



## **PUBLIC DISCLOSURE**

August 07, 2017

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

Webster Bank, National Association  
Charter Number 24469

137 Bank Street - Webster Plaza  
Waterbury, CT 06072

Office of the Comptroller of the Currency

400 7th Street S.W.  
Washington, DC 20219

**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 **Outstanding**.

The following table indicates the performance level of Webster Bank, National Association (WBNA or Webster) with respect to the Lending, Investment, and Service Tests:

Performance Levels	Webster Bank, National Association Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	X
High Satisfactory	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 were considered in this rating include:

- Lending levels reflect excellent responsiveness to credit needs in the assessment areas (AA), and a substantial majority of the loans are made in Webster’s AA.
- The geographic distribution of home mortgage loans and small business loans reflects good penetration throughout the AAs.
- The distribution of borrowers reflects good penetration among home mortgage loan customers of different income levels and business customers of different sizes.
- Webster made an adequate level of community development loans which had a neutral impact on the overall lending performance.
- Webster offers several flexible loan products, mainly through government programs, for both consumers and small businesses, which had a positive impact on the overall lending performance.
- Webster has an excellent level of qualified community development investments and grants demonstrating good responsiveness to credit and community economic development needs.
- Delivery systems are readily accessible to all portions of the bank’s AAs and to individuals of different income levels; and
- The level of community development services are good.

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

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

**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 conduct 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 applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn, 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 derived from the United States Census Bureau's American Community Survey data every 5 years and used to determine the income level category of geographies. Also, it is the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level of individuals within a geography. For any given geography, the median is the point at which half of the families have income above it and half below it.

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

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

**Metropolitan Statistical Area:** 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” or “WBNA”) is a \$26.2 billion institution, wholly-owned by Webster Financial Corporation (NYSE: WBS). Both the bank and the holding company are headquartered in Waterbury, Connecticut. Webster operates 167 domestic banking offices in Connecticut, Massachusetts, New York, and Rhode Island with locations following the Interstate 95 Corridor from Westchester County, New York northeast to Boston, Massachusetts. Webster subsidiaries include Webster Business Credit Corporation, an asset-based lending firm, and Webster Capital Finance Corporation, an equipment finance firm. HSA Bank is a division of WBNA and is the largest custodian of Health Savings Accounts (HSAs) nationwide. HSA Bank has customers in all 50 states sourced through health plans, employers, agents and direct sale to consumers.

Webster’s primary lines of business include Commercial Banking, Community Banking and HSA Bank. Commercial Banking serves larger businesses (those with annual revenues in excess of \$25 million). Commercial Banking offers middle market, private banking, asset-based lending, commercial real estate, equipment finance, and treasury and payment solutions, which includes government and institutional banking. Community Banking serves consumer and business banking customers through banking offices, ATMs, a customer care center and alternative delivery systems including web ([www.websteronline.com](http://www.websteronline.com)) and mobile-based banking services. Community Banking offers deposit and fee-based services, residential mortgages, home equity lines/loans, unsecured consumer loans, and credit cards (issued through an agreement with a third-party). Community Banking also offers credit, deposit, and cash flow management products to small businesses and professional service firms (annual revenues of up to \$25 million). Investment and securities-related services are available, including brokerage and investment advice through a strategic partnership with a broker dealer. HSA Bank provides health savings account trustee and administrative services and offers health savings accounts, health reimbursement accounts, flexible spending accounts, and other financial solutions to employers for the benefit of their employees, and to individuals.

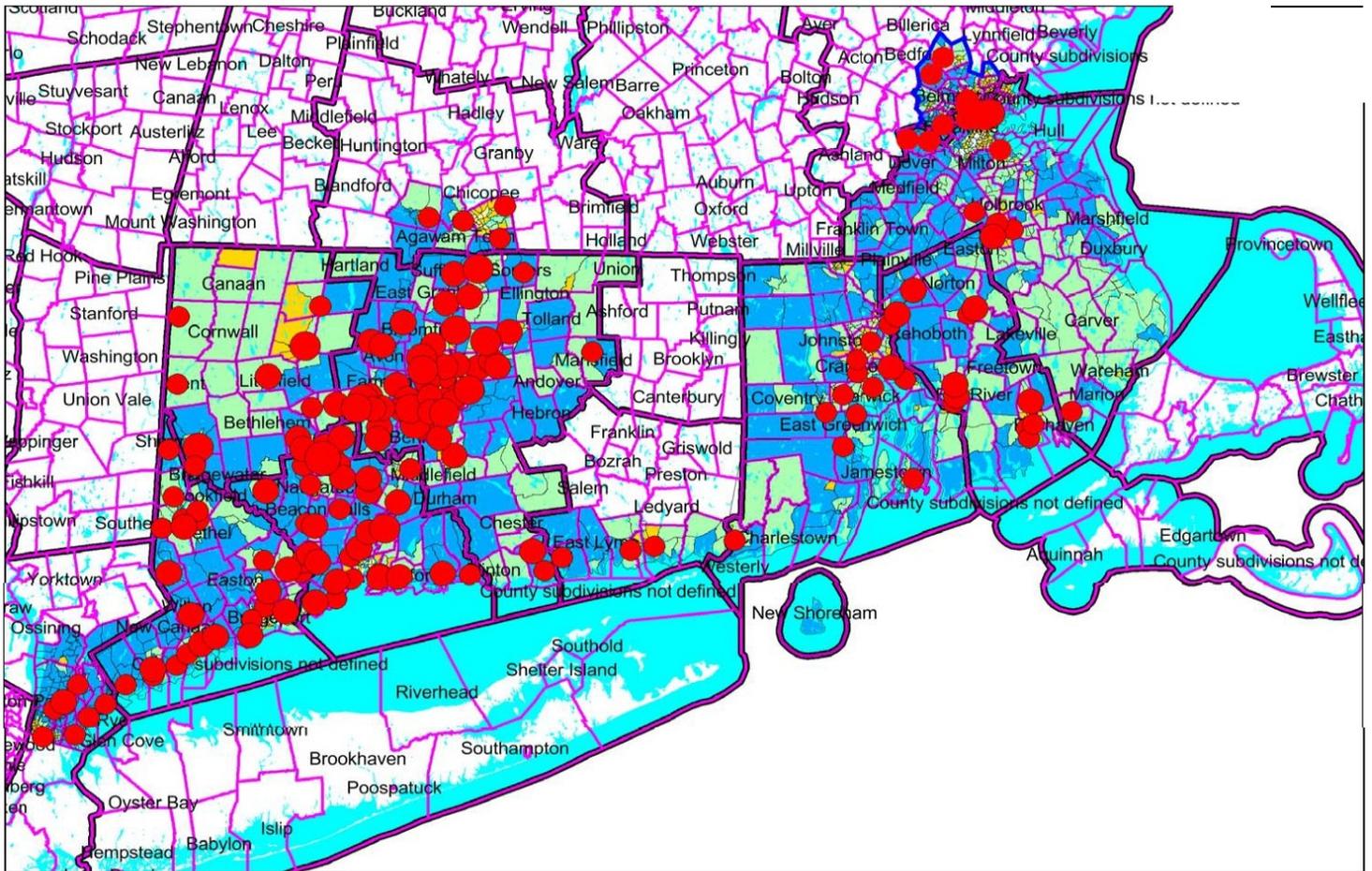
Webster operates in nine assessment areas (AA) consisting of one Multi-state Metropolitan Statistical Area (MMSA) AA and eight AAs in three states encompassing the retail banking footprint. Webster operates in an extremely competitive market within the nine AAs which, including Webster, totals 193 depository institutions operating 3,231 banking offices with \$544 billion in deposits as of June 30, 2016. Webster’s \$18.6 billion in deposits as of June 30, 2016 represents 3.48 percent market share ranking it sixth (6<sup>th</sup>) overall in deposit market share. Institutions with higher market share include Bank of America with 18.84 percent, State Street Bank and Trust Company with 17.17 percent, Citizens Bank, N. A. with 7.82 percent, Morgan Stanley Private Bank, N. A. with 7.26 percent and Santander Bank, N. A. with 3.49 percent.

Webster’s AAs are as follows:

- MMSA
  - Providence-Warwick RI-MA MMSA AA (“RI-MA MMSA AA”)
- State of Connecticut
  - Hartford-West Hartford-East Hartford CT MSA AA (“Hartford MSA AA”)
  - New Haven-Milford CT MSA AA (“New Haven MSA AA”)
  - Connecticut non-MSA AA
  - Bridgeport-Stamford-Norwalk CT MSA AA (“Bridgeport MSA AA”)

- Norwich-New London CT MSA AA (“Norwich-New London MSA AA”)
- State of Massachusetts
  - Boston-Cambridge-Newton, MA-NH MSA AA (“Boston MSA AA”)
  - Springfield MA MSA AA (“Springfield MSA AA”)
- State of New York
  - New York-Newark-Jersey City, NY-NJ-PA MSA AA (“New York MSA AA”)

**Map of Webster Bank’s Assessment Areas**



Webster’s strategic plans focus on growth in commercial lending and HSA Bank segments while maintaining a retail banking presence in its existing footprint. In January 2015, Webster acquired \$1.3 billion in health savings accounts from JPMorgan Chase Bank N.A. (JPMC), which upon acquisition, were added to the then \$2.5 billion in account balances at HSA Bank. In January 2016, Webster expanded its footprint in the greater Boston area by opening 17 new banking locations previously occupied by Citibank, which exited the market.

As of June 30, 2017, Webster has \$17.3 billion in total loans, representing 66 percent of total assets, with the loan portfolio distribution detailed in the table on the following page. As of June 30, 2017, Webster’s deposit base and tier one capital total \$20.6 billion and \$2.0 billion, respectively. As of June 30, 2017, deposits in HSA Bank represented 23.60 percent of

Webster's total deposits. Webster does not have any legal, financial or other issues which would impede its ability to help meet the credit needs in its assessment area.

<b>Loan Type</b>	<b>Amount (in \$000s)</b>	<b>Percent of Total Loans</b>
Commercial and Commercial Real Estate	\$8,305,856	47.97
Residential Mortgage and Home Equity Lines of Credit	\$6,788,525	39.21
Multi-family	\$900,621	5.20
Construction and Land Development	\$466,363	2.69
Other (Agriculture, Municipal, etc.)	\$418,861	2.42
Consumer	\$255,508	1.48
Leases	\$177,329	1.02
<b>Total</b>	<b>\$17,313,063</b>	<b>100.00</b>

Webster Bank's prior performance assessment under the Community Reinvestment Act (CRA), dated June 2, 2014, resulted in an overall Satisfactory rating with High Satisfactory ratings in the Lending, Investment, and Service Tests.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

Webster's performance is based on an assessment of its home mortgage and small business lending between January 1, 2014 and December 31, 2016. Webster did not originate any small farm loans during this period. Home mortgage loans include home purchase, home improvement and refinance loans, as well as, multi-family loans when a sufficient population was available to conduct a meaningful analysis (20 or more loans). The evaluation period for community development activities spans from June 2, 2014 through August 7, 2017. Community development activities include community development lending, qualified investments/donations/grants, and community development services.

### Data Integrity

Prior to commencing the assessment of CRA performance, we determined, through transaction testing, Webster's home mortgage and small business data, as reported for calendar years 2014, 2015 and 2016, to be accurate. We also reviewed the appropriateness of CD activities provided for consideration of our evaluation. This included testing of CD loans, investments, and services for accuracy and to determine if they qualify as CD as defined in the CRA regulation. Our testing indicated no substantive inaccuracies in the data. Therefore, we concluded that the home mortgage loans, small loans to businesses, and CD activities data could be relied upon for this examination.

### Selection of Areas for Full-Scope Review

In each state and multistate metropolitan area where the bank has an office, a sample of assessment areas (AAs) within that state/multistate metropolitan area was selected for full-scope reviews. Full scope areas include the following: RI-MA MMSA AA, Hartford MSA AA, New Haven MSA AA, Connecticut non-MSA AA, Boston MSA AA, and New York MSA AA. Refer to the "Scope" section under each State and Multistate Metropolitan Area Rating section (as applicable) for details regarding how the areas were selected.

### Ratings

The bank's overall rating is a blend of the multistate metropolitan area rating and state ratings. Performance in the State of Connecticut was most heavily weighted as the state represents 87 percent of total deposits, 70 percent of loans originated/purchased and 67 percent of all branches. When evaluating Webster's performance under the lending test, we placed a slightly higher value on the bank's distribution of home mortgage loans than the distribution of small business loans. Both home mortgage loans and small business loans are a primary product type for Webster, and both are an identified community credit need in most, if not all, AAs. However, during the evaluation period, home mortgage loans represented 60 percent of originations/purchases by number while small business loans represented 40 percent of originations. Within the home mortgage category, greater weight was placed on home purchase and home refinance loans, with home improvement loans receiving substantially less weight.

The multistate metropolitan area rating and state ratings are based primarily on those areas that received full-scope reviews. Refer to the “Scope” section under each State and Multistate Metropolitan Area Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

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

Webster originated a substantial majority (91.50 percent) of all loan products inside the bank’s AAs during the three year evaluation period. The percentage, in number of loans made inside the AAs, by loan type are as follows: home purchase loans (84.35 percent), home improvement loans (93.75 percent), home refinance loans (92.38 percent), and small loans to businesses (96.88 percent). The ratio is a bank-wide calculation and not calculated by MMSA, state or AA. The analysis is limited to bank origination and purchases and does not include any affiliate data.

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

During the evaluation period, Webster improved its performance under the Investment Test through its involvement with eligible affordable housing developers to obtain \$25 million in low-income housing tax credits (LIHTC) in the RI-MA MMSA AA, Hartford MSA AA and New Haven MSA AA. For each of its three LIHTC investments, management expended, on average, 700 hours over a six month period working to obtain the investments. Webster also invested in 38 Ginnie Mae project loans totaling \$144.7 million which are a new type of qualified investment type for the bank in this evaluation period. The projects underlying the Ginnie Mae investments provided 2,760 affordable rental housing units for low- and moderate-income families and senior citizens in the bank’s AAs.

