIC) with a current outstanding balance of \$943,000 attributable to the Hartford AA. The SBIC originated approximately \$80,000 in new loans to small size businesses in the Hartford AA that are creating, improving, and retaining jobs for people with low- and moderate-income, and businesses located in low- and moderate-income geographic areas or areas designated for redevelopment. The AA has a good number of investment opportunities based on discussions with bank management, community contacts, and OCC internal resources.

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

Based on limited-scope reviews, the bank's performance under the Investment Test in the Bridgeport AA is not inconsistent with the overall "High Satisfactory" performance in the state, and performance in the Norwich-New London is excellent and stronger than the overall "High

Satisfactory” performance in the state. Performance in the Litchfield AA is very poor and considerably weaker than the overall “High Satisfactory” performance in the state. The weaker performance is due to a lower amount of qualified investments relative to the bank’s operations in the AA. The weaker performance in the Litchfield limited-scope AAs did not negatively impact the overall rating for the Investment Test. The Litchfield AA represents only six percent of deposits in the state. Refer to 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**

The bank’s performance under the Service Test in the State of Connecticut is rated High Satisfactory. Based on full-scope reviews, the bank’s performance in the New Haven AA is good and performance in the Hartford AA is excellent.

### **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.

#### *New Haven AA*

Webster’s delivery systems are accessible to geographies and individuals of different income levels throughout the New Haven AA. The distribution of offices in low-income geographies exceeds the distribution of the population living in such geographies. The distribution of Webster’s offices in moderate-income geographies is somewhat lower than the distribution of the population living in such geographies.

Webster opened one branch in an upper-income geography and did not close any branches in the New Haven AA during the evaluation period. The branch opening did not have an effect on the Service Test rating.

Webster’s hours and services offered throughout the New Haven AA are good. Hours and services do not vary in a way that inconveniences certain portions of the New Haven AA. Several branch offices offer extended hours during the week and most branches have Saturday hours.

Bank personnel are available to all offices to explain the types of credit and products available. These personnel also provide assistance with completing loan applications. Mortgage loan officers are available to serve customers diverse needs and they are available seven days a week to visit customers at their home to take mortgage applications upon request. Management maintains a list of bank employees who speak foreign languages. The list covers 32 different languages. Webster employees can contact customers if they require assistance with language interpretation. As an enterprise wide action the bank strives to have bi-lingual (Spanish and other languages) employees at branch locations to serve the local demographic.

During 2008, Webster added Spanish language services to its telephone based Customer Care Center and continues to employ bi-lingual staff at this facility.

Webster offers alternative delivery systems in the form of automated teller machines (ATMs). The bank has 74 ATMs in the New Haven AA; 61 are full-service and 13 are cash only machines. The portion of the bank's ATMs located in low-income geographies significantly exceeds the portion of the AA's population residing in low-income geographies and the portion located in moderate-income geographies is somewhat below the portion of the AA's population moderate-income geographies. Customers and non-customers can access their accounts through Webster ATMs, which are connected to the NYCE, CIRRUS, and PLUS ATM systems. Customers may also use their Webster ATM card to obtain cash at non-proprietary ATMs throughout the world, which bear the NYCE, CIRRUS, and PLUS logos.

Alternative delivery systems also include online and telephone banking. The internet banking service provides customers and prospective customers access to a host of bank services. These services allow customers to obtain deposit and loan account information, make loan payments, transfer funds, and pay household bills. The Bank at Work program is one such internet program. Corporate customers can subscribe to this service and thereby provide banking services to their employees during their work breaks. Mobile banking (a cell telephone application), Weblink (small business), free on-line bill pay, and call centers with Spanish language service are other examples of alternative delivery systems. Data was not available detailing how these systems were utilized by low- and moderate-income individuals or their overall use in low-and moderate-income geographies. As a result, we did not place significant weight on them.

### Hartford AA

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

There were no offices opened or closed in the Hartford AA during the evaluation period. As a result, the branch openings and closings did not have an effect on the Service Test rating.

Webster's hours and services offered throughout the Hartford AA are good. Hours and services do not vary in a way that inconveniences certain portions of the Hartford AA. Several branch offices offer extended hours during the week and most branches have Saturday hours.

Bank personnel are available to all offices to explain the types of credit and products available. These personnel also provide assistance with completing loan applications. Bi-lingual employees are available to assist customers at many branch locations and by telephone through the bank's Customer Care Center. Mortgage loan officers are available seven days a week to assist in the mortgage loan process. Management maintains a list of bank employees who speak foreign languages. The list covers 32 different languages. Webster employees can contact customers if they require assistance with language interpretation. As an enterprise wide action the bank strives to have bi-lingual (Spanish and other languages) employees at branch locations to serve the local demographic. During 2008, Webster added Spanish

language services to its telephone based Customer Care Center and continues to employ bi-lingual staff at this facility.

Webster offers alternative delivery systems in the form of automated teller machines (ATMs). The bank has 117 ATMs in the Hartford AA; 92 are full service and 25 are cash only machines. The portion of the bank's ATMs located in low- and moderate-income geographies exceeds the portion of the AA's population residing in low- and moderate-income geographies. Customers and non-customers can access their accounts through Webster ATMs, which are connected to the NYCE, CIRRUS, and PLUS ATM systems. Customers may also use their Webster ATM card to obtain cash at non-proprietary ATMs throughout the world, which bear the NYCE, CIRRUS, and PLUS logos.

Alternative delivery systems also include online and telephone banking. The internet banking service provides customers and prospective customers' access to a host of bank services. These services allow customers to obtain deposit and loan account information, make loan payments, transfer funds, and pay household bills. The Bank at Work program is one such internet program. Corporate customers can subscribe to this service and thereby provide banking services to their employees during their work breaks. Mobile banking (a cell telephone application), Weblink (small business), free on-line bill pay, and call centers with Spanish language service are other examples of alternative delivery systems. Data was not available detailing how these systems were utilized by low- and moderate-income individuals or their overall use in low-and moderate-income geographies. As a result, we did not place significant weight on them.

## **Community Development Services**

Webster's performance in providing community development services is good in the New Haven and Hartford AAs.

### *New Haven AA*

Management and bank employees assist various organizations that support economic development, revitalization and stabilization of communities, and affordable housing and community services to low- and moderate-income individuals. Bank employees represent the bank in schools and sit on non-profit boards and committees that support financial literacy and home buyer education. Eighteen employees served in leadership positions representing 17 CRA qualified organizations, devoting approximately 2,014 hours to these CD activities during the evaluation period. In addition, the bank conducted 109 financial education seminars that reached 1,590 attendees in the New Haven AA. In addition, the bank provided funding and staff to support foreclosure prevention programs that served low-and moderate-income geographies. These efforts helped stabilize those geographies.

Webster's Opportunity Checking Account product was introduced in November 2008, to help meet the needs of un-banked consumers who generally have difficulty opening regular checking accounts due to less than satisfactory prior experience managing their banking relationships. 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. The percent of Opportunity Checking customers in the New Haven AA, LMI geographies, very significantly

exceeds the percentage of the population residing in LMI geographies, demonstrating the positive impact of this product to customers residing in LMI geographies.

To help meet the needs of LMI families, Webster began waiving the foreign ATM card access fees for state assistance Electronic Benefits Transfer (EBT) cards at Webster owned ATMs in 2010. Service fees are waived regardless of whether or not the card holder is a Webster customer. By enabling EBT cardholders to access their funds free of charge, Webster helps them save money that can then be used for the purposes intended by the state assistance programs. Data for the New Haven AA is not available, but in 2010 Webster waived \$288,050 in fees for 97,644 EBT card holders in the State of Connecticut.

### Hartford AA

Management and bank employees assist various organizations that support economic development, revitalization and stabilization of communities, and affordable housing and community services to low- and moderate-income individuals. Bank employees represent the bank in schools and sit on non-profit boards and committees that support financial literacy. Bank employees also provide first time home buyers with educational training. Twenty-six employees served in leadership roles for 25 CRA qualified organizations, devoting approximately 1,692 hours to these CD activities during the evaluation period. In addition, the bank conducted 88 financial educational seminars that reached approximately 2,700 attendees in the Hartford AA. In addition, the bank provided funding and staff to support foreclosure prevention programs that served low-and moderate-income geographies. These efforts helped stabilize those geographies.

Webster's Opportunity Checking Account product was introduced in November 2008, to meet the needs of un-banked consumers who generally have difficulty opening regular checking accounts due to less than satisfactory prior experience managing their banking relationships. 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. The percent of Opportunity Checking customers in the Harford AA, LMI geographies, very significantly exceeds the percentage of the population residing in LMI geographies, demonstrating the positive impact of this product to customers residing in LMI geographies.

To help meet the needs of LMI families, Webster began waiving the foreign ATM card access fees for state assistance Electronic Benefits Transfer (EBT) cards at Webster owned ATMs in 2010. Service fees are waived regardless of whether or not the card holder is a Webster customer. By enabling EBT cardholders to access their funds free of charge, Webster helps them save money that can then be used for the purposes intended by the state assistance programs. Data for the New Haven AA is not available, but in 2010 Webster waived \$288,050 in fees for 97,644 EBT card holders in the State of Connecticut.

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

Based on limited scope reviews, Webster's performance under the Service Test is weaker in the Bridgeport AA and significantly weaker in the Norwich-New London and Litchfield AAs than the overall High Satisfactory performance in the state. The weaker performance in all three AAs is attributable to a poor distribution of branches in low- and moderate-income geographies

in the Bridgeport AA; a very poor distribution of branches in low- and moderate-income geographies in Norwich-New London; and the moderate-income geographies in Litchfield. Performance in limited-scope AAs did not negatively impact the overall rating for the Service Test.

## Multistate Metropolitan Area Rating

### Rhode Island--Massachusetts (RI-MA) Multistate MA

<b>CRA rating for the RI-MA Multistate MA<sup>1</sup>:</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:

- Lending levels that reflect adequate responsiveness to credit needs.
- A good distribution of home mortgage loans and an excellent distribution of small loans to businesses among geographies of different income levels.
- A good distribution of home mortgage loans among borrowers of different income levels and a poor distribution of small loans to businesses of varying sizes.
- A good level of community development loans.
- Investments that reflect good responsiveness to credit and community development needs.
- Service delivery systems that are accessible to geographies and individuals of different income levels.

### Description of Institution's Operations in the RI-MA Multistate Metropolitan Area (MA)

The bank's RI-MA Multistate MA AA consists of the Providence-New Bedford-Fall River, (RI-MA) Multistate MSA. The AA includes the entire state of Rhode Island and Bristol County in Massachusetts. Webster entered the AA during the prior evaluation period through its acquisition of FIRSTFED Bank in May 2004. Webster currently has 26 branches within the AA, representing 14 percent of the bank's total branch network. Four branches were opened and another branch closed within this AA during this evaluation period. None of the branches opened or closed were located within low-or moderate-income census tracts. This AA comprises 11.48 percent of Webster's total deposits as of June 30, 2010. According to the FDIC Deposit Market Share Report, as of June 30, 2010, the bank ranked seventh for deposit market share with a 3.28 percent share of deposits within this AA. Strong competition for deposits includes numerous smaller community banks and other national and regional banks. Deposit gathering competition is dominated by Bank of America, NA with 69 offices, (42.56 percent market share) and RBS Citizens N A with 100 offices, (18.09 percent market share).

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

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

## **Scope of Evaluation in RI-MA Multistate MSA**

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

Under the Lending Test, we placed somewhat more weight on home mortgage lending; it represents 70.7 percent of lending activity. Regarding home mortgage lending, more weight was given to home purchase loans due to its critical role in meeting affordable housing needs. CD lending had a positive impact on the bank's Lending Test rating. A limited number of multi-family loans were originated during the evaluation period. Multifamily loans were not meaningful to overall performance, due to low activity levels.

As part of our evaluation of the bank's CRA performance we contacted two community based organizations in order to determine the area's economic conditions as well as general banking and CD needs. One organization deals primarily with affordable housing for low- and moderate-income individuals and the revitalization and stabilization of low-income neighborhoods. The other organization deals primarily with community development lending by helping small business obtain financing to get started or expand their existing operations. The contacts agreed that affordable housing for individuals and direct retail banking facilities are primary needs of the AA along with creation of jobs through community development loans to start or expand small business. According to the contacts, flexible and affordable loans that provide financing of home purchases and community development funding which make loans available to small businesses are needed to meet the primary credit needs in the AA. The need for affordable housing related credit, investments, and services was considered in our evaluation performance in the RI-MA Multistate MSA AA under the Lending, Investment and Service Tests.

Refer to the Market Profiles for the RI-MA Multi-state MSA section in Appendix C for other performance context information.

## **LENDING TEST**

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

The bank's performance under the lending test in the RI-MA Multi-state MSA AA is rated High Satisfactory. Based on the full-scope review, the bank's performance in the AA is good.

### **Lending Activity**

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

Considering performance context, Webster's lending activity in the RI-MA MSA AA is adequate. Performance context factors discussed under Scope of the Evaluation-Economic Conditions, including national, regional, geographic, and demographic, were considered in assessing performance with all loan types. The bank's lending activity in the full-scope RI-MA MSA AA is adequate for both home mortgage loans and loans to small businesses.

Home mortgage lending activity is adequate. Webster's market share and rank for home mortgage loans is significantly lower than its deposit market share and rank; this performance is adequate when consideration is given to several performance context factors. The AA is highly competitive. Our nation's largest banking institutions and mortgage companies vigorously compete for the limited number of loan opportunities in low- and moderate-income geographies. These lenders include multiple non-bank lenders that do not take deposits in the AA as well as large banks with a nationwide presence that offer a wide variety of home mortgage products.

FDIC data as of June 30, 2010 shows Webster had a deposit market share of 3.3 percent and was ranked 7<sup>th</sup> among 36 institutions reporting deposits in the AA. Deposit market share is dominated by Bank of America, NA; RBS Citizens NA; and MetLife Bank, NA who rank 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> respectively, with a combined market share of 69.9 percent.