### **Other Performance Data – Service Test**

#### **Retail Services**

Webster cashes government public assistance checks for customers and non-customers at all branches to allow recipients of public assistance to gain access to their funds free of charge. Additionally, Webster waives non-customer ATM card access fees for State Assistance Electronic Benefit Transfer (EBT) at Webster-owned ATMs regardless of whether or not the card holder is a Webster customer. During the evaluation period, Webster waived \$1.1 million in ATM fees for EBT card holders throughout the AA’s.

Bi-lingual employees are available to assist customers at many Banking Center locations and by telephone through Webster’s Customer Care Center. The bank maintains a list of employees who speak foreign languages and as of May 2017, the list included 40 different languages spoken/written by Webster employees throughout the organization; Banking Centers, Business Units and the Customer Care Center.

#### **Community Development Services**

Webster spearheaded a financial education initiative showcasing the bank’s commitment to financial literacy. Bank-wide, Webster provided individuals financial education training, targeting low- and moderate-income (LMI) adults, school-age children, and clients of

community development organizations. The financial educational sessions provided instruction on basic banking functions, budgeting skills, improving credit scores, and homebuyer education. The participants were provided instruction on financial literacy through programs from a proprietary program and FDIC's Financial Education Curriculum Money Matters.

During the evaluation period, approximately 5,698 individuals in LMI geographies in partnership with 313 organizations across the bank's footprint participated in the WBNA's Community Development Educational Activities (CDEA) financial education program. The program totaled 1789.5 hours to LMI participants. The initiative demonstrates leadership and innovativeness.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## Multistate Metropolitan Area Rating

### Providence-Warwick RI-MA MMSA

#### CRA rating for the Providence-Warwick RI-MA MMSA<sup>1</sup>: Outstanding

The lending test is rated: **Outstanding**

The investment test is rated: **Outstanding**

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

The major factors that were considered in this rating include the following:

- Lending activity in the RI-MA MMSA AA reflect excellent responsiveness to the AA credit needs given the strong competition in the AA.
- The geographic distribution of home mortgage and small business loans reflects excellent penetration throughout the AA.
- The distribution of borrowers reflects good penetration among home mortgage loan customers of different income levels and business customers of different sizes.
- Webster is a leader in making community development loans with a level of community development lending which had a significantly positive impact on the overall lending performance in the RI MA MMSA AA.
- Webster offers several flexible loan products, mainly through government programs, for both consumers and small businesses, which had a positive impact on the bank's lending performance in the RI-MA MMSA AA.
- Webster has an excellent level of qualified community development investments and grants demonstrating good responsiveness to credit and community economic development needs.
- Delivery systems are accessible to essentially all portions of the bank's AAs and to individuals of different income levels.

### Description of Institution's Operations in Providence-Warwick RI-MA MMSA

Webster's Providence-Warwick RI-MA MMSA AA ("RI-MA MMSA AA") includes the entire MMSA which is comprised of Bristol County in Massachusetts and Bristol, Kent, Newport, Providence and Washington Counties in Rhode Island. The five counties in Rhode Island represent the entire state of Rhode Island. Major cities include Providence, Warwick and Cranston, Rhode Island, and New Bedford and Fall River, Massachusetts. During the evaluation period, Webster originated/purchased 17.06 percent of its total loan

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

originations/purchases in this MMSA. As of June 30, 2016, Webster operated 24 full-service branches in the MMSA with \$1.07 billion in deposits representing 5.67 percent of Webster's total deposits. The MMSA is competitive with 30 institutions, including Webster, operating 416 branches. Webster is ranked 8<sup>th</sup> in MMSA deposit market share with 2.79 percent.

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

## **Scope of Evaluation in Providence-Warwick RI-MA MMSA**

Webster identified one AA consisting of the entire MMSA. As a result, we conducted a full scope review on the entire RI-MA MMSA AA.

To understand the credit and community development needs in the area, the OCC participated in a listening session with representatives of several non-profit and community-based organizations serving the Bristol County area of Massachusetts. Participants noted a need for affordable and safe housing, small business financing, and access to traditional banking services and workforce development programs.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN Providence-Warwick RI-MA MMSA**

### **LENDING TEST**

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

The bank's performance under the lending test in the RI-MA MMSA AA is rated Outstanding. Based on full-scope reviews, the bank's performance in the RI-MA MMSA AA is excellent.

#### **Lending Activity**

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

Lending activity in the RI-MA MMSA AA reflect excellent responsiveness to the AA credit needs given the strong competition in the AA. Webster had a deposit market share of 2.79 percent as of June 30, 2016, and ranked eighth (8<sup>th</sup>) among 30 depository institutions. In home purchase lending, Webster ranked 17<sup>th</sup> out of 361 lenders in the AA with a 1.78 percent market share. For home improvement lending, Webster ranked 11<sup>th</sup> out of 174 lenders in the market with a 2.81 percent market share. In home refinance lending, Webster ranked 22<sup>nd</sup> out of 378 lenders in the market with 1.31 percent market share. Webster ranked seventh (7<sup>th</sup>) of 63 lenders in the market in multifamily lending with 4.87 percent market share.

Small business lending is highly competitive in the AA. Webster ranked 14<sup>th</sup> out of 104 total lenders for small business lending, with a market share of 1.38 percent. The top five lenders, which are dominated by credit card lenders and multi-national institutions, control a majority of the market with a combined market share of 56.91 percent.

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

The geographic distribution of home mortgage and small business loans reflects excellent penetration throughout the AA and when compared to aggregate market data.

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

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

The geographic distribution of home mortgage loans reflects excellent penetration throughout the AA and when compared to aggregate market data.

### ***Home Purchase Loans***

The geographic distribution of home purchase loans reflects excellent penetration throughout the AA and when compared to aggregate lending data. The percentage of home purchase loans to borrowers in low-income census tracts exceeded the percentage of owner-occupied housing in low-income census tracts. The percentage of home purchase loans to borrowers in moderate-income census tracts exceeded the percentage of owner-occupied housing in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's home purchase loans in low-income census tracts exceeded the percentage of loans by all lenders in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's home purchase loans in moderate-income census tracts exceeded the percentage of loans by all lenders in moderate-income census tracts.

### ***Home Improvement Loans***

The geographic distribution of home improvement loans reflects excellent penetration throughout the AA and when compared to aggregate lending data. The percentage of home improvement loans to borrowers in low-income census tracts exceeded the percentage of owner-occupied housing in low-income census tracts. The percentage of home improvement loans to borrowers in moderate-income census tracts exceeded the percentage of owner-occupied housing in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's home improvement loans in low-income census tracts exceeded the percentage of loans by all lenders in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's home improvement loans in moderate-income census tracts exceeded the percentage of loans by all lenders in moderate-income census tracts.

### ***Home Refinance Loans***

The geographic distribution of home refinance loans reflects good penetration throughout the AA and when compared to aggregate lending data. The percentage of home refinance loans to borrowers in low-income census tracts was near to the percentage of owner-occupied housing in low-income census tracts. The percentage of home refinance loans to borrowers in moderate-income census tracts was somewhat lower than the percentage of owner-occupied housing in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's home refinance loans in low-income census tracts exceeded the percentage of loans by all lenders in low-income census tracts. When compared to aggregate

lending data, the percentage of Webster's home refinance loans in moderate-income census tracts exceeded the percentage of loans by all lenders in moderate-income census tracts.

### *Multi-family Loans*

The geographic distribution of multi-family reflects excellent penetration throughout the AA and when compared to aggregate lending data. The percentage of multi-family loans to borrowers in low-income census tracts exceeded the percentage of owner-occupied housing in low-income census tracts. The percentage of multi-family loans to borrowers in moderate-income census tracts exceeded the percentage of owner-occupied housing in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's multi-family loans in low-income census tracts exceeded the percentage of loans by all lenders in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's multi-family loans in moderate-income census tracts was near to the percentage of loans by all lenders in moderate-income census tracts.

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

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

The geographic distribution of small loans to businesses reflects excellent penetration throughout the AA and when compared to aggregate lending data. The percentage of small loans to businesses in low-income census tracts exceeded the percentages of businesses in low-income census tracts. The percentage of small loans to businesses in moderate-income census tracts exceeded the percentages of businesses in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's small loans to businesses in low-income census tracts exceeded the percentage of loans by all lenders in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's small loans to businesses in moderate-income census tracts exceeded the percentage of loans by all lenders in moderate-income census tracts.

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

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

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

The analysis was performed at the bank level as opposed to the AA level.

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

The distribution of borrowers reflects good penetration among home mortgage loan customers of different income levels and business customers of different sizes.

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

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

The distribution of borrowers reflects good penetration among home mortgage loan customers of different income levels.

### ***Home Purchase Loans***

The distribution of home purchase loans reflects good penetration among customers of different income levels. The percentage of home purchase loans to low-income borrowers was somewhat lower than the distribution of low-income families. As noted in the Community Profile in appendix C, it is difficult for a low-income borrower to qualify for a mortgage loan given the \$301 thousand AA median housing value. The percentage of home purchase loans to moderate-income borrowers exceeded the distribution of moderate-income families. When compared to aggregate lending data, the percentage of Webster's home purchase loans to low-income borrowers exceeded the percentage of loans by all lenders to low-income families. When compared to aggregate lending data, the percentage of Webster's home purchase loans to moderate-income borrowers exceeded the percentage of loans by all lenders to moderate-income families.

### ***Home Improvement Loans***

The distribution of home improvement loans reflects adequate penetration among customers of different income levels. The percentage of home improvement loans to low-income borrowers was lower than the distribution of low-income families. The percentage of home improvement loans to moderate-income borrowers was near to the distribution of moderate-income families. When compared to aggregate lending data, the percentage of Webster's home improvement loans to low-income borrowers was somewhat lower than the percentage of loans by all lenders to low-income families. When compared to aggregate lending data, the percentage of Webster's home improvement loans to moderate-income borrowers was near to the percentage of loans by all lenders to moderate-income families.

### ***Home Refinance Loans***

The distribution of home refinance loans reflects good penetration among customers of different income levels. The percentage of home refinance loans to low-income borrowers was lower than the distribution of low-income families. As noted in the Community Profile in appendix C, it is difficult for a low-income borrower to qualify for a mortgage loan given the \$301 thousand AA median housing value. The percentage of home refinance loans to moderate-income borrowers was near to the distribution of moderate-income families. When compared to aggregate lending data, the percentage of Webster's home refinance loans to low-income borrowers exceeded the percentage of loans by all lenders to low-income families. When compared to aggregate lending data, the percentage of Webster's home refinance loans to moderate-income borrowers was near to the percentage of loans by all lenders to moderate-income families.

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

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

The distribution of borrowers reflects adequate penetration throughout the AA among business customers of different sizes. The percentage of loans to small businesses was lower than the percentage of small businesses in the AA. When compared to aggregate lending data, the percentage of Webster's loans to small businesses exceeded the percentage of loans by all lenders to small businesses.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the RI-MA MMSA AA section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all community development loans, including multifamily loans that also qualify as community development loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as community development loans. Table 5 does not separately list community development loans, however.

Webster is a leader in making community development loans with a level of community development lending which had a significantly positive impact on the overall lending performance in the RI MA MMSA AA.

Webster reported 19 community development loans totaling \$34.4 million during the evaluation period which represents 29.68 percent of allocated capital. Additionally, Webster had six (6) community development loans from prior periods with \$5.5 million outstanding.

Loans originated during the period included four (4) loans totaling \$5.8 million to organizations providing affordable housing for low- and moderate-income persons, eight (8) loans totaling \$11.3 million for community service organizations which target LMI persons and seven (7) loans totaling \$17.3 million through the SBA's 504 program which fosters economic development.

An example of Webster's leadership include the following:

- Webster has worked with a local community development corporation as an investment partner in the organization's efforts to transform South Providence and provide affordable housing opportunities to LMI persons and revitalize the neighborhood. During the evaluation period, Webster originated a \$4.8 million construction loan to the organization for the purchase, renovation, and preservation of 53 affordable housing units throughout Providence, Rhode Island.

Other noteworthy CD loan activities include the following:

- Webster originated two loans totaling \$4.5 million for working capital needs and one loan for \$1.8 million to purchase property for use by the organization which provides community services to LMI persons with disabilities in the AA. The \$1.8 million loan was used to renovate and furnish an 18,150-square-foot habilitation facility in Acushnet, Massachusetts for individuals with physical and mental disabilities.

## **Product Innovation and Flexibility**

Webster offers several flexible loan products, mainly through government programs, for both consumers and small businesses, which had a positive impact on the bank's lending performance in the RI-MA MMSA AA.

For consumers, Webster offers home loans through a variety of programs with the Federal Housing Administration (FHA), Fannie Mae (FNMA), Freddie Mac (FHLMC), United States Department of Agriculture's (USDA) Rural Housing Program, The Massachusetts Housing Finance Agency (MHFA), and Rhode Island Housing. During the evaluation period, Webster accessed programs through these agencies to assist 274 borrowers secure \$51.7 million in mortgage financing.

Webster also offers a flexible proprietary affordable housing program known as Home Ownership Possibilities for Everyone or 30HOPE the features of which include up to 97 percent loan-to-value for purchase transactions and no requirement for mortgage insurance. This program targets low- and moderate-income first-time home buyers who are unable to qualify for conventional or government financing. During the evaluation period, Webster originated 140 loans through this program totaling \$21.3 million.

For small businesses, Webster offers loans with guarantees from the Small Business Administration (SBA) through several of its guarantee programs including SBA Certified Development Company (CDC)/504 for equipment and real estate loans and SBA 7(a) for general small business loans. During the evaluation period, Webster originated 87 small loans to businesses totaling \$13.4 million with the assistance of an SBA guarantee. Webster also offers an unsecured line of credit (Unsec SB LoC) which supports short term working capital needs along with overdraft protection on the business' demand deposit account (DDA). During the evaluation period, Webster originated 156 (Unsec SB LoC) totaling \$6.4 million.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in RI-MA MMSA AA is rated Outstanding. Based on full-scope reviews, the bank's performance in the RI-MA MMSA AA is excellent.

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

During the evaluation period, Webster originated 65 investments, grants, and donations, totaling \$47.8 million. In addition, 12 prior period investments remained outstanding at the end of the evaluation period, with a total book value of \$14.0 million. The total investments of \$61.8 million in the AA represent 53.31 percent of allocated capital, reflecting excellent performance.