For home mortgage loans, Webster's market share (by number) based on 2009 aggregate HMDA data (the most recent data available) is 1.3 percent, and the bank is ranked 23<sup>rd</sup>, out of 463 lenders reporting such loans in the MSA. For home purchase loans, Webster's market share (by number), based on aggregate data from 2009 (the most recent data available) is 0.8 percent, and the bank ranks 27<sup>th</sup> out of 283 lenders reporting such activity in the MSA. For home improvement loans, the bank has a market share of 4.7 percent, and the bank ranked 6<sup>th</sup> out of 133 lenders reporting such activity in the MSA. For refinance loans, the bank has a market share of 1.3 percent; and the bank ranked 23<sup>rd</sup> out of 426 lenders reporting such activity in the MSA.

Lending activity for small loans to businesses is excellent; the bank's market share exceeds the bank's deposit market share, and its rank is near to the bank's deposit rank. Performance context issues discussed under Scope of the Evaluation-Economic Conditions were considered in our analysis of small loans to businesses.

Based on 2009 aggregate data (the most recent that is available) the bank's market share of small loans to businesses is 3.7 percent (based on dollar volume) and the bank ranked 9<sup>th</sup> out of 81 lenders reporting such loans in the AA. Market share and rank are based on the dollar volume of loans rather than number of loans because of the inclusion of credit card lenders in the reporting. Credit card lenders originate a large number of loans, but the dollar volume is significantly smaller. For example, seven of the top nine reporters of small loans to businesses are credit card lenders that combined have a market share of 76.2 percent, based on number of loans, but only 17.3 percent based on dollar volume. Therefore, a comparison based on dollar volume is more meaningful in this analysis.

#### Foreclosure Prevention Program

Webster's Default Management Services group implements the Loss Mitigation Program to assist eligible homeowners with Webster-owned first mortgages and/or home equity lines of credit that are facing economic difficulties and the threat of foreclosure. The bank is

committed to assisting qualified borrowers who have a verified financial hardship. The Loss Mitigation Program achieves this goal by assisting borrowers in the early stages of delinquency to identify and evaluate affordable and sustainable alternatives to foreclosure. Mortgage assistance is focused on creating affordable, sustainable payment plans, and may include such options as: temporarily reducing the monthly payment, extending fixed payment periods on adjustable loans, extending mortgages beyond the current length, refinancing, or adjusting interest rates. Webster's mortgage assistance programs were designed with input from community and housing organizations. The percent of modifications completed to modifications completed is not available. However, after reviewing the number of modifications completed in the RI-MA MSA AA from June 1, 2008 through December 31, 2010 positive consideration was given to Lending Test results in both full-scope areas. For further discussion on performance context issues, please see the Market Profile in Appendix C.

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

The bank's geographic distribution of loans in the RI-MA Multistate MSA is good. The geographic distribution of home mortgage loans is good when considering performance context factors, and performance for small loans to businesses reflects excellent penetration throughout the AA. Please refer to the discussion of performance context issues under Home Mortgage Loans and Loans to Small businesses for further details.

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

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

The overall geographic distribution of home mortgage loans is good in the RI-MA Multistate MSA considering performance context impacting low- and moderate-income geographies. The distribution of housing by type in low- and moderate-income geographies limits home mortgage lending opportunities. In low-income geographies, 70.0 percent of housing is renter occupied and in moderate-income geographies, 60.6 percent of housing is renter occupied. In addition, high median housing values severely restrict home purchase originations.

The geographic distribution of home purchase loans is good. The portion of home purchase loans in low-income geographies is lower than the portion of owner-occupied housing units within those geographies. However this performance is adequate when considering limited lending opportunities due to a high renters market. More weight is given to performance in moderate-income geographies, as a result. The portion of home purchase loans in moderate-income geographies is near to the percentage of owner-occupied housing units in moderate-income geographies.

The geographic distribution of home improvement loans is adequate. The portion of home improvement loans originated in low-income geographies is substantially lower than the portion of owner-occupied housing units located in those geographies. However, this performance is poor when considering limited opportunities due to a high renters market. More weight is given to performance in moderate-income geographies as a result. The portion of home improvement loans in moderate-income geographies is near to the portion of owner-occupied housing units in those geographies. This performance is good.

The overall geographic distribution of home refinance loans is good. The portion of refinance loans made in low-income geographies is significantly lower than the portion of owner-occupied housing units in those geographies. However this performance is adequate when considering performance context factors. There are limited opportunities in low-income geographies, due to high renter rates, and borrowers need to own a house in order to refinance it. In addition, low-income home origination loans often have limited opportunities for refinancing due to original underwriting considerations. As a result more weight was given to performance in moderate-income geographies. The portion of refinance loans made in moderate-income geographies is near to the portion of owner-occupied housing units in those geographies.

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

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

The geographic distribution of small loans to businesses is excellent. The portion of loans made in low- and moderate-income geographies exceeds the portion of businesses located within those geographies.

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

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

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

This portion of the evaluation is performed at the bank level rather than the state or AA level. A majority of home mortgage and small loans to businesses originated/purchased by Webster over the evaluation period were within its combined AAs. Overall, 56 percent of loans by number and 58 percent by dollar amount were inside the bank's combined AAs. By product, 47 percent of home mortgage loans by number and 52 percent by dollar were inside the combined AAs. Early in the evaluation period, Webster participated in a national, mortgage lending program. These loans were a component of total mortgages; a lower inside ratio resulted than would have without these loans. National lending activities were terminated. Recent performance in combined AAs reflects higher inside ratio performance. We expect the inside ratio to be much stronger in the future. For small loans to businesses, 98 percent by number and 97 percent by dollar amount were inside the bank's combined AAs. This performance was positively factored into the overall analysis of the distribution of loans by income level of the geography.

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

The bank's distribution of loans by income of the borrower in the RI-MA MSA is good when considering performance factors, discussed below. The income distribution of home mortgage loans is good, and the distribution of small loans to businesses is adequate among businesses of varying sizes.

In the evaluation of borrower distribution of home mortgages, we gave consideration to levels of income among low- and moderate-income borrowers compared to housing stock costs makes qualifying for home mortgage originations very difficult. The updated, median price of houses at yearend 2010 was \$228,500. The adjusted median family income for 2010 was \$72,100. A low-income borrower could qualify for a mortgage of approximately \$125,000. Our community contacts verified the difficulty of persons with low-income to afford a home in the current real estate market. The distribution of small loans to businesses reflects adequate dispersion to businesses of different sizes when considering performance factors discussed under Scope of the Evaluation—Economic Conditions.

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

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

The overall borrower distribution of home mortgage loans is good. As discussed, performance context issues make it difficult to provide home mortgage loans to low-income borrowers. For this reason, more weight was given to lending to moderate-income borrowers when reaching our conclusions.

Borrower distribution of home purchase loans is good. The portion of loans made to moderate-income borrowers exceeds the portion of families defined as such. The portion of loans made to low-income families is significantly lower than the percentage of families defined as such. This performance is adequate when considering the performance context factor, housing affordability.

Borrower distribution of home improvement loans is good. The portion of loans made to moderate-income borrowers exceeds the portion of families defined as such. The portion of loans made to low-income borrowers is significantly lower than the portion of families defined as such. Considering that 12 percent of the households live below the poverty level and that a low-income person earns \$36,000 a year and the housing cost is \$228,000, which also has an impact on home improvement lending. Performance to low-income borrower is considered adequate.

Borrower distribution of refinance loans is good. The demand for refinance loans by low-income families is generally very limited. Many times low-income families have taken advantage of various subsidy programs and special mortgage products that have very low interest rates that would not make it necessary for them to refinance for a lower interest rate. Also, some special programs do not allow for refinancing. The portion of loans made to moderate-income borrowers exceeds the portion of families defined as such. The portion of loans made to low-income borrowers is significantly less than the portion of families defined as such, but is considered adequate due to the lack of availability to refinance and the income limitations described above in home improvement loans.

### **Small Loans to Businesses**

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

The bank's distribution of small loans to businesses of different revenue sizes in the RI-MA MSA AA is poor. The portion of small loans to businesses (businesses with revenue of \$1 million or less) is significantly lower than the portion of businesses defined as such.

### **Community Development Lending**

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

*Webster* has a good level of CD loans in the RI-MA AA. This performance had a positive impact on the overall Lending Test conclusion for this AA. *Webster* originated eight community development loans totaling \$11.7 million during the current evaluation period. The loans largely support economic development but also include loans supporting affordable housing and community services for low and moderate-income persons. None of the loans are considered innovative or complex.

### **Product Innovation and Flexibility**

In the RI-MA Multistate MSA, *Webster* offers several flexible HMDA loan programs to low- and moderate-income borrowers. The Home Ownership Possibilities for Everyone (The 30 HOPE loan program), My Community Mortgage Program, The Massachusetts Housing Finance Authority, (MHFA) and the Rhode Island Housing Finance Authority, (RIHFA) programs are flexible based upon bank specific terms and conditions. In this AA, *Webster* originated 81 loans, totaling \$15.9 million. *Webster* participated in other HMDA loan programs that are flexible, based upon national or state-designed underwriting criteria. In this AA, HMDA loan-program participations totaled 179 loans and \$ 41.3 million; they provided a positive impact to the overall Lending Test.

## **INVESTMENT TEST**

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

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

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

The level of investment activity in the RI-MA AA is good. Current period investments are \$4,980,000 and consist mostly of mortgage-back securities. The securities are backed by mortgages to low- and moderate-income families residing in the RI-MA AA.

The bank also made grants and donations totaling \$280,700 to entities which support affordable housing, community services targeted to low- and moderate-income residents, economic development through the financing of small size businesses that are creating, retaining or improving jobs for low- and moderate-income persons or geographies, and the revitalizing/stabilizing of low- and moderate geographic areas.

The bank has two prior period investments. One of these investments was to a Small Business Investment Company (SBIC) and has a current book value of approximately \$82,721. The other investment was to a business development company and has a current book value of \$250,000. Both of these investments support lending to small businesses located in the RI-MA AA. The AA has a good number of investment opportunities based on discussions with bank management, community contacts, and OCC internal resources.

In addition, the bank made investments totaling \$2,092,000 in a regional area that includes the RIMA Multistate AA. These investments do not have the potential to benefit the RIMA Multistate AA. We considered these investments since the bank adequately met AA credit needs, through investments, without them.

## **SERVICE TEST**

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

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

### **Retail Banking Services**

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

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

The bank opened three offices in middle-income geographies and one office in an upper-income geography during this evaluation period. The bank also closed one office in an upper-income geography during the evaluation period.

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

Management maintains a list of bank employees who speak foreign languages. The list covers 32 different languages. Webster employees can contact customers if they require assistance with language interpretation. As an enterprise wide action the bank strives to have bi-lingual (Spanish and other languages) employees at branch locations to serve the local demographic. During 2008, Webster added Spanish language services to its telephone based Customer Care Center and continues to employ bi-lingual staff at this facility.

Webster offers alternative delivery systems in the form of automated teller machines (ATMs). The bank has 34 ATMs in the AA, which are accessible to customers and non-customers. Thirty are full-service and four are cash dispensing machines. The portion of the bank's ATMs located in low-income geographies exceeds the portion of the population in these geographies. The portion of Webster's ATMs located in moderate-income geographies is near to the portion of the population residing in these geographies. Customers and non-customers can access their accounts through Webster ATMs, which are connected to the NYCE, CIRRUS, and PLUS ATM systems. Customers may also use their Webster ATM card to obtain cash at non-proprietary ATMs throughout the world, which bear the NYCE, CIRRUS, and PLUS logos.

Alternative delivery systems also include online and telephone banking. The internet banking service provides customers and prospective customers' access to a host of bank services. These services allow customers to obtain deposit and loan account information, make loan payments, transfer funds, and pay household bills. The Bank at Work program is one such internet program. Corporate customers can subscribe to this service and thereby provide banking services to their employees during their work breaks. Mobile banking (a cell telephone application), Weblink (small business), free on-line bill pay, and call centers with Spanish language service are other examples of alternative delivery systems. Data was not available detailing how these systems were utilized by low- and moderate-income individuals or their overall use in low-and moderate-income geographies. As a result, we did not place significant weight on them.

## **Community Development Services**

Webster's performance in providing community development services is good in the RI-MA Multi-state MSA.

Management and bank employees support a variety of AA organizations that provide CD services by offering financial expertise to such groups. Several employees are members of boards of directors, finance committees, and loan advisory committees of organizations that provide community development services. Some employees are providing financial education to people with low- and moderate-income. Employees are involved in nine different CD activities, devoting 509 hours to these CD activities during the evaluation period. In addition, the bank conducted 27 financial education seminars that reached 355 attendees in the AA. The bank's CD activities include supporting groups that focus on affordable housing, and other CD service targeted for low- and moderate-income persons and geographies. Further, the bank provided funding and staff to support foreclosure prevention programs that served low- and moderate-income geographies. These efforts helped stabilize those geographies.

Webster's Opportunity Checking Account product was introduced in November 2008, to help meet the needs of un-banked consumers who are generally ineligible to open regular checking accounts, due to less than satisfactory prior experience managing their banking relationships.

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. The percent of Opportunity Checking customers in the RI-MA AA, LMI geographies, very significantly exceeds the percentage of the population residing in LMI geographies, demonstrating the positive impact of this product to customers residing in LMI geographies.

To help meet the needs of LMI families, Webster began waiving the foreign ATM card access fees for state assistance Electronic Benefits Transfer (EBT) cards at Webster owned ATMs in 2010. Service fees are waived regardless of whether or not the card holder is a Webster customer. By enabling EBT cardholders to access their funds free of charge, Webster helps them save money that can then be used for the purposes intended by the state assistance programs. In 2010 Webster waived \$3,351 in fees for 1,136 EBT card holders in the State of Rhode Island.

## State Rating

### State of Massachusetts

<b>CRA Rating for Massachusetts<sup>2</sup>:</b>	<b>Outstanding</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>Outstanding</b>

The major factors that support this rating include:

- Lending levels that reflect adequate responsiveness to the credit needs of its AAs.
- An excellent distribution of home mortgage loans and loans to small businesses among low- and moderate-income geographies.
- A good distribution of home mortgage loans among low- and moderate-income borrowers, and an adequate distribution of loans to small businesses of varying sizes.
- Investments that reflect excellent responsiveness to the state's credit and community development needs.
- Service delivery systems are readily accessible to geographies and individuals of different income levels.
- Good performance in providing community development services.