Community contacts identified affordable housing and programs that serve LMI individuals and neighborhoods as the primary need in the AA. The bank's responsiveness to the CD needs in

the AA was good. Webster's qualified investments include \$7.1 million in low income housing tax credits (LIHTCs) which demonstrate leadership and high complexity. The LIHTC investment is part of an organization's long-term project to improve Upper and Lower South Providence, Rhode Island by developing affordable housing, providing new commercial space for local businesses, and providing community spaces for neighborhood residents.

Webster invested \$38.7 million in Ginnie Mae project loans benefiting six projects including two projects in New Bedford, Massachusetts, which provided a combined total of 477 affordable rental housing units. During the evaluation period, Webster invested \$1.8 million in mortgage-backed securities where the underlying mortgages were made to LMI borrowers in the AA or to borrowers in LMI geographies. Although not innovative or complex, investments in MBS are responsive to identified affordable housing needs in the AA.

Webster made 38 donations and grants supporting services for low- or moderate-income individuals, with an additional eight (8) donations and grants supporting affordable housing.

## **SERVICE TEST**

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

The bank's performance under the service test in Providence-Warwick RI-MA MMSA AA ("RI-MA MMSA AA") is rated High Satisfactory. Based on full-scope review, the bank's performance in the RI-MA MMSA AA is good.

### **Retail Banking Services**

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

Delivery systems are accessible to essentially all portions of the RI-MA MMSA AA and to individuals of different income levels.

Branch distribution in the AA is excellent with branches readily accessible to all portions of the AA. Three (3) of the 20 branches are located in low-income census tracts. The percentage of branches in low-income census tracts exceeds the percentage of population in low-income census tracts. Four (4) of the 20 branches are located in a moderate-income census tract. The percentage of branches in moderate-income census tracts exceeds the percentage of population in moderate-income census tracts.

Management complements its traditional service delivery methods with certain alternative delivery systems, including online banking, mobile banking, ATMs, and telephone banking; these delivery methods provide increased access to banking services throughout all areas in the AA. Alternative delivery system usage by households in LMI geographies was near to the percentage of households in LMI geographies.

Branch opening and closings has generally not adversely affected the accessibility of the bank's delivery systems in the AA. The bank closed three branches during the evaluation

period which were located in middle-income census tracts and one branch located in an upper-income census tract. The middle- and upper-income branches were closed due to low service volume and declining future growth potential.

Branch hours and services do not vary in a way that would inconvenience certain portions of the AA, particularly LMI individuals. Services offered and banking hours are comparable among locations regardless of the income level of the geography. Bank personnel are available 24 hours a day, seven days a week through Webster's Customer Care Center. Webster continues to offer an "Opportunity Checking Account" product to meet the needs of un-banked consumers who are ineligible to open regular checking accounts. The account offers access to regular banking services, such as direct deposit, check writing, ATM cards, and online services, giving these consumers the opportunity to re-establish themselves as banking customers and provide financial stability. In the RI-MA MMSA AA, 44.6 percent of active "Opportunity Checking Account" customers are located in LMI census tracts.

## **Community Development Services**

Webster's provides an adequate level of community development services in the RI MA MMSA AA.

Webster's Default Management Services Group maintains a Loss Mitigation Program to assist eligible homeowners in the early stages of delinquency on a Webster owned first mortgage and/or home equity line of credit to create an affordable, sustained payment plan. Between January 1, 2014 and December 31, 2016, Webster completed 16 modification requests from LMI borrowers in the RI-MA MMSA AA.

During the evaluation period, 15 employees provided their expertise to 51 organizations for a total of 344.5 hours within the AA. Webster's employees participated in many qualifying nonprofit organizations in a leadership capacity, either as a board member or committee member of three organizations and a total of 252 service hours using their financial expertise to provide technical assistance. These organizations work to create affordable housing, provide healthcare to low- and moderate-income families, and provide education to children of low- and moderate-income parents.

The following are some examples of CD services provided by employees:

- A bank representative served as a mentor to an organization, which prepares LMI students for life after high school. The program provides job-readiness skills, career guidance and works with local businesses in offering internships. The bank employee provided skill and self-assessment tools, career planning, interview skills and college preparation.
- A bank representative served as a committee member of Local Initiatives Support Corporation (LISC) Rhode Island. The organization assists in building strong neighborhoods and healthy communities where LMI individuals, small businesses and families can thrive. The committee's responsibilities included reviewing funding requests, provide feedback, and guidance as to risks or weaknesses of applicants of a grant fund.

Bank employees taught financial education modules to 45 organizations through their CDEA program totaling 92.5 hours to LMI participants. Refer to the Other Performance Data – section in the overall Scope of Evaluation section for additional information.

## State Rating

### State of Connecticut

<b>CRA Rating for Connecticut<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 were considered in this rating include the following:

- The bank's overall lending activity in the state of Connecticut is excellent.
- The geographic distribution of home mortgage and small business loans reflects good penetration throughout the AA
- The distribution of borrowers reflects good penetration among home mortgage loan customers of different income levels and business customers of different sizes.
- Webster made an adequate level of community development loans which had a neutral impact on the overall lending performance
- Webster offers several flexible loan products, mainly through government programs, for both consumers and small businesses, which had a positive impact on the bank's lending performance in the AAs.
- Webster has an excellent level of qualified community development investments and grants demonstrating good responsiveness to credit and community economic development needs.
- Delivery systems are readily accessible to all portions of the bank's AAs and to individuals of different income levels; and
- The level of community development services are good.

### Description of Institution's Operations in Connecticut

Webster's operations in Connecticut touch seven of the state's eight counties with all or portions of Fairfield, Hartford, Litchfield, Middlesex, New Haven, New London, and Tolland Counties in the bank's five designated AAs.

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

- The Bridgeport MSA AA consists of the Bridgeport-Stamford-Norwalk CT MSA (MSA #14860) in its entirety which encompasses Fairfield County. Principal cities in Fairfield County include Bridgeport, Stamford, Norwalk, Danbury, and Stratford, Connecticut.
- The Hartford MSA AA consists of the Hartford-West Hartford-East Hartford, CT MSA (MSA #25540) in its entirety which encompasses Hartford, Middlesex and Tolland Counties. Principal cities in this MSA include Hartford, West Hartford, East Hartford, and Middletown, Connecticut.
- The New Haven MSA AA consist of the New Haven-Milford, CT MSA (MSA #35300) in its entirety which encompasses New Haven County. Principal cities in New Haven County include New Haven and Milford, Connecticut.
- The Norwich-New London MSA AA consists of a portion of New London County which is located in the Norwich-New London CT MSA (MSA #35980). The portion of New London County in the AA includes the towns of East Lyme, Groton, New London, Lyme, Old Lyme, Stonington, and Waterford.
- The Connecticut non-MSA AA consists of Litchfield County in its entirety.

During the evaluation period, Webster originated/purchased 70.61 percent of its total loan originations/purchases in the state of Connecticut. Distribution of originated/purchase loans within the state during the evaluation period among the five AA's was as follows: Hartford MSA AA 45.70 percent, New Haven AA 25.61 percent, Bridgeport MSA AA 18.80 percent, Connecticut non-MSA AA 8.49 percent and Norwich-New London MSA AA 1.41 percent. (Note: Percentages in AAs exceed 100 due to rounding).

As of June 30, 2016, Webster operated 118 full-service branches in the state with \$16.51 billion in deposits representing 87.18 percent of Webster's total deposits. The portion of the state in which Webster operates is competitive with 61 institutions, including Webster, operating 1,176 branches. Webster is ranked 2nd in state deposit market share with 12.94 percent behind Bank of America, N. A. with 137 branches and 23.34 percent deposit market share.

As of June 30, 2016, within the state of Connecticut, Webster had its largest branch presence in the Hartford MSA AA with 47 branches, followed by the New Haven MSA AA with 33 branches, the Bridgeport MSA AA with 24 branches, the Connecticut non-MSA AA with 11 branches and the Norwich-New London MSA AA with three (3) branches. Distribution of deposits, as a percent of all deposits within the state, differed somewhat from the distribution of branches as Webster allocates its HSA Bank deposits, which exceed 20 percent of the bank's total deposits, to the New Haven MSA AA. As a result, the New Haven MSA AA has the majority of the deposits within the state with 60.87 percent followed by the Hartford MSA AA with 25.88 percent, the Bridgeport MSA AA with 8.27 percent, the Connecticut non-MSA AA with 4.49 percent and the Norwich-New London MSA AA with 0.48 percent.

In the Hartford MSA AA, Webster ranked second (2<sup>nd</sup>) in deposit market share with 9.96 percent behind Bank of America, N. A. with its 48 branches and 42.85 percent deposit market share. In the New Haven MSA AA, Webster ranked first (1<sup>st</sup>) with 36.30 percent deposit market share followed by Wells Fargo Bank, N. A. with its 31 branches and 12.98 percent deposit market share. As noted above, Webster's deposit market share in the New Haven MSA AA is elevated by the allocation of HSA Bank deposits to the AA. In the Bridgeport MSA AA, Webster ranked seventh (7<sup>th</sup>) with 2.86 percent in deposit market share. People's United with its 58 branches and 22.63 percent deposit market share led the rankings among the 29

financial institutions operating in the Bridgeport MSA AA. In the Connecticut non-MSA AA, Webster ranked first (1<sup>st</sup>) in deposit market share with 16.59 followed by The Torrington Savings Bank with its seven (7) branches and 13.01 percent deposit market share. Lastly, in the Norwich-New London MSA AA, Webster ranked tenth (10<sup>th</sup>) in deposit market share with 1.68 percent. Citizens Bank, N. A. with its 13 offices and 18.54 percent deposit market share led the rankings among the 15 financial institutions operating in the Norwich-New London MSA AA.

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

## **Scope of Evaluation in Connecticut**

We conducted full-scope reviews of the Hartford MSA AA and the New Haven MSA AA given the high percentage of originated/purchased loans, deposits and branch locations in these AA's. We conducted a full scope review of the Connecticut non-MSA AA as the area has not been subjected to a full scope review in the three prior CRA evaluations. The Bridgeport MSA AA and Norwich-New London MSA AA's received limited-scope reviews. Refer to the tables in appendix A for more information.

Ratings are primarily based on the results in the full-scope areas with consideration of performance in the limited-scope areas. The Hartford MSA AA and New Haven MSA AA received the most weight in the state's overall assessment as, collectively, the two areas have 71.31 percent of the loans, 86.75 percent of the deposits and 67.80 percent of the branch locations in the state with the Hartford MSA AA most heavily weighted with 45.70 percent of the loans and 39.83 percent of the branches in the state. We did not conduct an analysis of multi-family loans in the Connecticut non-MSA AA and the Norwich-New London AA since an analysis of the small volume of loans (six (6) and zero (0) loans, respectively) would not produce meaningful results.

Our community contact, an organization focused on affordable housing and community development issues in the Hartford MSA AA, identified a need for revitalization and stabilization in lower income neighborhoods with the goal of providing safe, affordable housing. Community contacts conducted during the evaluation period in the New Haven MSA AA indicated a need for quality affordable housing and financial literacy education. Community contacts conducted during the evaluation period in the Connecticut non-MSA AA indicated a need for small business funding.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN Connecticut**

### **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 Connecticut non-MSA AA is excellent, and in the Hartford MSA AA and New Haven MSA AA performance is good.

## **Lending Activity**

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

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

### Hartford MSA AA

Lending activity in the Hartford MSA AA reflect excellent responsiveness to the AA credit needs given the strong competition in the AA. Webster had a deposit market share of 9.96 percent as of June 30, 2016, and ranked second (2<sup>nd</sup>) among 30 depository institutions. In home purchase lending, Webster ranked fourth (4<sup>th</sup>) out of 327 lenders in the AA with a 3.41 percent market share. For home improvement lending, Webster ranked second (2<sup>nd</sup>) out of 133 lenders in the market with a 9.95 percent market share. In home refinance lending, Webster ranked sixth (6<sup>th</sup>) out of 348 lenders in the market with 3.90 percent market share. Webster ranked first (1<sup>st</sup>) out of 44 lenders in the market in multifamily lending with 12.41 percent market share.

Small business lending is highly competitive in the AA. Webster ranked eighth (8<sup>th</sup>) out of 105 total lenders for small business lending, with a market share of 4.19 percent. The top five lenders, which are dominated by credit card lenders and multi-national institutions, control a majority of the market with a combined market share of 60.53 percent.

### New Haven MSA AA

Lending activity in the New Haven MSA AA reflect excellent responsiveness to the AA credit needs given the strong competition in the AA. Webster had a deposit market share of 36.30 percent as of June 30, 2016, and ranked first (1<sup>st</sup>) among 25 depository institutions. In home purchase lending, Webster ranked fifth (5<sup>th</sup>) out of 257 lenders in the AA with a 3.21 percent market share. For home improvement lending, Webster ranked first (1<sup>st</sup>) out of 107 lenders in the market with a 13.21 percent market share. In home refinance lending, Webster ranked fifth (5<sup>th</sup>) out of 301 lenders in the market with 3.42 percent market share. Webster ranked eighth (8<sup>th</sup>) out of 40 lenders in the market in multifamily lending with 4.39 percent market share.

Small business lending is highly competitive in the AA. Webster ranked ninth (9<sup>th</sup>) out of 97 total lenders for small business lending, with a market share of 3.01 percent. The top five lenders, which are dominated by credit card lenders and multi-national institutions, control a majority of the market with a combined market share of 60.98 percent.

Connecticut non-MSA AA

Lending activity in the Connecticut non-MSA AA reflect excellent responsiveness to the AA credit needs given the strong competition in the AA. Webster had a deposit market share of 16.59 percent as of June 30, 2016, and ranked first (1<sup>st</sup>) among 16 depository institutions. In home purchase lending, Webster ranked second (2<sup>nd</sup>) out of 168 lenders in the AA with a 5.25 percent market share. For home improvement lending, Webster ranked first (1<sup>st</sup>) out of 61 lenders in the market with a 14.70 percent market share. In home refinance lending, Webster ranked third (3<sup>rd</sup>) out of 200 lenders in the market with 6.00 percent market share.

Small business lending is highly competitive in the AA. Webster ranked 10<sup>th</sup> out of 57 total lenders for small business lending, with a market share of 2.94 percent. The top five lenders, which are dominated by credit card lenders and multi-national institutions, control a majority of the market with a combined market share of 63.30 percent.

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

The geographic distribution of home mortgage and small business loans reflects good penetration throughout the AA and when compared to aggregate lending data.

***Home Mortgage Loans***

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

The geographic distribution of home mortgage loans reflects good penetration throughout the state and when compared to aggregate lending data.

Hartford MSA AA

The geographic distribution of home mortgage loans in the Hartford MSA AA reflects good penetration throughout the AA and when compared to aggregate lending data.

***Home Purchase Loans***

The geographic distribution of home purchase loans reflects excellent penetration throughout the Hartford MSA AA and when compared to aggregate lending data. The percentage of home purchase loans to borrowers in low-income census tracts exceeded the percentage of owner-occupied housing in low-income census tracts. The percentage of home purchase loans to borrowers in moderate-income census tracts exceeded the percentage of owner-occupied housing in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's home purchase loans in low-income census tracts exceeded the percentage of loans by all lenders in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's home purchase loans in moderate-income census tracts exceeded the percentage of loans by all lenders in moderate-income census tracts.

***Home Improvement Loans***

The geographic distribution of home improvement loans reflects excellent penetration throughout the Hartford MSA AA and when compared to aggregate lending data. The percentage of home improvement loans to borrowers in low-income census tracts is near to the percentage of owner-occupied housing in low-income census tracts. The percentage of home improvement loans to borrowers in moderate-income census tracts exceeded the percentage of owner-occupied housing in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's home improvement loans in low-income census tracts exceeded the percentage of loans by all lenders in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's home improvement loans in moderate-income census tracts exceeded the percentage of loans by all lenders in moderate-income census tracts.

#### *Home Refinance Loans*

The geographic distribution of home refinance loans reflects adequate penetration throughout the Hartford MSA AA and when compared to aggregate lending data. The percentage of home refinance loans to borrowers in low-income census tracts was significantly lower than to the percentage of owner-occupied housing in low-income census tracts. The percentage of home refinance loans to borrowers in moderate-income census tracts was near to the percentage of owner-occupied housing in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's home refinance loans in low-income census tracts was lower than the percentage of loans by all lenders in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's home refinance loans in moderate-income census tracts exceeded the percentage of loans by all lenders in moderate-income census tracts.

#### *Multi-family Loans*

The geographic distribution of multi-family reflects excellent penetration throughout the Hartford MSA AA and when compared to aggregate lending data. The percentage of multi-family loans to borrowers in low-income census tracts exceeded the percentage of owner-occupied housing in low-income census tracts. The percentage of multi-family loans to borrowers in moderate-income census tracts is near to the percentage of owner-occupied housing in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's multi-family loans in low-income census tracts exceeded the percentage of loans by all lenders in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's multi-family loans in moderate-income census tracts exceeded the percentage of loans by all lenders in moderate-income census tracts.

#### New Haven MSA AA

The geographic distribution of home mortgage loans in the New Haven MSA AA reflects good penetration throughout the AA and when compared to aggregate lending data.

#### *Home Purchase Loans*

The geographic distribution of home purchase loans reflects excellent penetration throughout the New Haven MSA AA and when compared to aggregate lending data. The percentage of home purchase loans to borrowers in low-income census tracts is near to the percentage of owner-occupied housing in low-income census tracts. The percentage of home purchase loans to borrowers in moderate-income census tracts exceeded the percentage of owner-occupied housing in moderate-income census tracts. When compared to aggregate lending

data, the percentage of Webster's home purchase loans in low-income census tracts exceeded the percentage of loans by all lenders in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's home purchase loans in moderate-income census tracts exceeded the percentage of loans by all lenders in moderate-income census tracts.

#### *Home Improvement Loans*

The geographic distribution of home improvement loans reflects good penetration throughout the New Haven MSA AA and when compared to aggregate lending data. The percentage of home improvement loans to borrowers in low-income census tracts was somewhat lower than the percentage of owner-occupied housing in low-income census tracts. The percentage of home improvement loans to borrowers in moderate-income census tracts exceeded the percentage of owner-occupied housing in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's home improvement loans in low-income census tracts was somewhat lower than the percentage of loans by all lenders in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's home improvement loans in moderate-income census tracts exceeded the percentage of loans by all lenders in moderate-income census tracts.

#### *Home Refinance Loans*

The geographic distribution of home refinance loans reflects poor penetration throughout the New Haven MSA AA and when compared to aggregate lending data. The percentage of home refinance loans to borrowers in low-income census tracts was significantly lower than to the percentage of owner-occupied housing in low-income census tracts. The percentage of home refinance loans to borrowers in moderate-income census tracts was somewhat lower than the percentage of owner-occupied housing in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's home refinance loans in low-income census tracts was significantly lower than the percentage of loans by all lenders in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's home refinance loans in moderate-income census tracts was near to the percentage of loans by all lenders in moderate-income census tracts.

#### *Multi-family Loans*

The geographic distribution of multi-family reflects excellent penetration throughout the New Haven MSA AA and when compared to aggregate lending data. The percentage of multi-family loans to borrowers in low-income census tracts exceeded the percentage of owner-occupied housing in low-income census tracts. The percentage of multi-family loans to borrowers in moderate-income census tracts exceeded the percentage of owner-occupied housing in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's multi-family loans in low-income census tracts was near to the percentage of loans by all lenders in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's multi-family loans in moderate-income census tracts exceeded the percentage of loans by all lenders in moderate-income census tracts.

#### Connecticut non-MSA AA

The geographic distribution of home mortgage loans in the Connecticut non-MSA AA reflects good penetration throughout the AA and when compared to aggregate lending data.

*Home Purchase Loans*

The geographic distribution of home purchase loans reflects excellent penetration throughout the Connecticut non-MSA AA and when compared to aggregate lending data. The percentage of home purchase loans to borrowers in low-income census tracts exceeded the percentage of owner-occupied housing in low-income census tracts. The percentage of home purchase loans to borrowers in moderate-income census tracts exceeded the percentage of owner-occupied housing in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's home purchase loans in low-income census tracts exceeded the percentage of loans by all lenders in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's home purchase loans in moderate-income census tracts exceeded the percentage of loans by all lenders in moderate-income census tracts.

*Home Improvement Loans*

The geographic distribution of home improvement loans reflects good penetration throughout the Connecticut non-MSA AA and when compared to aggregate lending data. The percentage of home improvement loans to borrowers in low-income census tracts was significantly lower than the percentage of owner-occupied housing in low-income census tracts. However, only 0.49 percent of all owner-occupied housing is located in low-income census tracts. Therefore, we placed primary weight on lending within the moderate-income census tracts. The percentage of home improvement loans to borrowers in moderate-income census tracts exceeded the percentage of owner-occupied housing in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's home improvement loans in low-income census tracts was equal to the percentage of loans by all lenders in low-income census tracts. Both accounted for zero percent of lending. When compared to aggregate lending data, the percentage of Webster's home improvement loans in moderate-income census tracts exceeded the percentage of loans by all lenders in moderate-income census tracts.

*Home Refinance Loans*

The geographic distribution of home refinance loans reflects poor penetration throughout the Connecticut non-MSA AA and when compared to aggregate lending data. The percentage of home refinance loans to borrowers in low-income census tracts was significantly lower than the percentage of owner-occupied housing in low-income census tracts. However, only 0.49 percent of all owner-occupied housing is located in low-income census tracts. Therefore, we placed primary weight on lending within the moderate-income census tracts. The percentage of home refinance loans to borrowers in moderate-income census tracts was somewhat lower than the percentage of owner-occupied housing in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's home refinance loans in low-income census tracts was significantly lower than the percentage of loans by all lenders in low-income census tracts. However, in aggregate, lenders originated/purchased only 0.26 percent of all home refinance loans in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's home refinance loans in moderate-income census tracts was somewhat lower than the percentage of loans by all lenders in moderate-income census tracts.

***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/purchase of small loans to businesses.

The geographic distribution of small loans to businesses reflects excellent penetration throughout the state and when compared to aggregate lending data.

#### Hartford MSA AA

The geographic distribution of small loans to businesses reflects excellent penetration throughout the Hartford MSA AA and when compared to aggregate lending data. The percentage of small loans to businesses in low-income census tracts exceeded the percentages of businesses in low-income census tracts. The percentage of small loans to businesses in moderate-income census tracts exceeded the percentages of businesses in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's small loans to businesses in low-income census tracts exceeded the percentage of loans by all lenders in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's small loans to businesses in moderate-income census tracts exceeded the percentage of loans by all lenders in moderate-income census tracts

#### New Haven MSA AA

The geographic distribution of small loans to businesses reflects excellent penetration throughout the New Haven MSA AA and when compared to aggregate lending data. The percentage of small loans to businesses in low-income census tracts exceeded the percentages of businesses in low-income census tracts. The percentage of small loans to businesses in moderate-income census tracts exceeded the percentages of businesses in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's small loans to businesses in low-income census tracts exceeded the percentage of loans by all lenders in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's small loans to businesses in moderate-income census tracts exceeded the percentage of loans by all lenders in moderate-income census tracts

#### Connecticut non-MSA AA

The geographic distribution of small loans to businesses reflects adequate penetration throughout the Connecticut non-MSA AA and when compared to aggregate lending data. The percentage of small loans to businesses in low-income census tracts is lower than the percentages of businesses in low-income census tracts. However, only 1.17 of the businesses in the AA are in low-income census tracts. The percentage of small loans to businesses in moderate-income census tracts is somewhat lower than the percentages of businesses in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's small loans to businesses in low-income census tracts is lower than the percentage of loans by all lenders in low-income census tracts. Lenders, in aggregate, originated/purchased 0.99 percent of all loans in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's small loans to businesses in moderate-income census tracts is near to the percentage of loans by all lenders in moderate-income census tracts

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

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

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

The analysis was performed at the bank level as opposed to the AA level.

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

The distribution of borrowers reflects good penetration among home mortgage loan customers of different income levels and business customers of different sizes.

### ***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 distribution of borrowers reflects good penetration among home mortgage loan customers of different income levels.

### **Hartford MSA AA**

The distribution of borrowers reflects good penetration among home mortgage loan customers of different income levels in the Hartford MSA AA.

### ***Home Purchase Loans***

The distribution of home purchase loans reflects good penetration among customers of different income levels. The percentage of home purchase loans to low-income borrowers was somewhat lower than the distribution of low-income families. As noted in the Community Profile in appendix C, it is difficult for a low-income borrower to qualify for a mortgage loan given the \$258 thousand AA median housing value. The percentage of home purchase loans to moderate-income borrowers exceeded the distribution of moderate-income families. When compared to aggregate lending data, the percentage of Webster's home purchase loans to low-income borrowers was near to the percentage of loans by all lenders to low-income families. When compared to aggregate lending data, the percentage of Webster's home purchase loans to moderate-income borrowers exceeded the percentage of loans by all lenders to moderate-income families.

### ***Home Improvement Loans***

The distribution of home improvement loans reflects good penetration among customers of different income levels. The percentage of home improvement loans to low-income borrowers was somewhat lower than the distribution of low-income families. The percentage of home improvement loans to moderate-income borrowers exceeded the distribution of moderate-income families. When compared to aggregate lending data, the percentage of Webster's home improvement loans to low-income borrowers exceeded the percentage of loans by all lenders to low-income families. When compared to aggregate lending data, the percentage of Webster's home improvement loans to moderate-income borrowers exceeded the percentage of loans by all lenders to moderate-income families.

#### *Home Refinance Loans*

The distribution of home refinance loans reflects good penetration among customers of different income levels. The percentage of home refinance loans to low-income borrowers was somewhat lower than the distribution of low-income families. As noted in the Community Profile in appendix C, it is difficult for a low-income borrower to qualify for a mortgage loan given the \$258 thousand AA median housing value. The percentage of home refinance loans to moderate-income borrowers exceeded the distribution of moderate-income families. When compared to aggregate lending data, the percentage of Webster's home refinance loans to low-income borrowers exceeded the percentage of loans by all lenders to low-income families. When compared to aggregate lending data, the percentage of Webster's home refinance loans to moderate-income borrowers is near to the percentage of loans by all lenders to moderate-income families.

#### New Haven MSA AA

The distribution of borrowers reflects good penetration among home mortgage loan customers of different income levels in the New Haven MSA AA.

#### *Home Purchase Loans*

The distribution of home purchase loans reflects good penetration among customers of different income levels. The percentage of home purchase loans to low-income borrowers was lower than the distribution of low-income families. As noted in the Community Profile in appendix C, it is difficult for a low-income borrower to qualify for a mortgage loan given the \$273 thousand AA median housing value. The percentage of home purchase loans to moderate-income borrowers exceeded the distribution of moderate-income families. When compared to aggregate lending data, the percentage of Webster's home purchase loans to low-income borrowers was near to the percentage of loans by all lenders to low-income families. When compared to aggregate lending data, the percentage of Webster's home purchase loans to moderate-income borrowers was near to the percentage of loans by all lenders to moderate-income families.

#### *Home Improvement Loans*

The distribution of home improvement loans reflects good penetration among customers of different income levels. The percentage of home improvement loans to low-income borrowers was somewhat lower than the distribution of low-income families. The percentage of home improvement loans to moderate-income borrowers exceeded the distribution of moderate-income families. When compared to aggregate lending data, the percentage of Webster's home improvement loans to low-income borrowers exceeded the percentage of loans by all lenders to low-income families. When compared to aggregate lending data, the percentage of

Webster's home improvement loans to moderate-income borrowers exceeded the percentage of loans by all lenders to moderate-income families.

#### *Home Refinance Loans*

The distribution of home refinance loans reflects adequate penetration among customers of different income levels. The percentage of home refinance loans to low-income borrowers was lower than the distribution of low-income families. As noted in the Community Profile in appendix C, it is difficult for a low-income borrower to qualify for a mortgage loan given the \$273 thousand AA median housing value. The percentage of home refinance loans to moderate-income borrowers was near to the distribution of moderate-income families. When compared to aggregate lending data, the percentage of Webster's home refinance loans to low-income borrowers exceeded the percentage of loans by all lenders to low-income families. When compared to aggregate lending data, the percentage of Webster's home refinance loans to moderate-income borrowers was near to the percentage of loans by all lenders to moderate-income families.