### Description of Institution's Operations in Massachusetts

Webster has three AAs within the State of Massachusetts consisting of two portions of a Metropolitan Division (MD) and one portion of a Metropolitan Statistical Area (MSA). This is an increase from the two AA's reviewed in the previous CRA examination. The Boston-South AA consists of portions of Norfolk County and all of Plymouth County within the Boston-Quincy, MA MD. The Boston-North AA is located in the City of Boston and consists of a portion of Suffolk County. It also is located within the Boston-Quincy, MA MD. The Springfield AA is composed of the south central portion of Hampden County (clustered around the City of Springfield) and is in the Springfield, MA MSA. Webster has 11 branches and 17 ATMs within the state representing six percent of the bank's total branch network. About two percent of Webster's total deposits are from Massachusetts offices, and Webster ranks 25<sup>th</sup> in deposit market share with a .9 percent share of AA deposits. During the evaluation period, Webster originated 4.6 percent of its total HMDA and 2.1 percent of total small loans to businesses in Massachusetts.

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

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

## **Scope of Evaluation in Massachusetts**

The bank has three AAs in the State of Massachusetts. We conducted a full-scope review of the Boston-South AA, a southern portion of the Boston-Quincy MD. We chose this area for full-scope review because the deposit volume is greatest in this area. In Massachusetts, the Boston-South AA represents 60.1 percent of total deposits, 57.4 percent of the bank's total lending, and 45.5 percent of the bank's total branches. The remaining two AAs received limited-scope reviews. They include:

- Boston-Quincy, MA MD (14484) (Boston-North)
- Springfield, MA MSA (44140)

Our ratings are primarily based on conclusions reached in the evaluation of the bank's performance in the full-scope AA. CD lending had a neutral impact on the bank's Lending, Test. Refer to Appendix A for additional information regarding the AAs receiving full-scope and limited-scope reviews.

Under the Lending Test, we placed somewhat more weight on home mortgage lending. Home mortgage lending represents 70.7 percent of lending activity. Regarding home mortgage lending, more weight was given to home purchase loans due to its critical role in meeting affordable housing needs. A limited number of multi-family loans were originated during the evaluation period. Multifamily loans were not meaningful to overall performance, due to low activity levels.

As part of our evaluation of the bank's CRA performance we contacted two community based organizations to determine the area's economic conditions as well as general banking and CD needs and opportunities. One was a local homeless coalition and the other was a housing and economic development organization dealing primarily with affordable housing for low- and moderate-income individuals. The contacts stated that the biggest need for low- and moderate-income individuals and families is affordable housing as it relates to the current foreclosure crisis in the AA. The contacts agreed that affordable housing for people with low- and moderate-income is in short supply and that demand continues to rise as the foreclosure crisis escalates. One contact also noted that affordable rental housing is also very important. A shortage of quality affordable housing stock creates problems; especially in the state of Massachusetts. One contact also noted that the need for shelter and housing for the homeless is becoming increasingly more important as foreclosure and unemployment rates rise. Banks can provide assistance by providing financial assistance for affordable housing and volunteer help for financial education programs related to foreclosure education and job training. The need for affordable housing related credit, investments, and services was considered in our evaluation of Webster's performance in the State of Massachusetts under the Lending, Investment and Service Tests.

Refer to the Market Profiles for the State of Massachusetts section in Appendix C for other performance context information for the AA that received a full-scope review.

## 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 the full-scope review, the bank's performance in the Boston-South AA is rated good.

### Lending Activity

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 lending activity.

Considering performance context, Webster's lending activity in the State of Massachusetts is adequate. Performance context factors discussed under Scope of the Evaluation-Economic Conditions, including national, regional, geographic and demographic, were considered in assessing performance with all loan types. The bank's lending activity in the full-scope Boston-South AA is adequate. Lending activity is adequate for both home mortgage loans and small loans to businesses.

Home mortgage lending activity is adequate. Webster's market share and rank for home mortgage loans is significantly lower than its deposit market share and rank; this performance is adequate when consideration is given to several performance context factors. The AA is highly competitive. Our nation's largest banking institutions and mortgage companies vigorously compete for the limited number of loan opportunities in low- and moderate-income geographies. These lenders include multiple non-bank lenders that do not take deposits in the AA as well as large banks with a nationwide presence that offer a wide variety of home mortgage products.

FDIC data as of June 30, 2010 shows Webster had a deposit market share of 0.7 percent and was ranked 30<sup>th</sup> among 53 institutions reporting deposits in the AA. Deposit market share is dominated by Bank of America, NA; RBS Citizens, NA; and Rockland Trust Co, who rank 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> respectively, with a combined market share of 35.3 percent.

For home mortgage loans, Webster's market share (by number) based on aggregate data from 2009 (the most recent data available) is 0.2 percent, and the bank is ranked 93<sup>rd</sup> out of 450 lenders reporting such loans in the AA. For home purchase loans, Webster's market share (by number), based on aggregate data from 2009 (the most recent data available) is 0.1 percent, and the bank ranked 113<sup>th</sup> out of 306 lenders reporting such activity in the AA. For home improvement loans, the bank has a market share of 1.0 percent, and the bank ranked 35<sup>th</sup> out of 133 lenders reporting such activity in the AA. For refinance loans, the bank has a market share of 0.1 percent, and the bank ranked 94<sup>th</sup> out of 394 lenders reporting such activity in the AA. The number and diversity of home mortgage product lenders in the AA reflects sophistication and scrutiny on the part of borrowers. For all home mortgage products, the top ten lenders represent 43.8 percent of market shares. For home purchase loans, the top ten lenders represent 48.6 percent of all loans reported. For home improvement loans, the top ten lenders represent 36.7 percent of all loans reported. For home refinance loans, the top ten lenders represent 43.2 percent of all loans reported.

Market share and rank for all three home mortgage loan products in low-and moderate-income geographies are higher than market share and rank for all three mortgage loan products in the total AA. Webster's market share (by number) based on aggregate data from 2009 (the most recent data available) is 0.3 percent, and the bank is ranked 53<sup>rd</sup> out of 262 lenders reporting such loans in both low- and moderate-income geographies.

Lending activity for small loans to businesses is adequate considering performance context factors discussed under Scope of the Evaluation-Economic Conditions. The bank's market share is lower and its rank of small loans to businesses exceeds its deposit market share and rank.

Based on 2009 aggregate data (the most recent that is available) the bank's market share of small loans to businesses is 0.5 percent (based on dollar volume) and the bank is ranked 27<sup>th</sup> out of 89 lenders reporting such loans in the AA. Market share and rank are based on the dollar volume of loans rather than number of loans because of the inclusion of credit card lenders in the reporting. Credit card lenders originate a large number of loans, but the dollar volume is significantly smaller. For example, eight of the top nine reporters of small loans to businesses are credit card lenders that combined have a market share of 80.4 percent, based on number of loans, but only 19.1 percent based on dollar volume. Therefore, a comparison based on dollar volume is more meaningful in this analysis.

#### Foreclosure Prevention Program

Webster's Default Management Services group implements the Loss Mitigation Program to assist eligible homeowners with Webster-owned first mortgages and/or home equity lines of credit that are facing economic difficulties and the threat of foreclosure. The bank is committed to assisting qualified borrowers who have a verified financial hardship. The Loss Mitigation Program achieves this goal by assisting borrowers in the early stages of delinquency to identify and evaluate affordable and sustainable alternatives to foreclosure. Mortgage assistance is focused on creating affordable, sustainable payment plans, and may include such options as: temporarily reducing the monthly payment, extending fixed payment periods on adjustable loans, extending mortgages beyond the current length, refinancing, or adjusting interest rates. Webster's mortgage assistance programs were designed with input from community and housing organizations. The percent of bank modifications completed to total modifications completed is not available. However, after reviewing the number of modifications completed in the Boston South AA from June 1, 2008 through December 31, 2010 positive consideration was given to Lending Test results in both full-scope areas. For further discussion on performance context issues, please see the Market Profile in Appendix C.

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

The bank's geographic of loans in Massachusetts is excellent. The geographic distribution of home mortgage loans and the distributions of small loans to businesses reflect excellent penetration throughout the AA.

## ***Home Mortgage Loans***

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

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

Performance context issues impacted low- and moderate-income geographies. There are only two low-income geographies and 12.7 percent of total geographies are designated moderate-income. Furthermore, the distribution of housing by type in low-income geographies limits home mortgage lending opportunities. In low-income geographies, 70.7 percent of housing is renter occupied. In addition, high median housing values severely restrict home purchase originations.

The geographic distribution of home purchase loans is excellent. The percentage of home purchase loans made in low-income geographies significantly exceeds the percentage of owner occupied units. The portion of home purchase loans made in moderate-income geographies significantly exceeds the percentage of owner-occupied units in those geographies.

The geographic distribution of home improvement loans is excellent. Performance in low- and moderate- income geographies is excellent. The percentage of home improvement loans made in low- and moderate-income geographies significantly exceeds the percentage of owner occupied housing units located in low- and moderate-income geographies.

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

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

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

The geographic distribution of loans to small businesses in the Boston-South AA is excellent. The portion of loans in low- and moderate-income geographies significantly exceeds the portion of businesses located within those geographies.

## **Lending Gap Analysis**

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

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

This portion of the evaluation is performed at the bank level rather than the state or AA level. A majority of home mortgage and small loans to businesses originated/purchased by Webster over the evaluation period were within its combined AAs. Overall, 56 percent of loans by number and 58 percent by dollar amount were inside the bank's combined AAs. By product, 47 percent of home mortgage loans by number and 52 percent by dollar were inside the combined AAs. Early in the evaluation period, Webster participated in a national, mortgage lending program. These loans were a component of total mortgages; a lower inside ratio resulted than would have without these loans. National lending activities were terminated. Recent performance in combined AAs reflects higher inside ratio performance. We expect the inside ratio to be much stronger in the future. For small loans to businesses, 98 percent by number and 97 percent by dollar amount were inside the bank's combined AAs. This performance was positively factored into the overall analysis of the distribution of loans by income level of the geography.

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

The bank's distribution of loans by income of the borrower in the State of Massachusetts is good. The income distribution of home mortgage loans is good, and the distribution of small loans to businesses is adequate among businesses of varying sizes.

In the evaluation of borrower distribution of home mortgage loans, we gave consideration to the portion of households living below the poverty level, which was almost seven percent during the evaluation period. Due to reasons of affordability, it is unlikely that those with incomes below the poverty level would be involved in borrowing for home mortgages, a factor we considered in evaluating the bank's distribution to low-income borrowers. Additionally, even though home prices have decreased since 2006, affordability for low- and moderate-income borrowers remains an issue in the Boston-South AA where housing costs are extremely high. Levels of low- and moderate-income borrower income compared to housing stock costs make qualifying for home mortgage originations very difficult. The updated, median price of houses at yearend 2010 was \$357,300. The adjusted median family income for 2010 was \$85,200. A moderate-income borrower could qualify for a mortgage of approximately \$260,000. Low-income borrowers could qualify for a home mortgage of approximately \$137,500.

## ***Home Mortgage Loans***

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

Home purchase borrower distribution is good. The percentage of home purchase loans made to low-income individuals is significantly lower than the percentage of low-income families, but is considered adequate based on performance context. The percentage of home purchase loans made to moderate-income individuals exceeds the percentage of families defined as such.

Home improvement borrower distribution is good. The percentage of home improvement loans made to low-income individuals is somewhat lower than the percentage of families defined as such, but is considered good to excellent considering performance context. Specific performance context factors are levels of families living below the poverty level and lack of affordability with housing stock. The percentage of home improvement loans made to moderate-income individuals significantly exceeds the percentage of families defined as such.

Home refinance borrower distribution is good. The demand for refinance loans by low-income families is generally very limited. Many times low-income families have taken advantage of various subsidy programs and special mortgage products that have very low interest rates that would not make it necessary for them to refinance for a lower interest rate. Also, some special programs do not allow for refinancing. The percentage of home refinance loans made to low-income individuals is significantly lower than, and to moderate-income individuals exceeds, the percentage of families defined as such.

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

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

The bank's distribution of small loans to businesses of different revenue sizes in the Boston-South AA is adequate. The portion of small loans to small businesses is somewhat lower than the percentage of businesses defined as such.

### **Community Development Lending**

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

Webster did not originate any community development loans in the MA AA's during this evaluation period. CD lending has a neutral impact on lending performance.

### **Product Innovation and Flexibility**

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

Webster offers several flexible HMDA loan programs to low- and moderate-income borrowers. The 30 HOPE loan program and the My Community Mortgage program are flexible based upon bank specific terms and conditions. In the Boston-South AA, Webster originated 12 loans, totaling \$2.6 million. Webster participates in other HMDA loan programs that are flexible based upon national or state-designed underwriting criteria. In the Boston-South AA, participation totaling 21 loans and \$5.1 million provides a positive impact to the overall Lending Test.

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

Based on limited-scope reviews, the bank's performance under the Lending Test in the Springfield and Boston-North AA's is weaker than the bank's overall "High Satisfactory" performance in the state. Webster Bank did not enter the Boston-North AA until November 2009; therefore, performance in this AA is limited and is not weighted heavily in the overall conclusion for the State of Massachusetts rating. Refer to the Tables 1 through 13 in the State of Massachusetts section of Appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in the State of Massachusetts is rated Outstanding. Based on the full-scope review, the bank's performance in the Boston-South AA 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.

The bank has an excellent level of qualified investments in the Boston-South AA. Total investments consist primarily of one mortgage backed security for \$2,430,855 consisting of loans made to low and moderate-income borrowers residing in the Boston-South AA. Investments of this nature help meet community needs by providing liquidity to lenders so that more loans to LMI borrowers can be originated. The remaining investments consist of \$42,600 in grants and donations. These grants and donations support affordable housing for people with low- and moderate-income; provide community services targeted to people with low- and moderate-income; support economic development through the financing of small size businesses that are creating, retaining or improving jobs for people with low- and moderate-income or in low- and moderate-income geographies; and support revitalization and stabilization of low- and moderate-income geographic areas.