#### Connecticut non-MSA AA

The distribution of borrowers reflects excellent penetration among home mortgage loan customers of different income levels in the Connecticut non-MSA AA.

#### *Home Purchase Loans*

The distribution of home purchase loans reflects excellent penetration among customers of different income levels. The percentage of home purchase loans to low-income borrowers was near to the distribution of low-income families. As noted in the Community Profile in appendix C, it is difficult for a low-income borrower to qualify for a mortgage loan given the \$306 thousand AA median housing value. The percentage of home purchase loans to moderate-income borrowers exceeded the distribution of moderate-income families. When compared to aggregate lending data, the percentage of Webster's home purchase loans to low-income borrowers was near to the percentage of loans by all lenders to low-income families. When compared to aggregate lending data, the percentage of Webster's home purchase loans to moderate-income borrowers exceeded the percentage of loans by all lenders to moderate-income families.

#### *Home Improvement Loans*

The distribution of home improvement loans reflects excellent penetration among customers of different income levels. The percentage of home improvement loans to low-income borrowers was near to the distribution of low-income families. The percentage of home improvement loans to moderate-income borrowers exceeded the distribution of moderate-income families. When compared to aggregate lending data, the percentage of Webster's home improvement loans to low-income borrowers exceeded the percentage of loans by all lenders to low-income families. When compared to aggregate lending data, the percentage of Webster's home improvement loans to moderate-income borrowers exceeded the percentage of loans by all lenders to moderate-income families.

#### *Home Refinance Loans*

The distribution of home refinance loans reflects good penetration among customers of different income levels. The percentage of home refinance loans to low-income borrowers was somewhat lower than the distribution of low-income families. As noted in the Community

Profile in appendix C, it is difficult for a low-income borrower to qualify for a mortgage loan given the \$306 thousand AA median housing value. The percentage of home refinance loans to moderate-income borrowers exceeded the distribution of moderate-income families. When compared to aggregate lending data, the percentage of Webster's home refinance loans to low-income borrowers exceeded the percentage of loans by all lenders to low-income families. When compared to aggregate lending data, the percentage of Webster's home refinance loans to moderate-income borrowers exceeded the percentage of loans by all lenders to moderate-income families.

### ***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 distribution of borrowers reflects adequate penetration among business customers of different sizes.

#### Hartford MSA AA

The distribution of borrowers reflects adequate penetration throughout the AA among business customers of different sizes. The percentage of loans to small businesses was lower than the percentage of small businesses in the AA. When compared to aggregate lending data, the percentage of Webster's loans to small businesses exceeded the percentage of loans by all lenders to small businesses.

#### New Haven MSA AA

The distribution of borrowers reflects adequate penetration throughout the AA among business customers of different sizes. The percentage of loans to small businesses was lower than the percentage of small businesses in the AA. When compared to aggregate lending data, the percentage of Webster's loans to small businesses exceeded the percentage of loans by all lenders to small businesses.

#### Connecticut non-MSA AA

The distribution of borrowers reflects good penetration throughout the AA among business customers of different sizes. The percentage of loans to small businesses was somewhat lower than the percentage of small businesses in the AA. When compared to aggregate lending data, the percentage of Webster's loans to small businesses exceeded the percentage of loans by all lenders to small businesses.

### **Community Development Lending**

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

Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans.

Webster made an adequate level of community development loans which had a neutral impact on the overall lending performance in the AAs.

### Hartford MSA AA

Webster reported eight (8) community development loans totaling \$23.8 million during the evaluation period which represents 5.16 percent of allocated capital. Community development lending in this AA had a neutral impact on overall lending performance. Additionally, Webster had eight (8) community development loans from prior periods with \$7.4 million outstanding.

Loans originated during the period included four (4) loans totaling \$20.8 million to organizations providing affordable housing for low- and moderate-income persons, two (2) loans totaling \$306 thousand for community service organizations which target LMI persons, and two (2) loans totaling \$2.6 million through the SBA's 504 program which fosters economic development and revitalization/stabilization of low- and moderate-income geographies.

An example of Webster's leadership includes the following:

- Webster worked with a local affordable housing organization to completely renovate six properties located in Hartford's Frog Hollow neighborhood. Combined the buildings will contain 42 units with a mix of one-, two- and three-bedroom units for Low-Moderate Income (LMI) families and 4 commercial units. Webster also invested \$10.1 million in the organization through Low Income Housing Tax Credits and originated an \$8.1 million construction loan.

Examples of Webster's noteworthy CD loan activities include:

- Webster originated a \$10 million line of credit to a business which was used to acquire and/or develop affordable housing projects and capital improvements and/or tenant improvements to low-income housing units throughout the region which includes the AA.

### New Haven MSA AA

Webster reported 8 community development loans totaling \$7.2 million during the evaluation period which represents 0.67 percent of allocated capital. Community development lending in this AA had a neutral impact on overall lending performance. Additionally, Webster had eight (8) community development loans from prior periods with \$5.8 million outstanding.

Loans originated during the period included six (6) loans totaling \$4.9 million for community service organizations which target LMI persons, and two (2) loans totaling \$2.4 million through the SBA's 504 program which fosters economic development and revitalization/stabilization of low- and moderate-income geographies.

Examples of Webster's noteworthy CD loan activities include:

- Two loans totaling \$3.0 million for the working capital needs of a local community health center that provides primary health care to low-income and disadvantaged individuals in New Haven, CT and surrounding locations.

A \$700 thousand loan to an organization in a moderate-income census tract building a vocational school for area residents.

#### Connecticut non-MSA AA

Webster made a relatively high level of community development loans which had a significantly positive impact on the overall lending performance in the Connecticut non-MSA AA.

Webster reported one (1) community development loan totaling \$12 million during the evaluation period which represents 15.00 percent of allocated capital. The borrower used the proceeds of the loan to finance the purchase of a 151-bed skilled nursing facility to be occupied predominantly by low- and moderate-income residents.

#### Community Development Loans – CT Statewide

In addition to the CD loans that benefit the bank's AAs, Webster originated one qualified CD loans totaling \$5.6 million, located in the greater statewide area. The loan, which is an increase on a previous loan, was originated to a Hartford based not-for-profit youth development agency to provide funding for the conversion of a vacant former YMCA building in Willimantic into a new state charter high school in the LMI community of Windham.

### **Product Innovation and Flexibility**

Webster offers several flexible loan products, mainly through government programs, for both consumers and small businesses, which had a positive impact on the bank's lending performance in the AAs.

#### Hartford MSA AA

Webster offers several flexible loan products, mainly through government programs, for both consumers and small businesses, which had a positive impact on the bank's lending performance in the Hartford MSA AA.

For consumers, Webster offers home loans through a variety of programs with the Federal Housing Administration (FHA), Fannie Mae (FNMA), Freddie Mac (FHLMC), United States Department of Agriculture's (USDA) Rural Housing Program, and Connecticut Housing Finance Authority. During the evaluation period, Webster accessed programs through these agencies to assist 431 borrowers secure \$56.1 million in mortgage financing.

Webster also offers a flexible proprietary affordable housing program known as Home Ownership Possibilities for Everyone or 30HOPE the features of which include up to 97 percent loan-to-value for purchase transactions and no requirement for mortgage insurance. This program targets low- and moderate-income first-time home buyers who are unable to qualify for conventional or government financing. During the evaluation period, Webster originated 88 loans through this program totaling \$12.3 million.

For small businesses, Webster offers loans with guarantees from the Small Business Administration (SBA) through several of its guarantee programs including SBA Certified

Development Company (CDC)/504 for equipment and real estate loans and SBA 7(a) for general small business loans. During the evaluation period, Webster originated 125 small loans to businesses totaling \$21.6 million with the assistance of an SBA guarantee. Webster also offers an unsecured line of credit (Unsec SB LoC) which supports short term working capital needs along with overdraft protection on the business' demand deposit account (DDA). During the evaluation period, Webster originated 608 (Unsec SB LoC) totaling \$27.2 million.

### New Haven MSA AA

Webster offers several flexible loan products, mainly through government programs, for both consumers and small businesses, which had a positive impact on the bank's lending performance in the New Haven MSA AA.

For consumers, Webster offers home loans through a variety of programs with the Federal Housing Administration (FHA), Fannie Mae (FNMA), Freddie Mac (FHLMC), United States Department of Agriculture's (USDA) Rural Housing Program, and Connecticut Housing Finance Authority. During the evaluation period, Webster accessed programs through these agencies to assist 291 borrowers secure \$37.8 million in mortgage financing.

Webster also offers a flexible proprietary affordable housing program known as Home Ownership Possibilities for Everyone or 30HOPE the features of which include up to 97 percent loan-to-value for purchase transactions and no requirement for mortgage insurance. This program targets low- and moderate-income first-time home buyers who are unable to qualify for conventional or government financing. During the evaluation period, Webster originated 46 loans through this program totaling \$5.4 million.

For small businesses, Webster offers loans with guarantees from the Small Business Administration (SBA) through several of its guarantee programs including SBA Certified Development Company (CDC)/504 for equipment and real estate loans and SBA 7(a) for general small business loans. During the evaluation period, Webster originated 88 small loans to businesses totaling \$18.4 million with the assistance of an SBA guarantee. Webster also offers an unsecured line of credit (Unsec SB LoC) which supports short term working capital needs along with overdraft protection on the business' demand deposit account (DDA). During the evaluation period, Webster originated 319 (Unsec SB LoC) totaling \$14.9 million.

### Connecticut non-MSA AA

Webster offers several flexible loan products, mainly through government programs, for both consumers and small businesses, which had a positive impact on the bank's lending performance in the Connecticut non-MSA AA.

For consumers, Webster offers home loans through a variety of programs with the Federal Housing Administration (FHA), Fannie Mae (FNMA), Freddie Mac (FHLMC), United States Department of Agriculture's (USDA) Rural Housing Program, and Connecticut Housing Finance Authority. During the evaluation period, Webster accessed programs through these agencies to assist 120 borrowers secure \$14.3 million in mortgage financing.

Webster also offers a flexible proprietary affordable housing program known as Home Ownership Possibilities for Everyone or 30HOPE the features of which include up to 97

percent loan-to-value for purchase transactions and no requirement for mortgage insurance. This program targets low- and moderate-income first-time home buyers who are unable to qualify for conventional or government financing. During the evaluation period, Webster originated seven (7) loans through this program totaling \$863 thousand.

For small businesses, Webster offers loans with guarantees from the Small Business Administration (SBA) through several of its guarantee programs including SBA Certified Development Company (CDC)/504 for equipment and real estate loans and SBA 7(a) for general small business loans. During the evaluation period, Webster originated 25 small loans to businesses totaling \$3.7 million with the assistance of an SBA guarantee. Webster also offers an unsecured line of credit (Unsec SB LoC) which supports short term working capital needs along with overdraft protection on the business' demand deposit account (DDA). During the evaluation period, Webster originated 109 (Unsec SB LoC) totaling \$4.7 million.

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

Based on limited-scope reviews, the bank's performance under the lending test in the Bridgeport MSA AA is not inconsistent with the bank's overall High Satisfactory rating in the state. The bank's performance in the Norwich-New London MSA AA is weaker than the bank's overall High Satisfactory lending test performance and is adequate. In the Norwich-New London MSA AA, the geographic distribution of home mortgage and small business loans reflected poor penetration throughout the AA, and the distribution of borrowers reflected adequate penetration among home mortgage loan customers of different income levels and business customers of different sizes. Refer to the 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 Outstanding. Based on full-scope reviews, the bank's performance in the Hartford MSA AA and New Haven MSA AA is excellent. The bank's performance in the Connecticut non-MSA AA is adequate.

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

#### Hartford MSA

During the evaluation period, the bank originated 145 investments, grant, and donations in the Hartford MSA, totaling \$25.9 million. In addition, 13 prior period investments remained outstanding at the end of the evaluation period, with a total book value of \$19.9 million. The total investments of \$45.8 million in the AA represent 9.93 percent of allocated capital, reflecting excellent performance.

Community contacts identified affordable housing as a primary need in the AA. The bank's responsiveness to the CD needs of its AA was good. Webster's qualified investments include a \$10.2 million investment in low income housing tax credits (LIHTCs) which demonstrate leadership and high complexity and a \$909 thousand investment in a small business investment company (SBIC). The LIHTC investment benefitted an organization which provided a mix of 42 historically preserved, energy efficient apartments for low and moderate-income families, seniors, and people with special needs in six (6) historic multi-family structures in Hartford's Frog Hollow neighborhood. The six (6) historic structures range from 3 to 15-unit multi-family buildings clustered in two near-by sections of the Frog Hollow neighborhood.

Webster invested \$7.3 million in Ginnie Mae project loans benefitting projects in Hartford and Unionville, Connecticut which provided 59 and 60 affordable housing units, respectively. During the evaluation period, Webster invested \$7.0 million in mortgage-backed securities where the underlying mortgages were made to LMI borrowers in the AA or to borrowers in LMI geographies. Although not innovative or complex, investments in MBS are responsive to identified affordable housing needs in the AA.

Webster made 67 donations and grants totaling \$253 thousand supporting services for LMI individuals, 24 donations and grants totaling \$150 thousand supporting affordable housing, nine (9) donations and grants totaling \$45 thousand supporting economic development, and 17 donations and grants totaling \$100 thousand supporting revitalization and stabilization of the AA.

### New Haven MSA

During the evaluation period, the bank originated 133 investments, grant, and donations in the New Haven MSA AA, totaling \$44.6 million. In addition, 19 prior period investments remained outstanding at the end of the evaluation period, with a total book value of \$20.6 million. The total investments of \$65.2 million in the AA represent 6.01 percent of allocated capital, reflecting excellent performance.

Community contacts identified affordable housing and financial literacy education as primary needs in the AA. The bank's responsiveness to the CD needs of its AA was good. Webster's qualified investments include an \$8.0 million investment in low income housing tax credits (LIHTCs) which demonstrate leadership and high complexity. The LIHTC investment benefitted a project working to develop residential units in a former industrial facility in a designated Enterprise Zone in Waterbury, Connecticut. The project will consist of 40 units rented to low- or moderate-income residents with eight (8) units designated for homeless or at-risk homeless and another two (2) units designated for veterans.