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

Based on limited-scope reviews, the bank's performance under the Investment Test in the Springfield and Boston-North AA's is not inconsistent with the overall "Outstanding" performance in the State of Massachusetts. Please refer to Table 14 in the State of Massachusetts section of Appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

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

Webster's performance under the Service Test in the State of Massachusetts is rated Outstanding. Based on full-scope reviews, the bank's performance in the Boston-South AA is excellent.

## Retail Banking Services

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

Webster's delivery systems are readily accessible to geographies and individuals of different income levels in the Boston-South AA. The distribution of offices in the Boston-South AA is excellent. None of the bank's five branches are in low-income geographies due primarily to the fact there are only two low-income geographies in the Boston-South AA. These two low-income geographies contain only 0.8 percent of the AA population. As a result, more emphasis was placed on moderate-income geographies. Two branches are located in moderate-income geographies. The distribution of branches in moderate-income geographies significantly exceeds the population living in such geographies.

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals in the Boston-South AA. During the evaluation period, the bank did not open or close any branches in the Boston-South AA.

Webster's hours and services offered throughout the full-scope AA are adequate. Average hours and services offered in low- to moderate-income geographies are lower than average middle/upper income branch location hours. Both moderate income branch offices offer extended hours on Thursday and Friday. All branches have Saturday office hours; although two of the three middle-income branch offices are open longer on Saturdays than in the moderate income branch offices.

Bank personnel are available to all offices to explain the types of credit and products available. These personnel also provide assistance with completing loan applications. Bi-lingual employees are available to assist customers at many branch locations and by telephone through the bank's Customer Care Center. Mortgage loan officers are available seven days a week to assist in the mortgage loan process.

Webster offers alternative delivery systems in the form of automated teller machines. The distribution of automated teller machines (ATM) is good. The bank offers ATMs at each of its five branch locations. There are no ATMs located in low-income geographies due to the very low portion of the population living in those geographies. The portion of the bank's ATMs located in moderate-income geographies significantly exceeds the portion of the AA's population residing in moderate-income geographies. Customers and non-customers alike can access their accounts through Webster ATMs, which are connected to the NYCE, CIRRUS, and PLUS ATM systems. Customers may also use their Webster ATM card to obtain cash at non-proprietary ATMs throughout the world, which bear the NYCE, CIRRUS, and PLUS logos. Additionally, ATMs offer services in multiple languages.

Management maintains a list of bank employees who speak foreign languages. The list covers 32 different languages. Webster employees can contact customers if they require assistance with language interpretation. As an enterprise wide action the bank strives to have bi-lingual (Spanish and other languages) employees at branch locations to serve the local demographic.

During 2008, Webster added Spanish language services to its telephone based Customer Care Center and continues to employ bi-lingual staff at this facility.

Alternative delivery systems also include online and telephone banking. The internet banking service provides customers and prospective customers' access to a host of bank services. These services allow customers to obtain deposit and loan account information, make loan payments, transfer funds, and pay household bills. The Bank at Work program is one such internet program. Corporate customers can subscribe to this service and thereby provide banking services to their employees during their work breaks. Mobile banking (a cell telephone application), Weblink (small business), free on-line bill pay, and call centers with Spanish language service are other examples of alternative delivery systems. Data was not available detailing how these systems were utilized by low- and moderate-income individuals or their overall use in low-and moderate-income geographies. As a result, we did not place significant weight on them.

## **Community Development Services**

Webster's performance in providing community development (CD) services in the Boston-South AA is good.

Webster employees conducted five educational seminars during the evaluation period that reached 39 attendees in the Boston-South AA. Financial literacy topics included foreclosure prevention and first-time homebuyer education. In addition, the bank provided funding and staff to support foreclosure prevention programs that served low-and moderate-income geographies. These efforts helped stabilize those geographies.

Webster's Opportunity Checking Account product was introduced in November 2008, 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. The percent of Opportunity Checking customers in the Boston-South AA, LMI geographies, very significantly exceeds the percentage of the population residing in LMI geographies, demonstrating the positive impact of this product to customers residing in LMI geographies.

To help meet the needs of LMI families, Webster began waiving the foreign ATM card access fees for state assistance Electronic Benefits Transfer (EBT) cards at Webster owned ATMs in 2010. Service fees are waived regardless of whether or not the card holder is a Webster customer. By enabling EBT cardholders to access their funds free of charge, Webster helps them save money that can then be used for the purposes intended by the state assistance programs. Data for the Boston-South AA is not available, but in 2010, Webster waived \$63,127 in fees for 21,399 EBT card holders in the State of Massachusetts.

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

Based on limited-scope reviews, the bank's performance under the Service Test in the limited scope AA's is not inconsistent the bank's "Outstanding" performance in the state. The bank opened three new branches in the Springfield AA during the evaluation period and one branch in the Boston area which created the Boston-North AA. The Boston-North AA consists of one

branch located in a low- income census tract. The bank also has three ATM's located in that AA which are all located in low- income census tracts. One of the three branches opened in the Springfield AA is located in a moderate income census tract.

## State Rating

### 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:

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

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

Webster entered the State of New York market in 2004 and has one AA; it is comprised of the southern two-thirds of Westchester County. The AA is a portion of the New York-White Plains-Wayne NY-NJ Metropolitan Division. The bank has eight full-service branches with ATMs within the state, representing about four percent of the bank's total branch network and about 2.1 percent of Webster's total deposits. Webster originated a very small portion of its HMDA and small business loan volume within the state of New York. Webster's 194 HMDA loans originated in New York represent 0.7 percent of the bank's total HMDA volume. The 200 small business loans represent 1.8 percent of the bank's small business loan volume.

Refer to the Market Profiles for the State of New York in Appendix C for detailed demographics and other performance context information for the AA.

### Scope of Evaluation in New York

The bank has one AA in the State of New York. It received a full-scope review. Under the Lending Test, we placed somewhat more weight on home mortgage lending; it represents 48.5 percent of lending activity, by number, but 62 percent by volume. Regarding home mortgage

lending, more weight was given to home purchase loans due to its critical role in meeting affordable housing needs. A limited number of multifamily loans were originated during the evaluation period. Multifamily loan were not meaningful to overall performance, due to low activity levels. Overall, CD performance had a positive impact on the bank's Lending Test rating.

As part of our evaluation of the bank's CRA performance we contacted two community based organizations in order to determine the area's economic conditions as well as general banking and CD needs. One organization is a non-profit financial intermediary that lends money to other non-profits to acquire or construct affordable housing for low- and moderate-income individuals. The other organization is a non-profit that provides services for low- income individuals. These services include shelters and transitional apartments for the homeless, welfare-to-work training, housing retention training, and managing permanent low-income housing properties. Both CD organizations identified affordable housing for low- income individuals as the most pressing community credit need. The recent economic hardships drastically reduced funding for both New York non-profits. Bank loans and grants became harder to get because of tighter underwriting standards and fewer participants in specialized areas of lending (i.e. low-income housing tax credits) for low-income real estate projects. State and county governments also drastically cut funding for programs for low- income individuals or eliminated the programs altogether. The need for affordable housing was considered in our evaluation performance in the Westchester County AA under the Lending, Investment and Service Tests.

Refer to the Market Profiles for the State of New York section in Appendix C for other performance context information for the AA.

## **LENDING TEST**

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

The bank's performance under the Lending Test in New York is rated High Satisfactory. Based on the full-scope review, the bank's performance in the Westchester County AA is good.

### **Lending Activity**

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.

Considering performance context, Webster's lending activity in the State of New York is adequate. Performance context factors discussed under Scope of the Evaluation-Economic Conditions, including national, regional, geographic, and demographic, were considered in assessing performance with all loan types. The bank's lending activity in the full-scope Westchester County AA is adequate. Lending activity is adequate for both home mortgage loans and small loans to businesses.

Home mortgage lending activity is adequate. Webster's market share and rank for home mortgage loans is significantly lower than its deposit market share and rank; this performance is adequate when consideration is given to performance context factors. The AA is highly

competitive. Large nationwide banking institutions and mortgage companies vigorously compete for the limited number of loan opportunities in low- and moderate-income geographies. These lenders include multiple non-bank lenders that do not take deposits in the AA as well as large banks with a nationwide presence that offer a wide variety of home mortgage products.

FDIC data as of June 30, 2010 shows Webster had a deposit market share of 0.7 percent and was ranked 17<sup>th</sup> among 40 institutions reporting deposits in Westchester County. Deposit market share is dominated by JP Morgan Chase, Emigrant Bank, and Citibank, who rank 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> respectively, with a combined market share of 52.4 percent.

For home mortgage loans, Webster's market share (by number) based on aggregate data from 2009 (the most recent data available) is 0.3 percent, and the bank is ranked 39<sup>th</sup> out of 290 lenders reporting such loans in the county. For home purchase loans, Webster's market share (by number), based on aggregate data from 2009 (the most recent data available) is 0.1 percent, and the bank is ranked 60<sup>th</sup> out of 190 lenders reporting such activity in the county. For home improvement loans, the bank has a market share of 1.6 percent, and the bank is ranked 12<sup>th</sup> out of 61 lenders reporting such activity in the county. For refinance loans, the bank has a market share of 0.4 percent, and the bank is ranked 36<sup>th</sup> out of 254 lenders reporting such activity in the county. For all home mortgage products the top ten lenders represent the majority of market shares. For home purchase loans the top ten lenders represent 71.9 percent of all loans reported; for home improvement loans the top ten lenders represent 72.4 percent of all loans reported; and for home refinance loans the top ten lenders represent 63.4 percent of all loans reported.

Individually, the market share and rank of all three home mortgage loan products in both low- and moderate-income geographies are higher than market share and rank for all three mortgage loan products in the total AA. Webster's market share (by number) based on aggregate data from 2009 (the most recent data available) is 1.1 percent, and the bank is ranked 22<sup>nd</sup> out of 137 lenders reporting such loans in both low- and moderate-income geographies.

Lending activity for small loans to businesses is adequate even though the bank's market share and rank of small loans to businesses is lower than its deposit market share and rank. Performance context consideration is given to the factors discussed under Scope of the Evaluation-Economic Conditions.

Based on 2009 aggregate data (the most recent that is available) the bank's market share of small loans to businesses is 0.4 percent (based on dollar volume) and the bank is ranked 24<sup>th</sup> out of 98 lenders reporting such loans in the county. Market share and rank are based on the dollar volume of loans rather than number of loans because of the inclusion of credit card lenders in the reporting. Credit card lenders originate a large number of loans, but the dollar volume is significantly smaller. For example, the top nine reporters of small loans to businesses are credit card lenders that combined have a market share of 89.0 percent, based on number of loans, but only 48.6 percent based on dollar volume. Therefore, a comparison based on dollar volume is more meaningful in this analysis.

### Foreclosure Prevention Program

Webster's Default Management Services group implements the Loss Mitigation Program to assist eligible homeowners with Webster-owned first mortgages and/or home equity lines of credit that are facing economic difficulties and the threat of foreclosure. The bank is committed to assisting qualified borrowers who have a verified financial hardship. The Loss Mitigation Program achieves this goal by assisting borrowers in the early stages of delinquency to identify and evaluate affordable and sustainable alternatives to foreclosure. Mortgage assistance is focused on creating affordable, sustainable payment plans, and may include such options as: temporarily reducing the monthly payment, extending fixed payment periods on adjustable loans, extending mortgages beyond the current length, refinancing, or adjusting interest rates. Webster's mortgage assistance programs were designed with input from community and housing organizations. The percent of bank modifications completed to total modifications completed is not available. However, after reviewing the number of modifications completed in the New York AA from June 1, 2008 through December 31, 2010 positive consideration was given to Lending Test results in both full-scope areas. For further discussion on performance context issues, please see the Market Profile in Appendix C.

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

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

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

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

The overall geographic distribution of home mortgage loans is excellent.

Performance context issues impacted low- and moderate-income geographies. Fewer than 14 percent of total geographies are designated low- and moderate-income. Furthermore, the distribution of housing by type in low- and moderate-income geographies limits home mortgage lending opportunities. In low-income geographies 84.4 percent of housing is renter occupied and in moderate-income geographies 78.5 percent of housing is renter occupied. In addition, high median housing values severely restrict home purchase originations.

The overall geographic distribution of home purchase loans is excellent. Webster did not originate any home purchase loans in low-income geographies. However, its performance is excellent in moderate-income geographies. The portion of home purchase loans made in moderate-income geographies significantly exceeds the portion of owner-occupied housing units in those geographies. The absence of home purchase loan originations in low-income geographies is explained through performance context in the form of few opportunities. The percentage of owner-occupied housing units is low at 0.4 percent.

The overall geographic distribution of home improvement loans is excellent. Webster did not originate any home improvement loans in low-income geographies. However, its performance is excellent in moderate-income geographies. The portion of home improvement loans made in

moderate-income geographies exceeds the portion of owner-occupied housing units in those geographies. The absence of home improvement loan originations in low-income geographies is explained through performance context in the form of few opportunities. The percentage of owner-occupied housing units is low at 0.4 percent.

The overall geographic distribution of home refinance loans is excellent. The portion of refinance loans made in low-income geographies significantly exceeds the portion of owner-occupied housing units in those geographies. The portion of refinance loans made in moderate-income geographies significantly exceeds the portion of owner-occupied housing units in those geographies.

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

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

The bank's distribution of small loans to businesses in the Westchester County AA is good. There are no loan originations in low-income geographies. This is due, in part, to the low percentage of businesses in low-income geographies, which is 1.3 percent. The percentage of bank loans in moderate-income geographies exceeds the percentage of business that reported loans in moderate-income geographies.