Webster invested \$25.6 million in Ginnie Mae project loans benefitting two projects in New Haven, Connecticut which provided 437 affordable housing units in the AA. During the evaluation period, Webster invested \$10.0 million in mortgage-backed securities where the underlying mortgages were made to LMI borrowers in the AA or to borrowers in LMI geographies. Although not innovative or complex, investments in MBS are responsive to identified affordable housing needs in the AA.

Webster made 71 donations and grants totaling \$227 thousand supporting services for LMI individuals, 27 donations and grants totaling \$251 thousand supporting affordable housing, seven (7) donations and grants totaling \$40 thousand supporting economic development, and eight (8) donations and grants totaling \$440 thousand supporting revitalization and stabilization in the AA.

#### Connecticut non-MSA AA

During the evaluation period, the bank originated 12 investments, grant, and donations in the Connecticut non-MSA AA totaling \$1.0 million. In addition, six (6) prior period investments remained outstanding at the end of the evaluation period, with a total book value of \$848.8 thousand. The total investments of \$1.9 million in the AA represent 2.32 percent of allocated capital, reflecting adequate performance.

The bank's responsiveness to the CD needs in the AA is good. Webster invested \$990 thousand of investments in mortgage-backed securities where the underlying mortgages were made to LMI borrowers in the AA, which were responsive to identified affordable housing needs in the AA. Webster made six (6) donations and grants totaling \$11 thousand supporting affordable housing and one (1) grant totaling \$5 thousand supporting economic development.

#### Connecticut Statewide

In addition to the CD investment that benefit the bank's AAs, Webster made three (3) qualifying investments totaling \$2.0 million supporting affordable housing, and one (1) investment for \$500 thousand supporting economic development in the state of Connecticut during the evaluation period. Additionally, two (2) prior period investments remained outstanding at the end of the evaluation period, with a total book value of \$1.6 million.

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

Based on limited-scope reviews, the bank's performance under the investment test in the Bridgeport MSA AA and Norwich-New London MSA AA is not inconsistent with the bank's overall Outstanding performance under the investment test in Connecticut.

Refer to the Table 14 in the state of Connecticut section of appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

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

The bank's performance under the service test in state of Connecticut is rated Outstanding. Based on full-scope reviews, the bank's performance in the New Haven MSA AA, Hartford MSA AA and Connecticut non-MSA AA are 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.

Delivery systems are readily accessible to all portions of the bank's AAs and to individuals of different income levels

### Hartford MSA AA

Delivery systems are readily accessible to all portions of the Hartford MSA AA and to individuals of different income levels.

Branch distribution in the Hartford MSA is excellent. Branches are readily accessible to all portions of the AA. Six of the 45 branches are located in a low-income census tract. The percentage of branches in low-income census tracts exceeds the percentage of population in low-income census tracts. Eight of the 45 branches are located in a moderate-income census tract. The percentage of branches in moderate-income census tracts exceeds the percentage of population in moderate-income census tracts.

Management complements its traditional service delivery methods with certain alternative delivery systems, including online banking, mobile banking, ATMs, and telephone banking; these delivery methods provide increased access to banking services throughout all areas in the AA. Alternative delivery system usage by households in LMI geographies exceeded the percentage of households in LMI geographies.

Branch opening and closings has not adversely affected the accessibility of the bank's delivery systems in the AA. The bank closed six branches during the evaluation period. However, despite closing branches, Webster's presence in low- and moderate-income census tracts continues to exceed the population of those tracts. Of the branches closed, three (3) were located in moderate-income census tracts, two (2) in middle-income census tracts, and one (1) in an upper-income census tract. All branches were closed due to low service volume and declining future growth potential. Of the three branches closed in moderate-income geographies, one was the consolidation of two banking centers located in the same shopping plaza. Additionally, despite the closing of the three branches in moderate income geographies, management retained 98 percent of the households from these banking centers. Furthermore, branches closed in moderate-income census tracts continued to have banking access through a nearby full-service ATM or branch.

Branch services and hours did not vary in a way that would inconvenience certain portions of the AA, particularly LMI individuals. Hours and services are comparable across all branches, regardless of geography income level. Bank personnel are available 24 hours a day, seven days a week through Webster's Customer Care Center. Webster continues to offer an "Opportunity Checking Account" product to meet the needs of un-banked consumers who are ineligible to open regular checking accounts. The account offers access to regular banking services, such as direct deposit, check writing, ATM cards, and online services, giving these consumers the opportunity to re-establish themselves as banking customers and provide financial stability. In the Hartford MSA AA, 47.0 percent of active "Opportunity Checking Account" customers are located in LMI census tracts.

### New Haven MSA AA

Delivery systems are readily accessible to all portions of the New Haven MSA AA and to individuals of different income levels.

Branch distribution in the New Haven MSA is excellent. Branches are readily accessible to all portions of the AA. Four of the 33 branches are located in low-income census tracts. The percentage of branches in low-income census tracts exceeds the percentage of population in low-income census tracts. Five of the 33 branches are located in moderate-income census tracts. The percentage of branches in moderate-income census tracts is somewhat lower than the percentage of population in moderate-income census tracts. The assessment recognizes six branches in middle- or upper-income census tracts which are in close proximity to LMI geographies and meeting the needs of residents of LMI geographies including two branches where in excess of 30 percent of transactions are conducted by residents of LMI geographies and another two branches where in excess of 60 percent of transactions are conducted by residents of LMI geographies.

Management complements its traditional service delivery methods with certain alternative delivery systems, including online banking, mobile banking, ATMs, and telephone banking; these delivery methods provide increased access to banking services throughout all areas in the AA. Alternative delivery system usage by households in LMI geographies exceeded the percentage of households in LMI geographies.

There were no branch openings or closings during the evaluation period.

Branch services and hours did not vary in a way that would inconvenience certain portions of the AA, particularly LMI individuals. Hours and services are comparable across all branches, regardless of geography income level. Bank personnel are available 24 hours a day, seven days a week through Webster's Customer Care Center. Webster continues to offer an "Opportunity Checking Account" product to meet the needs of un-banked consumers who are ineligible to open regular checking accounts. The account offers access to regular banking services, such as direct deposit, check writing, ATM cards, and online services, giving these consumers the opportunity to re-establish themselves as banking customers and provide financial stability. In the New Haven MSA AA, 52.7 percent of active "Opportunity Checking Account" customers are located in LMI census tracts.

### Connecticut non-MSA AA

Delivery systems are readily accessible to all portions of the Connecticut non-MSA AA and to individuals of different income levels.

Branch distribution in the Connecticut non-MSA AA is excellent. Branches are accessible to essentially all portions of the AA. The bank has no branches located in low-income census tracts; however, only 0.96 percent of the population resides in the low-income census tracts. The bank has four of 11 branches or 36.36 percent of branches located in a moderate-income census tracts. The percentage of branches in moderate-income census tracts exceeds the percentage of population in moderate-income census tracts which totals 16.74 percent of the population in the AA.

Management complements its traditional service delivery methods with certain alternative delivery systems, including online banking, mobile banking, ATMs, and telephone banking; these delivery methods provide increased access to banking services throughout all areas in the AA. Alternative delivery system usage by households in LMI geographies exceeded the percentage of households in LMI geographies.

There were no branch openings or closings during the evaluation period.

Branch services and hours did not vary in a way that would inconvenience certain portions of the AA, particularly LMI individuals. Hours and services are comparable across all branches, regardless of geography income level. Bank personnel are available 24 hours a day, seven days a week through Webster's Customer Care Center. Webster continues to offer an "Opportunity Checking Account" product to meet the needs of un-banked consumers who are ineligible to open regular checking accounts. The account offers access to regular banking services, such as direct deposit, check writing, ATM cards, and online services, giving these consumers the opportunity to re-establish themselves as banking customers and provide financial stability. In the Connecticut non-MSA AA, 26.8 percent of active "Opportunity Checking Account" customers are located in LMI census tracts.

## **Community Development Services**

Webster's performance in providing community development services in the state of Connecticut is good.

### Hartford MSA AA

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

Webster's Default Management Services Group maintains a Loss Mitigation Program to assist eligible homeowners in the early stages of delinquency on a Webster owned first mortgage and/or home equity line of credit to create an affordable, sustained payment plan. Between January 1, 2014 and December 31, 2016, Webster completed 49 modification requests for borrowers in LMI geographies in the Hartford MSA AA.

During the evaluation period, 61 employees provided their expertise to 129 organizations for a total of 1,705 hours within the AA. Webster employees participated in many qualifying nonprofit organizations in a leadership capacity, either as a board member or committee member of 14 organizations and a total of 1,360.5 service hours using their financial expertise to provide technical assistance. These organizations work to create affordable housing, provide healthcare to low- and moderate-income families, provide education to children of low- and moderate-income parents, and provide economic development support to the local community.

The following are some examples of CD services provided by employees:

- A bank representative served on the board of an organization, which has a primary goal to help homeless men enhance their capacity for self-help and self-sustainability. The

support, which was over the length of the analysis period, included corporate governance, serving on the finance, investment and development committees.

- A bank representative served as a committee member of Hartford Local Initiatives Support Corporation (LISC), which manages the Hartford Neighborhood Development Support Collaborative. The organization assists in building strong neighborhoods and healthy communities where LMI individuals, small businesses and families can thrive. LISC also seeks to strengthen Hartford-based CDCs' capacity to create quality affordable housing, expand economic opportunity, and improve the quality of life in neighborhoods through community partnerships and strategies. The committee's responsibilities included managing grant requests from Hartford based not-for-profit housing developers and counseling agencies.

Bank employees taught financial education modules to 115 organizations through their CDEA program totaling 344.5 hours to LMI participants. Refer to the Other Performance Data – section in the overall Scope of Evaluation section for additional information.

### New Haven MSA AA

Webster's performance in providing community development services in the New Haven MSA AA is excellent.

Webster's Default Management Services Group maintains a Loss Mitigation Program to assist eligible homeowners in the early stages of delinquency on a Webster owned first mortgage and/or home equity line of credit to create an affordable, sustained payment plan. Between January 1, 2014 and December 31, 2016, Webster completed 52 modification requests for borrowers in LMI geographies in the New Haven MSA AA.

During the evaluation period, 44 employees provided their expertise to 89 organizations for a total of 4,167 hours within the AA. Webster employees participated in many qualifying nonprofit organizations in a leadership capacity, either as a board member or committee member of ten organizations and a total of 3,021 service hours using their financial expertise to provide technical assistance. These organizations work to create affordable housing, provide healthcare to low- and moderate-income families, provide education to children of low- and moderate-income parents, and provide economic development support to the local community.

The following are some examples of CD services provided by employees:

- Bank employee served with an organization that supports affordable housing for LMI individuals or families. The activities assisted the organization with fundraising, design of rental housing, and marketing of the project.
- Bank employee served as board and committee member during the entire evaluation period for an organization that addresses affordable housing needs for LMI communities. The support included the review of real estate acquisitions.

Bank employees taught financial education modules to 79 organizations through their CDEA program totaling 1,146 hours to LMI participants. Refer to the Other Performance Data – section in the overall Scope of Evaluation section for additional information.

### Connecticut non-MSA AA

Webster's performance in providing community development services in the Connecticut non-MSA AA is good.

Webster's Default Management Services Group maintains a Loss Mitigation Program to assist eligible homeowners in the early stages of delinquency on a Webster owned first mortgage and/or home equity line of credit to create an affordable, sustained payment plan. Between January 1, 2014 and December 31, 2016, Webster completed six (6) modification requests for borrowers in moderate-income geographies in the Connecticut non-MSA AA.

During the evaluation period, two employees provided their expertise to three organizations for a total of 169 hours within the AA. A Webster employee participated in a qualifying nonprofit organizations in a leadership capacity, as a board member of the organization and contributed a total of 165 service hours using their financial expertise to provide technical assistance. The organization works to create affordable housing to low- and moderate-income families that live in Litchfield, CT and its boroughs. The bank representative reviewed financial reports of financials, reviewed applications, and conducted interviews, and provide budget guidance to tenants and homeowners served by the organization.

A bank employee taught financial education modules to two organizations through their CDEA program totaling four hours to LMI participants. Refer to the Other Performance Data – section in the overall Scope of Evaluation section for additional information.

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

Based on limited-scope reviews, the bank's performance under the service test in the Bridgeport MSA AA and Norwich-New London MSA AA is weaker than the bank's overall performance under the Service Test in the state of Connecticut and is adequate. The weaker performance is due to adequate branch distribution and service activities in the AAs. Refer to Table 15 in the state of Connecticut section of appendix D for the facts and data that support these conclusions.

## State Rating

### State of Massachusetts

#### CRA Rating for Massachusetts<sup>3</sup>: **Satisfactory**

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

The investment test is rated: **Outstanding**

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

The major factors that were considered in this rating include the following:

- Lending activity in the Boston MSA AA reflect excellent responsiveness to the AA credit needs.
- The geographic distribution of home mortgage and small business loans reflects good penetration.
- Webster made a relatively high level of community development loans which had a positive impact on the overall lending performance in the Boston MSA AA.
- Webster offers several flexible loan products, mainly through government programs, for both consumers and small businesses, which had a positive impact on the bank's lending performance in the Boston MSA AA.
- Webster has an excellent level of qualified community development investments and grants demonstrating good responsiveness to credit and community economic development needs.
- Delivery systems are accessible to essentially all portions of the bank's AAs and to individuals of different income levels.

### Description of Institution's Operations in Massachusetts

Webster designated two AAs in the state of Massachusetts consisting of the Boston-Cambridge-Newton, MA-NH MSA (MSA#14460) ("Boston MSA AA") and the Springfield MA MSA AA (#44140) ("Springfield MA AA"). The Boston MSA AA consists of the Boston MA Metropolitan District AA (MD #14454) in its entirety, which consists of Norfolk, Plymouth and Suffolk Counties, and 161 of 318 census tracts in Middlesex County in the Cambridge-Newton-Framingham MA MD AA (#15764), adjacent to Norfolk and Suffolk Counties. Principal cities in the Boston MSA AA include Boston, Cambridge and Quincy, Massachusetts. Prior to 2016

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<sup>3</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

and its expansion in the Boston area, Webster's Boston MSA AA was much smaller including all of Plymouth County and portions of Norfolk and Suffolk Counties. The Springfield MSA AA includes 65 of 103 census tracts in Hampden County adjacent to the state of Connecticut and Webster's Hartford MSA AA. The principal city in the Springfield MSA AA is Springfield, Massachusetts.