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

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

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

This portion of the evaluation is performed at the bank level rather than the state or AA level. A majority of home mortgage and small loans to businesses originated/purchased by Webster over the evaluation period were within its combined AAs. Overall, 56 percent of loans by number and 58 percent by dollar amount were inside the bank's combined AAs. By product, 47 percent of home mortgage loans by number and 52 percent by dollar were inside the combined AAs. Early in the evaluation period, Webster participated in a national, mortgage lending program. These loans were a component of total mortgages; a lower inside ratio resulted than would have without these loans. National lending activities were terminated. Recent performance in combined AAs reflects higher inside performance. We expect the inside ratio to be much stronger in the future. For small loans to businesses, 98 percent by number and 97 percent by dollar amount were inside the bank's combined AAs. This performance was positively factored into the overall analysis of the distribution of loans by income level of the geography.

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

The bank's distribution of loans by income of the borrower in the State of New York is adequate. The distribution of home mortgage loans to borrowers of different income levels, and the distribution of small loans to businesses of varying sizes are adequate considering performance context.

In the evaluation of borrower distribution of home mortgage loans, we gave consideration to the portion of households living below the poverty level, which was 10 percent during the evaluation period. Levels of income among low- and moderate-income borrowers, compared to housing stock costs, make qualifying for home mortgage originations very difficult. The updated, median price of houses at yearend 2010 was \$450,000. The adjusted median family income for 2010 was \$65,600. A moderate-income borrower could qualify for a mortgage of approximately \$237,000. Low-income borrowers could qualify for a home mortgage of approximately \$115,000. Due to reasons of affordability, it is unlikely that those with incomes below the poverty level or borrowers with low- and moderate-income could qualify for home mortgage loans. Our community contacts verified the difficulty for persons of low- and moderate-income to afford a home in the current real estate market.

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

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

The overall borrower distribution of home mortgage loans in the Westchester County AA is adequate.

Home purchase loan borrower distribution is adequate, considering performance context. Performance context includes the high percentage of households living below the poverty level and very high housing stock prices in the AA compared to income levels of low- and moderate-income borrowers. The portion of loans made to moderate-income borrowers is lower than the portion of families defined as such. Webster did not make any home purchase loans to low-income borrowers due primarily to insufficient income to support mortgage repayment.

Home improvement borrower distribution is poor, even when considering performance context. Performance context includes the high percentage of households living below the poverty level in the AA and very high housing stock prices in the AA compared to income levels of low- and moderate-income borrowers. The portion of loans made to moderate-income borrowers is significantly lower than the portion of families defined as such. Webster did not make any home improvement loans to low-income borrowers due primarily to insufficient income compared to housing costs.

Refinance loan borrower distribution is adequate, considering performance context. Performance context includes the percentage of households living below the poverty level in the AA. The portion of loans made to moderate-income borrowers is significantly lower than the portion of families defined as such. Webster did not make any refinance loans to low-income borrowers due primarily to insufficient income to support mortgage repayment.

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

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

The bank's distribution of small loans to businesses in the State of New York is adequate. The borrower distribution of small loans to businesses in the Westchester County AA is adequate.

### **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 community development (CD) lending.

Webster's level of community development (CD) lending is excellent and has a positive impact on the evaluation of its lending performance in the Westchester County AA.

Webster originated six community development loans totaling \$23.6 million during the current evaluation period. The majority of these loans (four) were made to the same entity and support affordable housing for low- and moderate-income persons. None of the loans are considered innovative or complex.

### **Product Innovation and Flexibility**

In the Westchester County AA, Webster offers the 30 HOPE and FHA programs to low- and moderate-income families. However, no originations were made during the evaluation period. The bank participates in programs offered by the State of New York Mortgage Agency (SONYMA) targeted to low- and moderate income borrowers. However, no originations were made under these programs during the evaluation period. Going forward, the bank expects to be involved in each of these programs and reflect originations as appropriate.

## **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. Based on full-scope reviews, the bank's performance in the AA is excellent.

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.

The level of investment activity in the New York AA is excellent. The bank's investment activity consists primarily of a \$5,000,000 Low Income Housing Tax Credit investment to support the development of 127 units of affordable housing in Westchester County. The bank also made grants and donations totaling \$131,000 to entities which support affordable housing and community services targeted to low- and moderate-income residents. Grants were also made to CD organizations that promote economic development by financing small businesses helping create, retain or improve job opportunities for low- and moderate-income persons or geographies. The bank did not have any prior period investments in this AA. The AA has a

good number of investment opportunities based on discussions with community contacts and OCC internal resources.

## **SERVICE TEST**

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

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

### **Retail Banking Services**

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

Webster's delivery systems are accessible to geographies and individuals of different income levels throughout the full-scope AA. There are no branches located in low-income geographies, but the percentage of population that resides in low-income geographies is only 2.3 percent. The distribution of Webster's offices in moderate-income geographies exceeds the percentage of population that resides in moderate-income geographies.

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

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

Management maintains a list of bank employees who speak foreign languages. The list covers 32 different languages. Webster employees can contact customers if they require assistance with language interpretation. As an enterprise wide action the bank strives to have bi-lingual (Spanish and other languages) employees at branch locations to serve the local demographic. During 2008, Webster added Spanish language services to its telephone based Customer Care Center and continues to employ bi-lingual staff at this facility.

Webster offers alternative delivery systems in the form of automated teller machines (ATMs). The bank has 11 ATMs in the AA. There are no ATMs located in low-income geographies due to the very low portion of the population living in those geographies. The portion of the bank's ATMs located in moderate-income geographies exceeds the portion of the AA's population residing in moderate-income geographies. Customers and non-customers can access their accounts through Webster ATMs, which are connected to the NYCE, CIRRUS, and PLUS ATM systems. Customers may also use their Webster ATM card to obtain cash at non-proprietary ATMs throughout the world, which bear the NYCE, CIRRUS, and PLUS logos.

Alternative delivery systems also include online and telephone banking. The internet banking service provides customers and prospective customers' access to a host of bank services.

These services allow customers to obtain deposit and loan account information, make loan payments, transfer funds, and pay household bills. The Bank at Work program is one such internet program. Corporate customers can subscribe to this service and thereby provide banking services to their employees during their work breaks. Mobile banking (a cell telephone application), Weblink (small business), free on-line bill pay, and call centers with Spanish language service are other examples of alternative delivery systems. Data was not available detailing how these systems were utilized by low- and moderate-income individuals or their overall use in low-and moderate-income geographies. As a result, we did not place significant weight on them.

## **Community Development Services**

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

Management and bank employees support a variety of Westchester County AA organizations that provide CD services by offering financial expertise to such groups. Several senior officers serve on the board of directors, loan committee, and development committee of organizations that provide community development services. Some employees are providing financial education to people of low- and moderate-income. During the evaluation period, Webster conducted 36 educational seminars that reached 647 low- and moderate-income attendees in the New York AA. Financial literacy topics include first-time home buyer education, types of mortgage products available, and general mortgage information. Employees are involved in various CD activities, devoting approximately 328 hours to these CD activities during the evaluation period.

Webster's Opportunity Checking Account product was introduced in November 2008, 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. The percent of Opportunity Checking customers in the Westchester AA, LMI geographies, is near to the percentage of the population residing in LMI geographies, demonstrating the positive impact of this product to customers residing in LMI geographies.

To help meet the needs of LMI families, Webster began waiving the foreign ATM card access fees for state assistance Electronic Benefits Transfer (EBT) cards at Webster owned ATMs in 2010. Service fees are waived regardless of whether or not the card holder is a Webster customer. By enabling EBT cardholders to access their funds free of charge, Webster helps them save money that can then be used for the purposes intended by the state assistance programs. In 2010 Webster waived \$947.00 in fees for 321 EBT card holders in the State of New York.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and 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): January 1, 2006 to December 31, 2010 Investment and Service Tests and CD Loans: May 1, 2006 to February 7, 2011	
<b>Financial Institution</b>		<b>Products Reviewed</b>	
Webster Bank, N.A. Waterbury, CT		HMDA and Small business loans Community development loans Qualified investments	
<b>Affiliate(s)</b>		<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
<i>NA</i>			
<b>List of Assessment Areas and Type of Examination</b>			
<b>Assessment Area (Some AAs include portions of counties)</b>		<b>Type of Exam</b>	<b>Other Information</b>
Connecticut			
New Haven	35300	Full-Scope	
Hartford	25540	Full-Scope	
Bridgeport	14860	Limited-Scope	
Norwich-New London	35980	Limited-Scope	Shoreline towns only in New London County, CT
Litchfield Non-MSA		Limited-Scope	Litchfield County, CT
Rhode Island-Massachusetts MSA	39300	Full-Scope	All of Rhode Island and Bristol County, MA
Massachusetts			
Boston-South	14484	Full-Scope	South portion of Norfolk County and all of Plymouth County, MA
Boston-North	14484	Limited-Scope	A portion of Suffolk County
Springfield	44140	Limited-Scope	South central portion of Hampden County, MA - clustered around the City of Springfield, MA
New York-White Plains-Wayne, NY-NJ MD	35644	Full-Scope	Southern half of Westchester County, NY

## Appendix B: Summary of State Ratings

RATINGS      Webster Bank, N.A.				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State Rating
Webster	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
State:				
Connecticut	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
RI-MA Multistate MSA	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Massachusetts	High Satisfactory	Outstanding	Outstanding	Outstanding
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

### State of Connecticut

#### New Haven AA

Demographic Information for Full-scope Area: New Haven						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	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	64,388	7.52	17.31	43.44	31.71	0.02
Farms by Geography	1,437	2.09	9.81	42.17	45.93	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**			231,000
HUD Adjusted Median Family Income for 2010		78,900	Unemployment Rate***			9.00%
Households Below Poverty Level		9.69%				

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

(\*\*) The National Association of REALTORS.

(\*\*\*) The United States Department of Labor, Bureau of Labor and Statistics.

Source: 2000 US Census and 2010 HUD updated MFI

The New Haven AA is composed of the entire New Haven-Milford, CT MSA (35300). The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies. According to the 2000 Census, the total population is approximately 824,000. Additionally, based on the 2000 Census, the distribution of families by income level is: 20.9 percent low-income, 17.3 percent moderate-income, 22.6 percent middle-income, and 39.3 percent upper-income.

The bank is a full service lender offering a broad array of lending products that include business loans, home mortgage loans, home equity loans, installment loans, and trust and investment services. The level of competition among financial service providers in the AA is relatively high. Webster competes with large mortgage companies, large interstate regional banking companies, credit unions, and various community and savings banks. According to the FDIC market share report as of June 30, 2010, Webster, ranked 1<sup>st</sup> for market share of deposits in the AA with a 27.4 percent market share. The five largest competitors in the AA include: Wells Fargo with a 14.6 percent market share, New Alliance Bank with an 11.9 percent market share, Bank of America with a 9.8 percent market share, People's United Bank with an 8.7 percent market share, and TD Bank with a 6.4 percent market share.

Eighty percent of the housing in the AA is one to four-family units, 19.3 percent is multifamily and 0.6 percent is mobile homes. Of the housing units, 59.1 percent are owner occupied, 34.5 percent are renter-occupied, and 6.4 percent are vacant. The high median housing value of

\$231,000 in 2010<sup>3</sup> coupled with the median family income of \$78,900, and 9.7 percent of the population living below the poverty line, made home ownership in low- and moderate-income areas very difficult. Additionally, the weighted average of median year built for houses is 1960, and older homes generally are more costly to maintain, are not as energy efficient as newer homes, and typically need rehabilitation, all of which contribute to the overall cost of the home. Also, the low-income census tracts are primarily a renters market, with 68.0 percent renter occupied as opposed to 17.9 percent of homes owner occupied.

The primary industries in the AA are the services industry at 49.1 percent, retail trade at 13.7 percent, and construction at 10.5 percent. Major employers in the AA include the state and local government, Yale University, AT&T, Yale New Haven Hospital, Webster Financial, and IBM Corporation. However, the AA experienced a sharp increase in unemployment, which negatively impacted lenders' ability to make home mortgage loans. The unemployment rate for the AA was 9.0 percent as of December 2010, in line with the overall 9.0 percent for the entire state and better than the 9.4 percent national rate.

Based on community contacts, OCC internal resources and bank management, the AA has a good level of community development lending, services, and investment opportunities available to banks. Some of the critical needs of the community are affordable housing, increased access to checking and savings accounts in low-income geographies, small business lending, and funding for not-for-profit organizations.

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<sup>3</sup> Median Sales Price of Existing Single-Family Homes for Metropolitan Areas, National Association of REALTORS, <http://www.realtor.org/research/research/metroprice>

## Hartford AA

Demographic Information for Full-scope Area: Hartford						
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	295,785	2.33	9.56	53.21	34.90	0.00
Business by Geography	89,683	8.93	11.54	48.91	30.35	0.27
Farms by Geography	2,511	1.67	6.29	50.70	41.34	0.00
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	20.99	45.68	15.78	0.00
Median Family Income		64,156	Median Housing Value**			235,800
HUD Adjusted Median Family Income for 2010		84,700	Unemployment Rate***			8.70%
Households Below Poverty Level		8.16%				

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

(\*\*) The National Association of REALTORS.

(\*\*\*) The United States Department of Labor, Bureau of Labor and Statistics.

Source: 2000 US Census and 2010 HUD updated MFI

The Hartford AA is composed of the entire Hartford-West Hartford-East Hartford, CT MSA (25540). The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies. According to the 2000 Census, the total population is approximately 1.1 million. Additionally, based on the 2000 Census, the distribution of families by income level is: 20.2 percent low-income, 17.7 percent moderate-income, 23.4 percent middle-income, and 38.7 percent upper-income.

The bank is a full service lender offering a broad array of lending products that include business loans, home mortgage loans, home equity loans, installment loans, and trust and investment services. The level of competition among financial service providers in the AA is relatively high. Webster competes with large mortgage companies, large interstate regional banking companies, credit unions, and various community and savings banks. According to the FDIC market share report as of June 30, 2010, Webster, ranked 2<sup>nd</sup> for market share of deposits in the AA with an 11.4 percent market share. The five largest competitors in the AA include: Bank of America with a 39.2 percent market share, TD Bank with a 7.2 percent market share, New Alliance Bank with a 6.1 percent market share, People's United Bank with a 5.1 percent market share, and Liberty Bank with a 4.7 percent market share.

Eighty percent of the housing in the AA is one to four-family units, 18.9 percent is multifamily and 0.7 percent is mobile homes. Of the housing units, 62.7 percent is owner occupied, 31.8 percent is renter-occupied, and 5.5 percent is vacant. The high median housing value of \$235,800 in 2010<sup>4</sup> coupled with the median family income of \$85,100, and 8.2 percent of the population living below the poverty line, made home ownership in low- and moderate-income areas very difficult. Additionally, the weighted average of median year built for houses was 1962, and older homes generally are more costly to maintain, are not as energy efficient as new homes, and typically need rehabilitation, all of which contribute to the overall cost of the

<sup>4</sup> Ibid.

home. Also, the low-income census tracts are primarily a renters market, with 72.7 percent renter occupied as opposed to 14.6 percent of homes owner occupied.

The primary industries in the AA are services at 49.0 percent, retail trade at 12.8 percent, and construction at 10.5 percent. Major employers in the AA include the state and local government, Pratt & Whitney/United Technologies, The Hartford Financial Group, Aetna, Inc., Hartford Hospital, and St. Paul Travelers. However, the AA experienced a sharp increase in unemployment, which negatively impacted lenders' ability to make home mortgage loans. The unemployment rate for the AA was 8.7 percent as of December 2010, slightly better than the overall 9.0 percent for the entire state and the 9.4 percent national rate.

Based on community contacts, OCC internal resources and bank management, the AA has a good level of community development lending, services, and investment opportunities available to banks. Some of the critical needs of the community are affordable housing, increased access for the community, and funding for not-for-profit organizations.

## Rhode Island-Massachusetts Multistate MSA

Demographic Information for Full-scope Area: Rhode Island-Massachusetts Multistate MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	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	92,726	7.89	14.70	44.65	32.76	0.00
Farms by Geography	2,356	2.97	5.22	44.40	47.41	0.00
Family Distribution by Income Level	408,200	21.48	17.23	22.01	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		53,013	Median Housing Value**			228,500
HUD Adjusted Median Family Income for 2010		72,100	Unemployment Rate***			10.90%
Households Below Poverty Level		12.01%				

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

(\*\*) The National Association of REALTORS.

(\*\*\*) The United States Department of Labor, Bureau of Labor and Statistics.

Source: 2000 US Census and 2010 HUD updated MFI

The bank's RI-MA Multi-state MSA AA consists of the Providence-New Bedford-Fall River, (RI-MA) Multi-state MSA. This includes the entire state of Rhode Island and Bristol County in Massachusetts. The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies. According to the 2000 Census, the total population is approximately 1.6 million. Additionally, based on the 2000 Census, the distribution of families by income level is: 21.5 percent low-income, 17.2 percent moderate-income, 22.0 percent middle-income, and 39.3 percent upper-income.

The bank is a full service lender offering a broad menu of lending products that include business loans, home mortgage loans, home equity loans, installment loans, and trust and investment services. The level of competition among financial service providers in the AA is relatively high. Webster competes with large mortgage companies, large interstate regional banking companies, credit unions, and various community and savings banks. According to the FDIC market share report as of June 30, 2010, Webster ranked 6<sup>th</sup> for market share of deposits in the AA with a 3.3 percent market share. The five largest competitors in the AA include: Bank of America with a 42.6 percent market share, RBS Citizens with an 18.1 percent market share, Metlife Bank with a 9.3 percent market share, Sovereign Bank with a 6.3 percent market share, and Washington Trust Company of Westerly with a 3.9 percent market share.

Eighty three percent of the housing in the AA is one to four-family units, 16.1 are multifamily and 1.2 percent is mobile homes. Of the housing units, 56.6 percent are owner occupied, 36.9 percent are renter occupied, and 6.5 percent are vacant. The high median housing value of \$228,500<sup>5</sup> coupled with the median family income of \$72,100, and 12.0 percent of the population living below the poverty line, made home ownership in low- and moderate-income areas very difficult. Additionally, the weighted average of median year built for houses is 1957, and older homes generally are more costly to maintain, are not as energy efficient as newer homes, and typically need rehabilitation, all of which contribute to the overall cost of the home.

<sup>5</sup> Ibid.

Also, the low-income census tracts are primarily a renters market, with 70.0 percent renter occupied as opposed to 20.2 percent of homes owner occupied.

The primary industries in the AA are the services industry at 45.3 percent, retail trade at 16.3 percent, and construction at 9.4 percent. Major employers in the AA include the state and local government, Rhode Island Hospital, CVS Corp. South Coasts Hospital Group, Citizens Financial Corp., Bank of America Corp., Brown University, and University of Rhode Island. However, the AA experienced a sharp increase in unemployment, which negatively impacted lenders' ability to make home mortgage loans. The unemployment rate for the AA was 10.9 percent as of December 2010, higher than the 9.4 percent national rate.

Based on community contacts, OCC internal resources and bank management, the AA has a good level of community development lending, services, and investment opportunities available to banks. Some of the critical needs of the community are affordable housing and funding for not-for-profit organizations.

# State of Massachusetts

## Boston-South AA (A Portion of Norfolk County and all Plymouth County)

Demographic Information for Full-scope Area: Boston-South Portions of Norfolk and Plymouth Counties						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	134	1.49	12.69	57.46	27.61	0.75
Population by Geography	696,090	0.75	11.67	58.68	28.56	0.33
Owner-Occupied Housing by Geography	189,956	0.24	8.36	59.72	31.68	0.00
Business by Geography	49,604	1.03	9.90	53.35	35.69	0.03
Farms by Geography	1,208	0.00	5.38	64.32	30.30	0.00
Family Distribution by Income Level	182,533	16.42	17.45	24.23	41.90	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	61,813	1.43	19.09	61.04	18.44	0.00
Median Family Income		62,948	Median Housing Value**			357,300
HUD Adjusted Median Family Income for 2010		85,200	Unemployment Rate***			7.10%
Households Below Poverty Level		6.73%				

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

(\*\*) The National Association of REALTORS.

(\*\*\*) The United States Department of Labor, Bureau of Labor and Statistics.

Source: 2000 US Census and 2010 HUD updated MFI

The bank's Boston-South AA consists of the southern portion of the Boston-Quincy MD (14484). This includes Plymouth County and parts of Norfolk County, MA. The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies. According to the 2000 Census, the total population is approximately 696,000. Additionally, based on the 2000 Census, the distribution of families by income level is: 16.4 percent low-income, 17.5 percent moderate-income, 24.2 percent middle-income, and 42.0 percent upper-income.

The bank is a full service lender offering a broad menu of lending products that include business loans, home mortgage loans, home equity loans, installment loans, and trust and investment services. The level of competition among financial service providers in the AA is relatively high. Webster competes with large mortgage companies, large interstate regional banking companies, credit unions, and various community and savings banks. According to the FDIC market share report as of June 30, 2010, Webster ranked 30<sup>th</sup> for market share of deposits in Norfolk and Plymouth counties with a 0.7 percent market share. The five largest competitors in the AA include: RBS Citizens with a 16.7 percent market share, Bank of America with a 14.8 percent market share, Rockland Trust Company with a 9.4 percent market share, Sovereign Bank with a 7.6 percent market share, and Eastern Bank with a 4.9 percent market share.

Eighty five percent of the housing in the AA is one to four-family units, 13.3 are multifamily and 2.1 percent is mobile homes. Of the housing units, 70.7 percent are owner occupied, 23.6 percent are renter occupied, and 5.6 percent are vacant. The high median housing value of \$357,300<sup>6</sup> coupled with the median family income of \$85,200, and 6.7 percent of the population living below the poverty line, made home ownership in low- and moderate-income

<sup>6</sup> Ibid.

areas very difficult. Additionally, the weighted average of median year built for houses is 1962, and older homes generally are more costly to maintain, are not as energy efficient as newer homes, and typically need rehabilitation, all of which contribute to the overall cost of the home. Also, the low-income census tracts are primarily a renters market, with 70.7 percent renter occupied as opposed to 21.8 percent of homes owner occupied.

The primary industries in the AA are the services industry at 47.4 percent, retail trade at 13.9 percent, and construction at 11.0 percent. Major employers in the AA include the state and local government, Brockton Hospital, Caritas Good Samaritan Medical Center, Jordan Hospital, the Brockton VA Medical Center, Shaw Group, Inc., Technical Futures, Inc., Reebok International LTD, Massasoit Community College, Sleepy's Mattresses, and Talbots Inc. However, the AA experienced an increase in unemployment, which negatively impacted lenders' ability to make home mortgage loans. The unemployment rate for the MSA was 7.1 percent as of December 2010, but lower than the 8.2 percent state rate and 9.4 percent national rate.

Based on community contacts, OCC internal resources and bank management, the AA has a good level of community development lending, services, and investment opportunities available to banks. Some of the critical needs of the community are affordable housing and funding for not-for-profit organizations.

## State of New York

### Westchester AA (Portions of Westchester County)

Demographic Information for Full-scope Area: NY AA Portions of Westchester County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	172	2.33	11.05	20.35	64.53	1.74
Population by Geography	703,523	2.29	11.29	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	57,877	1.34	11.35	17.32	69.94	0.05
Farms by Geography	907	0.66	4.19	21.61	73.54	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		49,461	Median Housing Value**			450,000
HUD Adjusted Median Family Income for 2010		65,600	Unemployment Rate***			6.90%
Households Below Poverty Level		9.51%				

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

(\*\*) The National Association of REALTORS

(\*\*\*) The United States Department of Labor, Bureau of Labor and Statistics.

Source: 2000 US Census and 2010 HUD updated MFI

The New York AA is composed of southern Westchester County, which is part of the multistate New York-White Plains-Wayne, NY-NJ Metropolitan Division (35644). The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies. According to the 2000 Census, the total population is approximately 704,000. Additionally, based on the 2000 Census, the distribution of families by income level is: 14.2 percent low-income, 11.3 percent moderate income, 14.5 percent middle-income, 60.0 percent upper-income.

The bank is a full service lender offering a broad array of lending products that include business loans, home mortgage loans, home equity loans, installment loans, and trust and investment services. The level of competition among financial service providers in Westchester County is high. Webster competes with large multi-national banks, large mortgage companies, large interstate regional banking companies, credit unions, and various community and savings banks. According to the FDIC market share report as of June 30, 2010, Webster, ranked 16<sup>th</sup> for market share of deposits in Westchester County, with a 0.7 percent market share. The five largest competitors in the AA include: JPMorgan Chase Bank with a 20.4 percent market share, Emigrant Bank with a 17.3 percent market share, Citibank with a 14.7 percent market share, Wells Fargo Bank with a 13.7 percent market share, and HSBC Bank with a 5.6 percent market share.

Sixty-three percent of the housing in the AA is one to four-family units, 37.4 percent is multi-family and less than one tenth of a percent is mobile homes. Of the housing units, 53.6 percent is owner occupied, 42.9 percent is renter occupied, and 3.5 percent is vacant. The high median housing value of \$450,000 in 2010<sup>7</sup> coupled with the median family income of

<sup>7</sup> Ibid.

\$65,600, and 9.5 percent of the population living below the poverty line, made home ownership in low- and moderate-income areas very difficult. Additionally, the weighted average of median year built for house is 1951, and older homes generally are more costly to maintain, are not as energy efficient as newer homes, and typically need rehabilitation, all of which contribute to the overall cost of the home. Also, the low-income census tracts are primarily a renters market, with 84.4 percent renter occupied as opposed to 8.7 percent of homes owner occupied.

The primary industries in the AA are services at 48.9 percent, retail trade at 13.5 percent, and construction at 8.3 percent. Major employers in Westchester County include the state and local government, Pepsi Co., IBM, MasterCard, Westchester county Medical Center, and Fuji Photo Film USA. However, the AA experienced an increase in unemployment, which negatively impacted lenders' ability to make home mortgage loans. The unemployment rate for Westchester County was 6.9 percent as of December 2010, better than the overall 8.2 percent for the entire state and the 9.4 percent national rate.

Based on community contacts, OCC internal resources and bank management, the AA has a good level of community development lending, services, and investment opportunities available to banks. Some of the critical needs of the community are affordable housing, funding for community development programs and funding for not-for-profit organizations.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the 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. Tables without data are not included in this PE. [Note: Do not renumber the tables.]

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

- 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 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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### State of Connecticut

**Table 1. Lending Volume**

LENDING VOLUME 2010		Geography: CONNECTICUT						EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,				
Assessment Area:	% of Rated Area Loans (#) in MA/AA <sup>*</sup>	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans <sup>**</sup>		Total Reported Loans		% of Rated Area Deposits in MA/AA <sup>***</sup>
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Hartford	48.71	10,472	1,643,044	4,131	503,635	0	0	12	21,668	14,615	2,168,347	36.31
New Haven	26.21	5,407	885,832	2,450	327,529	0	0	15	11,997	7,872	1,225,358	45.53
<b>Limited Review:</b>												
Bridgeport	14.69	2,674	840,626	1,730	231,391	0	0	16	37,227	4,420	1,109,244	11.35
Norwich-New London	1.79	429	101,557	108	18,630	0	0	0	0	537	120,187	0.73
Litchfield	8.60	1,862	331,524	717	88,615	0	0	1	434	2,580	420,573	6.07

<sup>\*</sup> Loan Data as of December 31, 2010. Rated area refers to either state or multi-state MA rating area.

<sup>\*\*</sup> The evaluation period for Community Development Loans is from January 01, 2006 to February 7, 2011.

<sup>\*\*\*</sup> Deposit Data as of June 30, 2010. Rated Area refers to the state, multi-state MA, or institution, as appropriate.

**Table 1. Other**

OTHER – MULTIFAMILY 2010		Geography: CONNECTICUT						EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,				
Assessment Area:	% of Rated Area Loans (#), in MA/AA	Multifamily								Total Reported Loans		% of Rated Area Deposits in MA/AA <sup>***</sup>
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Hartford	19.2	5	1,062							5	1,062	36.31
New Haven	34.6	9	8,280							9	8,280	45.53
<b>Limited Review:</b>												
Bridgeport	23.1	6	13,906							6	13,906	11.35
Norwich-New London	0	0	0							0	0	0.73
Litchfield	23.1	6	5,209							6	5,209	6.07

<sup>\*</sup> Loan Data as of December 31, 2010. Rated area refers to either state or multi-state MA rating area.