During the evaluation period, Webster originated/purchased 9.22 percent of its total loan originations/purchases in Massachusetts. Distribution of originated/purchase loans within the state during the evaluation period was heavily concentrated in the Boston MSA AA with 87.05 percent followed by the Springfield MSA AA with 12.95 percent. As of June 30, 2016, Webster operated 25 full-service branches in Massachusetts with \$1.06 billion in deposits representing 5.58 percent of Webster's total deposits. In the Boston MSA AA, Webster operated 22 branches garnering 94.04 percent of the deposits within the state followed by the Springfield MSA AA with three (3) branches and 5.96 percent of the deposits.

The portion of the state in which Webster operates is very competitive with 120 institutions, including Webster, operating 1,288 branches. Webster is ranked 30<sup>th</sup> in deposit market share with 0.36 percent. State Street Bank and Trust Company and Bank of America N. A. dominate the market with 32.12 and 20.88 deposit market share, respectively. In the Boston MSA AA, Webster ranks 28<sup>th</sup> in deposit market share with 0.35 percent of the market which is led by State Street Bank and Trust Company, Bank of America, N. A. and Citizens Bank, N. A. with 33.20, 21.11 and 10.02 percent of the deposit market share, respectively. In the Springfield MSA AA, Webster ranks 17<sup>th</sup> in deposit market share with 0.66 percent of the market. Substantially larger TD Bank, N. A. and Bank of America, N. A. led the market with 14.58 and 14.10 percent of the deposit market share, respectively.

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

## **Scope of Evaluation in Massachusetts**

We conducted a full-scope review of the Boston MSA AA given the significant percentage of originated/purchased loans, deposits and branch locations. As a result of its significance in the state assessment, we placed the heaviest weight on the results in the Boston MSA AA to determine the state rating. For our evaluation of the bank's performance in the Boston MSA AA, we applied the AA effective in 2016 to the entire evaluation period (2014-2016), since two-thirds (2/3) of the lending activity during the evaluation period occurred in 2016. We conducted a limited-scope review of the Springfield MSA AA. We did not conduct an analysis of multi-family loans in the Boston MSA AA or the Springfield MSA AA since an analysis of the small volume of loans (13 and two (2) loans, respectively) would not produce meaningful results. Refer to the tables in appendix A for more information.

Community contacts with affordable housing, economic development and other community development organizations indicate a need for affordable housing given the high housing costs in the Boston MSA AA and Cambridge MSA AAs.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN Massachusetts**

### **LENDING TEST**

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

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

#### **Lending Activity**

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

Lending activity in the Boston MSA AA reflect excellent responsiveness to the AA credit needs given the strong competition in the AA. Despite a minimal presence in the market in 2015, the bank's lending performance in 2015 exceeded its deposit standing in the market based on 2016 deposits in the loan category (HMDA) carrying the most weight during this evaluation. Webster had a deposit market share of 0.35 percent as of June 30, 2016, and ranked 28<sup>th</sup> among 109 depository institutions. In home purchase lending, Webster ranked 29<sup>th</sup> out of 484 lenders in the AA with a 0.84 percent market share. For home improvement lending, Webster ranked 71<sup>st</sup> out of 269 lenders in the market with a 0.37 percent market share. In home refinance lending, Webster ranked 48<sup>th</sup> out of 489 lenders in the market with 0.40 percent market share.

Small business lending is highly competitive in the AA. Webster ranked 40<sup>th</sup> out of 161 total lenders for small business lending, with a market share of 0.11 percent. The top five lenders, which are dominated by credit card lenders and multi-national institutions, control a majority of the market with a combined market share of 64.74 percent.

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

The geographic distribution of home mortgage and small business loans reflects good penetration throughout the AA and when compared to aggregate lending data.

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

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

The geographic distribution of home mortgage loans reflects adequate penetration throughout the AA.

##### ***Home Purchase Loans***

The geographic distribution of home purchase loans reflects poor penetration throughout the AA and when compared to aggregate lending data. The percentage of home purchase loans

to borrowers in low-income census tracts was somewhat lower than the percentage of owner-occupied housing in low-income census tracts. The percentage of home purchase loans to borrowers in moderate-income census tracts was lower than the percentage of owner-occupied housing in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's home purchase loans in low-income census tracts was lower than the percentage of loans by all lenders in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's home purchase loans in moderate-income census tracts was lower than the percentage of loans by all lenders in moderate-income census tracts.

#### *Home Improvement Loans*

The geographic distribution of home improvement loans reflects excellent penetration throughout the AA and when compared to aggregate lending data. The percentage of home improvement loans to borrowers in low-income census tracts exceeded the percentage of owner-occupied housing in low-income census tracts. The percentage of home improvement loans to borrowers in moderate-income census tracts exceeded the percentage of owner-occupied housing in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's home improvement loans in low-income census tracts exceeded the percentage of loans by all lenders in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's home improvement loans in moderate-income census tracts exceeded the percentage of loans by all lenders in moderate-income census tracts.

#### *Home Refinance Loans*

The geographic distribution of home refinance loans reflects good penetration throughout the AA and when compared to aggregate lending data. The percentage of home refinance loans to borrowers in low-income census tracts exceeded the percentage of owner-occupied housing in low-income census tracts. The percentage of home refinance loans to borrowers in moderate-income census tracts was somewhat lower than the percentage of owner-occupied housing in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's home refinance loans in low-income census tracts exceeded the percentage of loans by all lenders in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's home refinance loans in moderate-income census tracts was somewhat lower than the percentage of loans by all lenders in moderate-income census tracts.

#### ***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/purchase of small loans to businesses.

The geographic distribution of small loans to businesses reflects excellent penetration throughout the AA and when compared to aggregate lending data. The percentage of small loans to businesses in low-income census tracts was near to the percentages of businesses in low-income census tracts. The percentage of small loans to businesses in moderate-income census tracts exceeded the percentages of businesses in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's small loans to

businesses in low-income census tracts exceeded the percentage of loans by all lenders in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's small loans to businesses in moderate-income census tracts exceeded the percentage of loans by all lenders in moderate-income census tracts.

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

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

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

The analysis was performed at the bank level as opposed to the AA level.

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

The distribution of borrowers reflects poor penetration among home mortgage loan customers of different income levels and business customers of different sizes.

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

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

The distribution of borrowers reflects poor penetration among home mortgage loan customers of different income levels.

### ***Home Purchase Loans***

The distribution of home purchase loans reflects very poor penetration among customers of different income levels. The percentage of home purchase loans to low-income borrowers was significantly lower than the distribution of low-income families. The percentage of home purchase loans to moderate-income borrowers was significantly lower than the distribution of moderate-income families. As noted in the Community Profile in appendix C, it is difficult for a low- or moderate-income borrower to qualify for a mortgage loan given the \$436 thousand AA median housing value. When compared to aggregate lending data, the percentage of Webster's home purchase loans to low-income borrowers was significantly lower than the percentage of loans by all lenders to low-income families. When compared to aggregate lending data, the percentage of Webster's home purchase loans to moderate-income borrowers was significantly lower than the percentage of loans by all lenders to moderate-income families.

### ***Home Improvement Loans***

The distribution of home improvement loans reflects good penetration among customers of different income levels. The percentage of home improvement loans to low-income borrowers was somewhat lower than the distribution of low-income families. The percentage of home improvement loans to moderate-income borrowers exceeded the distribution of moderate-income families. When compared to aggregate lending data, the percentage of Webster's

home improvement loans to low-income borrowers exceeded the percentage of loans by all lenders to low-income families. When compared to aggregate lending data, the percentage of Webster's home improvement loans to moderate-income borrowers exceeded the percentage of loans by all lenders to moderate-income families.

### *Home Refinance Loans*

The distribution of home refinance loans reflects poor penetration among customers of different income levels. The percentage of home refinance loans to low-income borrowers was lower than the distribution of low-income families. The percentage of home refinance loans to moderate-income borrowers was lower than the distribution of moderate-income families. When compared to aggregate lending data, the percentage of Webster's home refinance loans to low-income borrowers was near to the percentage of loans by all lenders to low-income families. When compared to aggregate lending data, the percentage of Webster's home refinance loans to moderate-income borrowers was lower than the percentage of loans by all lenders to moderate-income families.

### **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 distribution of borrowers reflects adequate penetration throughout the AA among business customers of different sizes. The percentage of loans to small businesses was lower than the percentage of small businesses in the AA. When compared to aggregate lending data, the percentage of Webster's loans to small businesses was near to the percentage of loans by all lenders to small businesses.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Massachusetts section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

Webster made a relatively high level of community development loans which had a positive impact on the overall lending performance in the Boston MSA AA.

Webster reported four (4) community development loans totaling \$8.8 million during the evaluation period which represents 8.23 percent of allocated capital. Additionally, Webster had two (2) community development loans from prior periods with \$1.2 million outstanding.

Loans originated during the period included three (3) loans totaling \$1.2 million to organizations providing affordable housing for low- and moderate-income persons, and one (1) loan for \$7.6 million used to refinance the loan on a local retail center located in a federally-designated Enhanced Enterprise Community neighborhood and low-income area of Dorchester, MA. The retail center originally received CDBG funding, a Section 108 loan and

an Economic Development Initiative grant. The retail center will continue to create jobs for the area's LMI residents and provide much needed goods and services to the LMI families living in the immediate vicinity.

### **Product Innovation and Flexibility**

Webster offers several flexible loan products, mainly through government programs, for both consumers and small businesses, which had a positive impact on the bank's lending performance in the Boston MSA AA.

For consumers, Webster offers home loans through a variety of programs with the Federal Housing Administration (FHA), Fannie Mae (FNMA) and The Massachusetts Housing Finance Agency (MHFA). During the evaluation period, Webster accessed programs through these agencies to assist 17 borrowers secure \$5.0 million in mortgage financing.

Webster also offers a flexible proprietary affordable housing program known as Home Ownership Possibilities for Everyone or 30HOPE the features of which include up to 97 percent loan-to-value for purchase transactions and no requirement for mortgage insurance. This program targets low- and moderate-income first-time home buyers who are unable to qualify for conventional or government financing. During the evaluation period, Webster originated 13 loans through this program totaling \$2.9 million.

For small businesses, Webster offers loans with guarantees from the Small Business Administration (SBA) through several of its guarantee programs including SBA Certified Development Company (CDC)/504 for equipment and real estate loans and SBA 7(a) for general small business loans. During the evaluation period, Webster originated 19 small loans to businesses totaling \$4.5 million with the assistance of an SBA guarantee. Webster also offers an unsecured line of credit (Unsec SB LoC) which supports short term working capital needs along with overdraft protection on the business' demand deposit account (DDA). During the evaluation period, Webster originated 20 (Unsec SB LoC) totaling \$883 thousand.

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

Based on limited-scope reviews, the bank's performance under the lending test in the Springfield MSA AA is not inconsistent with the bank's overall High Satisfactory performance under the lending test in Massachusetts. 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 full-scope review, the bank's performance in the Boston MSA 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.

During the evaluation period, the bank originated 83 investments, grant, and donations in the Boston MSA AA, totaling \$57.3 million. In addition, three (3) prior period investments remained outstanding at the end of the evaluation period, with a total book value of \$2.4 million. The total investments of \$59.7 million in the AA represents 55.63 percent of allocated capital, reflecting excellent performance.

Community contacts identified affordable housing as a primary need in the AA. The bank's responsiveness to the CD needs of the AA was good. Webster invested \$56.9 million in Ginnie Mae project loans benefiting 13 projects in the AA which provided a combined total of 1,375 affordable rental housing units. Webster purchased \$150 thousand in mortgage-backed securities where the underlying mortgages were made to LMI borrowers in the AA, during the evaluation period.

Webster made 28 donations and grants totaling \$111 thousand supporting affordable housing, 35 donations and grants totaling \$138 thousand supporting services for LMI individuals, and four (4) donations and grants totaling \$18 thousand supporting revitalization and stabilization of the AA.

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

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

## **SERVICE TEST**

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

The bank's performance under the service test in state of Massachusetts is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Boston MSA AA is good.

### **Retail Banking Services**

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

Delivery systems are readily accessible to all portions of the Boston MSA AA and to individuals of different income levels.

Branch distribution in the Boston MSA AA is excellent with branches readily accessible to all portions of the AA. Three of the 22 branches are located in low-income census tract. The percentage of branches in low-income census tracts exceeds the percentage of population in low-income census tracts. Two of the 22 branches are located in moderate-income census tract. The percentage of branches in moderate-income census tracts is lower than the percentage of population in moderate-income CTs. The assessment recognizes four branches in middle- or upper-income census tracts which are in close proximity to LMI geographies and meeting the needs of residents of LMI geographies including two branches where in excess of 20 percent of transactions are conducted by residents of LMI geographies and another two branches where in excess of 30 percent of transactions are conducted by residents of LMI geographies.

Management complements its traditional service delivery methods with certain alternative delivery systems, including online banking, mobile banking, ATMs, and telephone banking; these delivery methods provide increased access to banking services throughout all areas in the AA. Alternative delivery system usage by households in LMI geographies exceeded the percentage of households in LMI geographies.

Branch opening and closings has not adversely affected the accessibility of the bank's delivery systems in the AA. The bank opened two branches in low-income, four branches in middle-income and 11 branches in upper-income census tracts during the evaluation period. The bank closed one branch in a moderate-income census tract during the evaluation period. The branch was closed due to low service volume and declining future growth potential.

Branch services and hours did not vary in a way that would inconvenience certain portions of the AA, particularly LMI individuals. Hours and services are comparable across all branches, regardless of geography income level. Bank personnel are available 24 hours a day, seven days a week through Webster's Customer Care Center. Webster continues to offer an "Opportunity Checking Account" product to meet the needs of un-banked consumers who are ineligible to open regular checking accounts. The account offers access to regular banking services, such as direct deposit, check writing, ATM cards, and online services, giving these consumers the opportunity to re-establish themselves as banking customers and provide financial stability. In the Boston MSA AA, 58.1 percent of active "Opportunity Checking Account" customers are located in LMI census tracts.