<sup>\*\*\*</sup> Deposit Data as of June 30, 2010. Rated Area refers to the state, multi-state MA, or institution, as appropriate.

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

Geographic Distribution: HOME PURCHASE		Geography: CONNECTICUT					EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31, 2010					Market Share (%) by Geography*				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Hartford	3,543	50.84	2.33	2.37	9.56	8.19	53.21	56.05	34.90	33.39	2.60	0.71	1.51	2.72	2.88	
New Haven	1,919	27.54	3.04	2.14	12.33	13.18	52.39	53.73	32.24	30.95	2.14	1.12	1.74	2.45	1.80	
<b>Limited Review:</b>																
Bridgeport	849	12.18	3.34	6.60	16.53	23.20	39.53	41.81	40.60	28.39	0.55	0.80	0.65	0.48	0.54	
Norwich-New London	153	2.20	2.29	2.61	8.56	3.27	53.10	47.06	36.05	47.06	1.32	0.00	0.58	1.23	1.82	
Litchfield	505	7.25	0.00	0.00	4.21	4.75	62.74	70.69	33.05	24.55	2.73	0.00	0.76	3.14	2.25	

\* Based on 2009 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 2000 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 2010		Geography: CONNECTICUT						EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,							
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Hartford	2,171	50.63	2.33	3.04	9.56	10.69	53.21	58.18	34.90	28.10	10.26	20.00	15.93	10.47	8.55
New Haven	1,117	26.05	3.04	2.60	12.33	14.32	52.39	53.72	32.24	29.36	10.92	17.65	10.96	10.78	10.86
<b>Limited Review:</b>															
Bridgeport	468	10.91	3.34	4.27	16.53	15.38	39.53	49.57	40.60	30.77	5.22	7.69	4.20	6.59	4.11
Norwich-New London	69	1.61	2.29	2.90	8.56	14.49	53.10	36.23	36.05	46.38	2.84	0.00	0.00	2.08	4.58
Litchfield	463	10.80	0.00	0.00	4.21	3.67	62.74	63.28	33.05	33.05	13.33	0.00	18.18	11.64	16.27

\* Based on 2009 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 2000 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 2010			Geography: CONNECTICUT				EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,					Market Share (%) by Geography				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Hartford	4,752	49.72	2.33	1.09	9.56	7.11	53.21	54.71	34.90	37.08	3.63	0.99	3.31	3.61	3.77	
New Haven	2,362	24.71	3.04	0.97	12.33	8.89	52.39	50.25	32.24	39.88	2.66	0.56	2.04	2.43	3.12	
<b>Limited Review:</b>																
Bridgeport	1,349	14.11	3.34	1.26	16.53	10.90	39.53	44.55	40.60	43.29	1.15	0.69	0.73	1.25	1.18	
Norwich-New London	207	2.17	2.29	0.48	8.56	4.35	53.10	44.44	36.05	50.72	1.39	1.61	1.06	0.87	2.01	
Litchfield	888	9.29	0.00	0.00	4.21	1.46	62.74	64.19	33.05	34.35	4.04	0.00	0.00	4.40	3.73	

\* Based on 2009 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 2000 Census information.

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

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

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: CONNECTICUT				EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31, 2010					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 Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans						
<b>Full Review:</b>																
Hartford	4,125	45.18	8.93	8.27	11.54	15.08	48.91	51.08	30.35	25.58	2.26	3.94	2.58	2.36	1.81	
New Haven	2,450	26.83	7.52	6.45	17.31	17.47	43.44	43.06	31.71	33.02	1.93	2.02	2.25	1.74	2.08	
<b>Limited Review:</b>																
Bridgeport	1,730	18.95	7.63	6.07	19.15	24.05	34.40	42.60	38.81	27.28	0.89	0.90	1.29	1.28	0.45	
Norwich-New London	108	1.18	2.63	1.85	16.70	5.56	43.27	33.33	37.40	59.26	0.25	1.72	0.24	0.13	0.47	
Litchfield	717	7.85	0.00	0.00	6.28	5.72	59.90	63.04	33.83	31.24	1.98	0.00	2.34	1.85	2.10	

\* Based on 2009 Peer Small Business Data -- US

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

\*\*\* Source Data - Dun & Bradstreet (2010).

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

Borrower Distribution: HOME PURCHASE 2010		Geography: CONNECTICUT								EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,					
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 <sup>8</sup>	% BANK Loans**	% Families***	% BANK Loans**	% Families**	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Hartford	3,543	50.84	20.19	11.85	17.69	28.57	23.41	29.16	38.71	30.42	2.76	2.25	2.80	2.46	3.27
New Haven	1,919	27.54	20.85	8.36	17.34	30.31	22.55	29.37	39.26	31.96	2.37	3.16	2.60	1.83	2.46
<b>Limited Review:</b>															
Bridgeport	849	12.18	21.61	17.04	17.25	25.06	19.58	20.80	41.56	37.09	0.58	1.01	0.37	0.42	0.68
Norwich-New London	153	2.20	19.47	4.67	19.15	23.33	23.63	21.33	37.74	50.67	1.49	0.00	1.85	1.09	1.88
Litchfield	505	7.25	14.09	7.71	17.23	22.91	25.90	23.34	42.79	46.04	2.80	2.67	2.64	1.61	3.99

\* Based on 2009 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 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 7.8% of loans originated and purchased by bank.

<sup>8</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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

Borrower Distribution: HOME IMPROVEMENT 2010		Geography: CONNECTICUT								EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,					
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 <sup>9</sup>	% BANK Loans****	% Families** *	% BANK Loans****	% Families** *	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Hartford	2,172	50.64	20.19	15.21	17.69	27.50	23.41	30.41	38.71	26.88	10.38	16.05	10.90	11.74	7.21
New Haven	1,117	26.04	20.85	12.78	17.34	26.01	22.55	28.22	39.26	33.00	11.00	18.63	12.89	9.41	9.76
<b>Limited Review:</b>															
Bridgeport	468	10.91	21.61	14.69	17.25	29.17	19.58	23.46	41.56	32.68	5.26	6.17	9.39	4.47	3.96
Norwich-New London	69	1.61	19.47	15.15	19.15	22.73	23.63	27.27	37.74	34.85	2.92	10.81	1.23	0.89	3.40
Litchfield	463	10.80	14.09	12.28	17.23	22.10	25.90	31.25	42.79	34.38	13.28	24.24	15.38	11.89	11.39

\* Based on 2009 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 2000 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.

<sup>9</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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

Borrower Distribution: HOME MORTGAGE REFINANCE 2010			Geography: CONNECTICUT						EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>10</sup>	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans***	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Hartford	4,752	49.72	20.19	10.47	17.69	22.11	23.41	29.28	38.71	38.15	4.16	4.76	3.65	3.88	4.54
New Haven	2,362	24.71	20.85	7.91	17.34	22.33	22.55	26.42	39.26	43.35	2.96	2.31	2.82	2.47	3.41
<b>Limited Review:</b>															
Bridgeport	1,349	14.11	21.61	8.23	17.25	20.11	19.58	24.30	41.56	47.36	1.26	1.16	1.13	1.30	1.29
Norwich-New London	207	2.17	19.47	6.15	19.15	21.03	23.63	25.64	37.74	47.18	1.57	1.75	1.26	1.05	1.92
Litchfield	888	9.29	14.09	8.14	17.23	22.04	25.90	26.95	42.79	42.87	4.51	2.87	4.69	4.02	4.99

\* Based on 2009 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 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 6.1% of loans originated and purchased by bank.

<sup>10</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: CONNECTICUT			EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31, 2010	
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Hartford	4,131	45.22	78.08	52.67	74.75	13.07	12.18	2.26	4.78
New Haven	2,450	26.82	78.65	50.98	73.51	12.33	14.16	1.93	3.49
<b>Limited Review:</b>									
Bridgeport	1,730	18.94	79.90	54.28	73.76	12.02	14.22	0.89	2.10
Norwich-New London	108	1.18	76.94	48.15	63.89	16.67	19.44	0.25	0.50
Litchfield	717	7.85	83.24	61.79	75.59	10.74	13.67	1.98	4.70

\* Based on 2009 Peer Small Business Data -- US

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source Dun & Bradstreet - 2010).

\*\*\*\* 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 14.49% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS 2011		Geography: CONNECTICUT				EVALUATION Period: JANUARY 1, 2006 to FEBRUARY 7,			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Hartford	1	943	316	21,102	317	22,045	41.95	0	0
New Haven	0	0	266	21,078	266	21,078	40.11	0	0
<b>Limited Review:</b>									
Bridgeport	0	0	157	7,003	157	7,003	13.33	0	0
Norwich-New London	0	0	15	2,409	15	2,409	4.58	0	0
Litchfield	0	0	12	19	12	19	0.03	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: CONNECTICUT				EVALUATION Period: JANUARY 1, 2006 TO FEBRUARY 7, 2011					
Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Hartford	36.31	55	40.44	12.73	18.18	49.09	20.00	0	0	0	0	0	0	9.56	13.97	48.25	28.14
New Haven	45.53	36	26.47	11.11	11.11	47.22	30.56	0	0	0	0	0	0	9.45	19.46	45.77	25.31
<b>Limited Review:</b>																	
Bridgeport	11.35	26	19.12	0.00	15.38	50.00	34.62	2	2	0	- 2	0	2	10.24	22.80	33.16	33.80
Norwich-New London	0.73	3	2.21	0.00	0.00	66.67	33.33	1	0	0	0	1	0	6.92	19.60	44.81	28.67
Litchfield	6.07	16	11.76	0.00	0.00	81.25	18.75	0	0	0	0	0	0	0.00	6.20	62.58	31.23

## Rhode Island-Massachusetts Multi-state MSA

**Table 1. Lending Volume**

LENDING VOLUME 2010		Geography: RI-MA MULTISTATE MSA						EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,				
Assessment Area:	% of Rated Area Loans (#) in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans **		Total Reported Loans		% of Rated Area Deposits in MA/AA ***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
RI-MA Multi-state MSA	100.00	4,603	809,315	1,584	291,018	0	0	8	11,777	6,195	1,112,110	100.00

\* Loan Data as of December 31, 2010. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2006 to February 7, 2011.

\*\*\* Deposit Data as of December 31, 2010. Rated Area refers to the state, multi-state MA, or institution, as appropriate.

**Table 1. Other**

OTHER - MULTIFAMILY 2010		Geography: RI-MA MULTISTATE MSA						EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,				
Assessment Area:	% of Rated Area Loans (#), in MA/AA	Multifamily								Total Reported Loans		% of Rated Area Deposits in MA/AA <sup>***</sup>
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
RI-MA Multi-state MSA	100.00	26	28,457							26	28,457	100.00

<sup>\*</sup> Loan Data as of December 31, 2010. Rated area refers to either state or multi-state MA rating area.

<sup>\*\*\*</sup> Deposit Data as of December 31, 2010. Rated Area refers to the state, multi-state MA, or institution, as appropriate.

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

Geographic Distribution: HOME PURCHASE 2010		Geography: RI-MA MULTISTATE MSA								EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,					
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	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
RI-MA Multi-state MSA	1,115	100.00	2.94	1.52	10.87	10.22	50.84	50.94	35.35	37.31	0.82	0.13	0.46	0.76	1.13

\* Based on 2009 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 2000 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: RI-MA MULTISTATE MSA								EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31, 2010					
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
RI-MA Multi-state MSA	913	100.00	2.94	1.42	10.87	9.86	50.84	56.63	35.35	32.09	4.70	1.54	1.96	5.69	4.25

\* Based on 2009 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 2000 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 2010			Geography: RI-MA MULTISTATE MSA				EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,									
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography					
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
RI-MA Multi-state MSA	2,547	100.00	2.94	1.33	10.87	9.70	50.84	51.75	35.35	37.22	1.28	0.63	1.49	1.32	1.24	

\* Based on 2009 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 2000 Census information.

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

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

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: RI-MA MULTISTATE MSA				EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31, 2010					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>																
RI-MA Multi-state MSA	1,584	100.00	7.89	10.16	14.70	20.71	44.65	42.42	32.76	26.70	0.61	1.20	0.89	0.65	0.37	

\* Based on 2009 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 & Bradstreet (2010).

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

Borrower Distribution: HOME PURCHASE 2010		Geography: RI-MA MULTISTATE MSA						EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,							
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 <sup>11</sup>	% BANK Loans*	% Families**	% BANK Loans****	% Families*	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
RI-MA Multi-state MSA	1,115	100.00	21.48	3.90	17.23	17.46	22.00	26.09	39.28	52.55	0.92	0.70	0.71	0.69	1.37

\* Based on 2009 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 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 3.4% of loans originated and purchased by bank.

<sup>11</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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

Borrower Distribution: HOME IMPROVEMENT 2010		Geography: RI-MA MULTISTATE MSA						EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,							
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 <sup>12</sup>	% BANK Loans ****	% Families** *	% BANK Loans****	% Families** *	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
RI-MA Multi-state MSA	913	100.00	21.48	8.21	17.23	22.72	22.00	30.15	39.28	38.92	4.85	3.45	5.75	4.18	5.23

\* Based on 2009 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 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 2.6% of loans originated and purchased by bank.

<sup>12</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: RI-MA MULTISTATE MSA						EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31, 2010							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>13</sup>	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans*** *	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
RI-MA Multi-state MSA	2,547	100.00	21.48	6.75	17.23	18.26	22.00	29.23	39.28	45.76	1.50	1.23	1.48	1.45	1.57

\* Based on 2009 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 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 4.1% of loans originated and purchased by bank.

<sup>13</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: RI-MA MULTISTATE MSA		EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31, 2010				
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****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
RI-MA Multi-state MSA	1,584	100.00	76.39	53.28	59.97	18.31	21.72	0.61	1.50

\* Based on 2009 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 Dun & Bradstreet - 2010).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 6.76% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS 2011		Geography: RI-MA MULTISTATE MSA				EVALUATION Period: JANUARY 1, 2006 to FEBRUARY 7,				
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**		
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)	
<b>Full Review:</b>										
RI-MA Multi-state MSA	2	0	333	107	5,261	109	5,594	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 14. Qualified Investments**

QUALIFIED INVESTMENTS JANUARY 1, 2006 to FEBRUARY 7, 2011		Geography: A REGIONAL AREA INCLUDING RI-MA MULTISTATE MSA						EVALUATION Period:	
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>									
Other regional area without potential to benefit the RIMA MSA	0		2	2,092	2	2,092	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: RI-MA MULTISTATE MSA				EVALUATION Period: JANUARY 1, 2006 TO FEBRUARY 7, 2011					
Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
RI-MA Multi-state MSA	100.00	26	100.00	7.69	15.38	53.85	23.08	4	1	0	0	3	0	8.14	18.16	44.55	29.15



## Massachusetts

**Table 1. Lending Volume**

LENDING VOLUME		Geography: MASSACHUSETTS						EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31, 2010				
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-South Portions of Norfolk and Plymouth Cos	57.43	654	136,688	192	29,397	0	0	0	0	846	166,085	60.89
<b>Limited Review:</b>												
MA Boston-North AA Portions of Suffolk Co	2.51	33	10,871	4	1,400	0	0	0	0	37	12,271	2.87
MA Springfield AA Portions of Hampden Co	40.05	557	82,595	33	2,216	0	0	0	0	590	84,811	36.24

\* Loan Data as of December 31, 2010. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2006 to February 07, 2011.

\*\*\* Deposit Data as of June 30, 2010. Rated Area refers to the state, multi-state MA, or institution, as appropriate.

**Table 1. Other**

OTHER - MULTIFAMILY 2010		Geography: MASSACHUSETTS						EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,				
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Multifamily								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-South Portions of Norfolk and Plymouth Cos	100	3	6,726							3	6.726	60.89
<b>Limited Review:</b>												
MA Boston-North AA Portions of Suffolk Co		0	0							0	0	2.87
MA Springfield AA Portions of Hampden Co		0	0							0	0	36.24

\* Loan Data as of December 31, 2010. Rated area refers to either state or multi-state MA rating area.

\*\*\* Deposit Data as of June 30, 2010. Rated Area refers to the state, multi-state MA, or institution, as appropriate.

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

Geographic Distribution: HOME PURCHASE 2010		Geography: MASSACHUSETTS					EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,									
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	Over all	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Boston-South Portions of Norfolk and Plymouth Cos	177	38.99	0.24	2.26	8.36	12.43	59.72	55.93	31.68	29.38	0.08	0.00	0.18	0.07	0.06	
<b>Limited Review:</b>																
MA Boston-North AA Portions of Suffolk Co	19	4.19	4.80	5.26	8.98	10.53	6.29	10.53	79.93	73.68	0.00	0.00	0.00	0.00	0.00	
MA Springfield AA Portions of Hampden Co	258	56.83	5.21	3.88	13.24	14.34	48.80	52.33	32.74	29.46	0.87	0.00	0.96	0.77	1.17	

\* Based on 2009 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 2000 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 2010		Geography: MASSACHUSETTS						EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31, 2010							
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>															
Boston-South Portions of Norfolk and Plymouth Cos	142	72.82	0.24	0.70	8.36	16.90	59.72	64.08	31.68	18.31	1.02	0.00	4.17	1.34	0.17
<b>Limited Review:</b>															
MA Boston-North AA Portions of Suffolk Co	1	0.51	4.80	0.00	8.98	0.00	6.29	100.00	79.93	0.00	0.00	0.00	0.00	0.00	0.00
MA Springfield AA Portions of Hampden Co	52	26.67	5.21	0.00	13.24	7.69	48.80	63.46	32.74	28.85	0.97	0.00	1.67	1.17	0.54

\* Based on 2009 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 2000 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 2010		Geography: MASSACHUSETTS						EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Boston-South Portions of Norfolk and Plymouth Cos	332	56.08	0.24	0.30	8.36	9.94	59.72	63.25	31.68	26.51	0.12	0.00	0.11	0.17	0.05
<b>Limited Review:</b>															
MA Boston-North AA Portions of Suffolk Co	13	2.20	4.80	0.00	8.98	15.38	6.29	7.69	79.93	76.92	0.12	0.00	0.21	0.00	0.14
MA Springfield AA Portions of Hampden Co	247	41.72	5.21	1.21	13.24	7.29	48.80	44.13	32.74	47.37	0.93	0.00	0.59	0.69	1.31

\* Based on 2009 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 2000 Census information.

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

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

Geographic Distribution: SMALL LOANS TO BUSINESSES 2010			Geography: MASSACHUSETTS								EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of Businesses*	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Boston-South Portions of Norfolk and Plymouth Cos	192	83.84	1.03	6.77	9.90	19.27	53.35	60.94	35.69	13.02	0.09	0.83	0.39	0.10	0.04
<b>Limited Review:</b>															
MA Boston-North AA Portions of Suffolk Co	4	1.75	33.93	50.00	2.65	0.00	3.19	0.00	60.23	50.00	0.02	0.00	0.00	0.07	0.00
MA Springfield AA Portions of Hampden Co	33	14.41	20.35	6.06	17.92	21.21	35.78	33.33	25.94	39.39	0.03	0.00	0.10	0.00	0.05

\* Based on 2009 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 & Bradstreet (2010).

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

Borrower Distribution: HOME PURCHASE 2010		Geography: MASSACHUSETTS								EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,					
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 <sup>14</sup>	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Boston-South Portions of Norfolk and Plymouth Cos	177	38.99	16.42	5.19	17.45	25.32	24.23	20.13	41.90	49.35	0.10	0.40	0.04	0.14	0.03
<b>Limited Review:</b>															
MA Boston-North AA Portions of Suffolk Co	19	4.19	25.85	0.00	10.22	0.00	11.58	14.29	52.35	85.71	0.00	0.00	0.00	0.00	0.00
MA Springfield AA Portions of Hampden Co	258	56.83	25.31	5.93	16.81	32.02	20.97	28.06	36.91	33.99	0.98	0.27	1.18	0.71	1.37

\* Based on 2009 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 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 7.3% of loans originated and purchased by bank.

<sup>14</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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

Borrower Distribution: HOME IMPROVEMENT 2010		Geography: MASSACHUSETTS						EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,							
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 <sup>15</sup>	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Boston-South Portions of Norfolk and Plymouth Cos	142	72.82	16.42	12.59	17.45	28.15	24.23	27.41	41.90	31.85	1.06	0.81	2.06	0.98	0.67
<b>Limited Review:</b>															
MA Boston-North AA Portions of Suffolk Co	1	0.51	25.85	0.00	10.22	0.00	11.58	0.00	52.35	100.00	0.00	0.00	0.00	0.00	0.00
MA Springfield AA Portions of Hampden Co	52	26.67	25.31	7.84	16.81	25.49	20.97	35.29	36.91	31.37	0.99	0.00	1.54	2.08	0.00

\* Based on 2009 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 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 4.1% of loans originated and purchased by bank.

<sup>15</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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

Borrower Distribution: HOME MORTGAGE REFINANCE 2010			Geography: MASSACHUSETTS				EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,					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 <sup>16</sup>	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans*** *						
<b>Full Review:</b>																
Boston-South Portions of Norfolk and Plymouth Cos	332	56.08	16.42	5.92	17.45	20.72	24.23	31.25	41.90	42.11	0.15	0.29	0.26	0.09	0.12	
<b>Limited Review:</b>																
MA Boston-North AA Portions of Suffolk Co	13	2.20	25.85	0.00	10.22	0.00	11.58	8.33	52.35	91.67	0.14	0.00	0.00	0.19	0.14	
MA Springfield AA Portions of Hampden Co	247	41.72	25.31	5.91	16.81	21.52	20.97	32.07	36.91	40.51	1.09	1.03	0.66	1.15	1.28	

\* Based on 2009 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 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 6.6% of loans originated and purchased by bank.

<sup>16</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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

Borrower Distribution: SMALL LOANS TO BUSINESSES				Geography: MASSACHUSETTS		EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31, 2010			
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-South Portions of Norfolk and Plymouth Cos	192	83.84	78.29	58.85	65.63	17.19	17.19	0.09	0.24
<b>Limited Review:</b>									
MA Boston-North AA Portions of Suffolk Co	4	1.75	64.16	25.00	0.00	50.00	50.00	0.02	0.10
MA Springfield AA Portions of Hampden Co	33	14.41	74.34	72.73	87.88	9.09	3.03	0.03	0.06

\* Based on 2009 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 Dun & Bradstreet - 2010).

\*\*\*\* 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 4.80% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS 2011		Geography: MASSACHUSETTS				EVALUATION Period: JANUARY 1, 2006 to FEBRUARY 7,			
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-South Portions of Norfolk and Plymouth Cos	0	0	21	2,473	21	2,473	65.56	0	0
<b>Limited Review:</b>									
MA Boston-North AA Portions of Suffolk Co	0	0	11	69	11	69	1.83	0	0
MA Springfield AA Portions of Hampden Co	0	0	23	1,230	23	1,230	32.61	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 TO FEBRUARY 7, 2011								Geography: MASSACHUSETTS				EVALUATION Period: JANUARY 1, 2006					
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-South Portions of Norfolk and Plymouth Cos	60.89	5	45.45	0	40.00	60.00	0	0	0	0	0	0	0	0.75	11.67	58.68	28.56
<b>Limited Review:</b>																	
MA Boston-North AA Portions of Suffolk Co	2.87	1	9.09	100.00	0	0	0	1	0	1	0	0	0	16.64	11	7	65.35
MA Springfield AA Portions of Hampden Co	36.24	5	45.45	0	40.00	20.00	40.00	3	0	0	1	0	2	16.29	18.89	40.76	24.07

**New York**

**Table 1. Lending Volume**

LENDING VOLUME 2010		Geography: NEW YORK						EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,				
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>												
NY AA Portions of Westchester Co	100.00	194	75,124	200	22,489	0	0	6	23,612	400	121,225	100.00

\* Loan Data as of December 31, 2010. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2006 to February 07, 2011.

\*\*\* Deposit Data as of June 30, 2010. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other**

OTHER – LENDING VOLUME		Geography: NEW YORK								EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31, 2010		
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Multifamily								Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
NY AA Portions of Westchester Co	100.00	1	5,940							3	5,940	100.00

\* Loan Data as of December 31, 2010. Rated area refers to either state or multi-state MA rating area.

\*\*\* Deposit Data as of June 30, 2010. Rated Area refers to the state, multi-state MA, or institution, as appropriate.

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

Geographic Distribution: HOME PURCHASE 2010		Geography: NEW YORK					EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,					Market Share (%) by Geography*				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
NY AA Portions of Westchester Co	57	100.00	0.35	0.00	3.09	5.26	12.26	3.51	84.30	91.23	0.14	0.00	1.29	0.00	0.11	

\* Based on 2009 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 2000 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 2010		Geography: NEW YORK						EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,							
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>															
NY AA Portions of Westchester Co	24	100.00	0.35	0.00	3.09	4.17	12.26	4.17	84.30	91.67	1.62	0.00	8.33	0.00	1.59

\* Based on 2009 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 2000 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 2010			Geography: NEW YORK				EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,					Market Share (%) by Geography				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies							
	#	% 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>																
NY AA Portions of Westchester Co	111	100.00	0.35	0.90	3.09	6.31	12.26	6.31	84.30	86.49	0.40	3.85	1.21	0.36	0.36	

\* Based on 2009 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 2000 Census information.

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

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

Geographic Distribution: SMALL LOANS TO BUSINESSES 2010			Geography: NEW YORK				EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,					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>																
NY AA Portions of Westchester Co	200	100.00	1.34	0.00	11.35	11.50	17.32	19.00	69.94	69.50	0.07	0.00	0.06	0.16	0.06	

\* Based on 2009 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 & Bradstreet (2010).

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

Borrower Distribution: HOME PURCHASE 2010		Geography: NEW YORK								EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,					
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 <sup>17</sup>	% BANK Loans*	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
NY AA Portions of Westchester Co	57	100.00	14.24	0.00	11.32	5.66	14.48	1.89	59.96	92.45	0.16	0.00	0.35	0.11	0.16

\* Based on 2009 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 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 7.0% of loans originated and purchased by bank.

<sup>17</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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

Borrower Distribution: HOME IMPROVEMENT 2010		Geography: NEW YORK						EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,							
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 <sup>18</sup>	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
NY AA Portions of Westchester Co	25	100.00	14.24	0.00	11.32	4.00	14.48	24.00	59.96	72.00	1.68	0.00	0.00	4.17	1.40

\* Based on 2009 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 2000 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.

<sup>18</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: NEW YORK		EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31, 2010											
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>19</sup>	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans***	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
NY AA Portions of Westchester Co	111	100.00	14.24	0.00	11.32	5.45	14.48	8.18	59.96	86.36	0.47	0.00	2.04	0.22	0.44

\* Based on 2009 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 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.9% of loans originated and purchased by bank.

<sup>19</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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

Borrower Distribution: SMALL LOANS TO BUSINESSES 2010			Geography: NEW YORK		EVALUATION Period: JANUARY 1, 2006 TO DECEMBER 31,				
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>									
NY AA Portions of Westchester Co	200	100.00	77.67	62.50	80.50	8.50	11.00	0.07	0.22

\* Based on 2009 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 Dun & Bradstreet - 2010).

\*\*\*\* 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 1.00% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS 2011		Geography: NEW YORK				EVALUATION Period: JANUARY 1, 2006 to FEBRUARY 7,				
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>										
NY AA Portions of Westchester Co	0	0	34	4	5,132	34	5,132	100	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, 2006 TO FEBRUARY 7, 2011					
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>																	
NY AA Portions of Westchester Co	100	8	100	0	12.50	25.00	62.50	2	0	0	0	1	1	2.29	11.30	20.37	66.05