## **Community Development Services**

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

Webster's Default Management Services Group maintains a Loss Mitigation Program to assist eligible homeowners in the early stages of delinquency on a Webster owned first mortgage and/or home equity line of credit to create an affordable, sustained payment plan. However, Webster did not receive any requests for modification from any borrower in the Boston MSA AA between January 1, 2014 and December 31, 2016.

During the evaluation period, 16 employees provided their expertise to 25 organizations for a total of 127 hours within the AA. A Webster employee participated in a qualifying nonprofit

organization in a leadership capacity, as a board member of the organization and a total of 50 service hours using their financial expertise to provide technical assistance. The organization provides economic development support to small businesses in the AA.

Bank employees taught financial education modules to 24 organizations through their CDEA program totaling 77 hours to LMI participants. Refer to the Other Performance Data – section in the overall Scope of Evaluation section for additional information.

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

Based on limited-scope reviews, the bank's performance under the service test in the Springfield MSA is not inconsistent with the bank's overall performance under the Service Test in the state of Massachusetts and is good. Refer to Table 15 in the state of Massachusetts section of appendix D for the facts and data that support these conclusions.

## State Rating

### State of New York

<b>CRA Rating for New York<sup>4</sup>:</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 were considered in this rating include the following:

- Lending activity in the New York MSA AA reflect excellent responsiveness to the AA credit needs.
- The geographic distribution of home mortgage and small business loans reflects good penetration throughout the AA.
- Webster made a relatively high level of community development loans which had a significantly positive impact on the overall lending performance in the New York MSA AA.
- Webster offers flexible loan products, mainly through government programs, for both consumers and small businesses, which had a positive impact on the bank's lending performance in the New York MSA AA.
- Webster has an excellent level of qualified community development investments and grants demonstrating good responsiveness to credit and community economic development needs.
- Delivery systems are reasonably accessible to essentially all portions of the bank's AAs and to individuals of different income levels.
- The level of community development services are excellent.

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

Webster's New York MSA AA consists of 172 of 223 census tracts in Westchester County, NY which is part of the New York-Jersey City-White Plan NY-NJ MD (MD #35614) which is part of the larger New York-Newark-Jersey City, NY-NJ-PA MMSA (MMSA #35620). The New York MSA AA borders Webster's Bridgeport MSA AA to the east and The Bronx, NY to the west. Principal cities in the New York MSA AA include White Plains, NY and Yonkers, NY.

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<sup>4</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

During the evaluation period, Webster originated/purchased 3.12 percent of its total loan originations/purchases in this AA. As of June 30, 2016, Webster operated eight (8) full-service branches in New York with \$297 million in deposits representing 1.57 percent of Webster's total deposits. The portion of the state in which Webster operates is very competitive with 36 institutions, including Webster, operating 350 branches. Webster is ranked 21st in deposit market share with 0.34 percent. Substantially larger Morgan Stanley Private Bank, N. A. and JPMorgan Chase Bank, N. A. led the market with 45.27 and 14.54 percent of the deposit market share, respectively.

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

## **Scope of Evaluation in New York**

Webster identified one AA in New York, the New York MSA AA. As a result, we conducted a full scope review on the New York MSA AA. We did not conduct an analysis of multi-family loans in the New York MSA AA since an analysis of the small volume of loans (16 loans) would not produce meaningful results.

A local community development entity, whose service area includes Westchester County, indicated a need for affordable housing given the high area housing costs, as well as, the need for small business financing.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN New York**

### **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 full-scope reviews, the bank's performance in the New York MSA AA is good.

#### **Lending Activity**

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

Lending activity in the New York MSA AA reflect excellent responsiveness to the AA credit needs given the strong competition in the AA. Webster had a deposit market share of 0.34 percent as of June 30, 2016, and ranked 21<sup>st</sup> among 36 depository institutions. In home purchase lending, Webster ranked ninth (9<sup>th</sup>) out of 239 lenders in the AA with a 1.81 percent market share. For home improvement lending, Webster ranked eighth (8<sup>th</sup>) out of 84 lenders in the market with a 2.95 percent market share. In home refinance lending, Webster ranked 29<sup>th</sup> out of 222 lenders in the market with 0.68 percent market share.

Small business lending is highly competitive in the AA. Webster ranked 20<sup>th</sup> out of 109 total lenders for small business lending, with a market share of 0.30 percent. The top five lenders,

which are dominated by credit card lenders and multi-national, control a majority of the market with a combined market share of 74.62 percent.

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

The geographic distribution of home mortgage and small business loans reflects good penetration throughout the AA and when compared to aggregate lending data.

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

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

The geographic distribution of home mortgage loans reflects adequate penetration throughout the AA.

### ***Home Purchase Loans***

The geographic distribution of home purchase loans reflects adequate penetration throughout the AA and when compared to aggregate lending data. The percentage of home purchase loans to borrowers in low-income census tracts was significantly lower than the percentage of owner-occupied housing in low-income census tracts. However, owner-occupied housing in low-income census tracts represents 0.31 percent of all owner-occupied housing. The percentage of home purchase loans to borrowers in moderate-income census tracts was somewhat lower than the percentage of owner-occupied housing in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's home purchase loans in low-income census tracts was significantly lower than the percentage of loans by all lenders in low-income census tracts. However, only 0.32 percent of all home purchase loans in the AA were originated/purchased in low-income geographies by all lenders. When compared to aggregate lending data, the percentage of Webster's home purchase loans in moderate-income census tracts was near to the percentage of loans by all lenders in moderate-income census tracts.

### ***Home Improvement Loans***

The geographic distribution of home improvement loans reflects excellent penetration throughout the AA and when compared to aggregate lending data. The percentage of home improvement loans to borrowers in low-income census tracts exceeded the percentage of owner-occupied housing in low-income census tracts. The percentage of home improvement loans to borrowers in moderate-income census tracts exceeded the percentage of owner-occupied housing in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's home improvement loans in low-income census tracts exceeded the percentage of loans by all lenders in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's home improvement loans in moderate-income census tracts exceeded the percentage of loans by all lenders in moderate-income census tracts.

***Home Refinance Loans***

The geographic distribution of home refinance loans reflects adequate penetration throughout the AA and when compared to aggregate lending data. The percentage of home refinance loans to borrowers in low-income census tracts was significantly lower than the percentage of owner-occupied housing in low-income census tracts. However, owner-occupied housing in low-income census tracts represents 0.31 percent of all owner-occupied housing. The percentage of home refinance loans to borrowers in moderate-income census tracts was somewhat lower than the percentage of owner-occupied housing in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's home refinance loans in low-income census tracts was significantly lower than the percentage of loans by all lenders in low-income census tracts. However, only 0.44 percent of all home refinance loans in the AA were originated/purchased in low-income geographies by all lenders. When compared to aggregate lending data, the percentage of Webster's home refinance loans in moderate-income census tracts was somewhat lower than the percentage of loans by all lenders in moderate-income census tracts.

***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/purchase of small loans to businesses.

The geographic distribution of small loans to businesses reflects excellent penetration throughout the AA and when compared to aggregate lending data. The percentage of small loans to businesses in low-income census tracts exceeded the percentages of businesses in low-income census tracts. The percentage of small loans to businesses in moderate-income census tracts exceeded the percentages of businesses in moderate-income census tracts. When compared to aggregate lending data, the percentage of Webster's small loans to businesses in low-income census tracts exceeded the percentage of loans by all lenders in low-income census tracts. When compared to aggregate lending data, the percentage of Webster's small loans to businesses in moderate-income census tracts exceeded the percentage of loans by all lenders in moderate-income census tracts.

***Lending Gap Analysis***

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

***Inside/Outside Ratio***

The analysis was performed at the bank level as opposed to the AA level.

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

The distribution of borrowers reflects poor penetration among home mortgage loan customers of different income levels and business customers of different sizes.

### ***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 distribution of borrowers reflects very poor penetration among home mortgage loan customers of different income levels.

### ***Home Purchase Loans***

The distribution of home purchase loans reflects very poor penetration among customers of different income levels. The percentage of home purchase loans to low-income borrowers was significantly lower than the distribution of low-income families. The percentage of home purchase loans to moderate-income borrowers was significantly lower than the distribution of moderate-income families. As noted in the Community Profile in appendix C, it is difficult for a low- or moderate-income borrower to qualify for a mortgage loan given the \$522 thousand AA median housing value. When compared to aggregate lending data, the percentage of Webster's home purchase loans to low-income borrowers was significantly lower than the percentage of loans by all lenders to low-income families. When compared to aggregate lending data, the percentage of Webster's home purchase loans to moderate-income borrowers was significantly lower than the percentage of loans by all lenders to moderate-income families.

### ***Home Improvement Loans***

The distribution of home improvement loans reflects adequate penetration among customers of different income levels. The percentage of home improvement loans to low-income borrowers was significantly lower than the distribution of low-income families. The percentage of home improvement loans to moderate-income borrowers was near to the distribution of moderate-income families. When compared to aggregate lending data, the percentage of Webster's home improvement loans to low-income borrowers was significantly lower than the percentage of loans by all lenders to low-income families. When compared to aggregate lending data, the percentage of Webster's home improvement loans to moderate-income borrowers exceeded the percentage of loans by all lenders to moderate-income families.

### ***Home Refinance Loans***

The distribution of home refinance loans reflects very poor penetration among customers of different income levels. The percentage of home refinance loans to low-income borrowers was significantly lower than the distribution of low-income families. The percentage of home refinance loans to moderate-income borrowers was significantly lower than the distribution of moderate-income families. When compared to aggregate lending data, the percentage of Webster's home refinance loans to low-income borrowers was significantly lower than the percentage of loans by all lenders to low-income families. When compared to aggregate lending data, the percentage of Webster's home refinance loans to moderate-income borrowers was significantly lower than the percentage of loans by all lenders to moderate-income families.

### ***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 distribution of borrowers reflects adequate penetration throughout the AA among business customers of different sizes. The percentage of loans to small businesses was lower than the percentage of small businesses in the AA. When compared to aggregate lending data, the percentage of Webster's loans to small businesses exceeded the percentage of loans by all lenders to small businesses.

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

Webster made a relatively high level of community development loans which had a significantly positive impact on the overall lending performance in the New York MSA AA.

Webster reported four (4) community development loans totaling \$9.8 million during the evaluation period which represents 30.43 percent of allocated capital. Additionally, Webster had two (2) community development loans from prior periods with \$3.9 million outstanding.

Loans originated during the period included two (2) loans totaling \$6.7 million to organizations providing affordable housing for low- and moderate-income persons, one (1) loan totaling \$1.1 million through the SBA's 504 program which fosters economic development and one (1) loan totaling \$2.0 million to an organization revitalizing/stabilizing a moderate-income census tract in the AA.

An example of Webster's noteworthy CD loan activities include:

- A \$5.0 million loan to a national community development financial intermediary organization (CDFI) headquartered in New York City whose activities benefit organizations in the New York MSA AA. The organization provides financial and technical expertise and assistance to community development organizations for the rebuilding of low- and moderate-income neighborhoods through the creation of affordable housing, commercial and economic development, and a wide range of community facilities such as charter schools, child care centers and youth recreation programs.

### Outside AA in New York MSA

Webster originated two (2) loans totaling \$2.6 million through the SBA's 504 program which fosters economic development. One loan for \$1.4 million was to a business located in New York while the second loan for \$1.2 was to a business located in New Jersey.

## **Product Innovation and Flexibility**

Webster offers flexible loan products, mainly through government programs, for both consumers and small businesses, which had a positive impact on the bank's lending performance in the New York MSA AA.

For consumers, Webster offers home loans through programs with the Federal Housing Administration (FHA) and The State of New York. During the evaluation period, Webster accessed programs through these agencies to assist 13 borrowers secure \$4.3 million in mortgage financing.

Webster also offers a flexible proprietary affordable housing program known as Home Ownership Possibilities for Everyone or 30HOPE the features of which include up to 97 percent loan-to-value for purchase transactions and no requirement for mortgage insurance. This program targets low- and moderate-income first-time home buyers who are unable to qualify for conventional or government financing. During the evaluation period, Webster originated two (2) loans through this program totaling \$300 thousand.

For small businesses, Webster offers loans with guarantees from the Small Business Administration (SBA) through several of its guarantee programs including SBA Certified Development Company (CDC)/504 for equipment and real estate loans and SBA 7(a) for general small business loans. During the evaluation period, Webster originated 20 small loans to businesses totaling \$5.6 million with the assistance of an SBA guarantee. Webster also offers an unsecured line of credit (Unsec SB LoC) which supports short term working capital needs along with overdraft protection on the business' demand deposit account (DDA). During the evaluation period, Webster originated 27 (Unsec SB LoC) totaling \$985 thousand.

## **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 review, the bank's performance in the New York MSA 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.

During the evaluation period, the bank originated 32 investments, grant, and donations in the New York MSA AA, totaling \$13.4 million. In addition, one (1) prior period investment remained outstanding at the end of the evaluation period, with a total book value of \$1.3 million. The total investments of \$14.6 million in the AA represents 45.56 percent of allocated capital, reflecting excellent performance.

Community contacts identified affordable housing as a primary need in the AA. The bank's responsiveness to the CD needs of the AA was good. Webster invested \$12.8 million in one Ginnie Mae project loan benefiting the AA which provided a total of 88 affordable rental housing units. Webster purchased \$170 thousand in mortgage-backed securities where the underlying mortgages were made to LMI borrowers in the AA, during the evaluation period.

Webster made 10 donations and grants totaling, \$60 thousand supporting affordable housing, 10 donations and grants totaling, \$48 thousand supporting services for LMI individuals, and nine (9) donations and grants totaling \$38 thousand supporting economic development in the AA.

## **SERVICE TEST**

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

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

Delivery systems are reasonably accessible to essentially all portions of the bank's AAs and to individuals of different income levels.

Branch distribution in the New York MSA AA is adequate. Branches are reasonably accessible to essentially all portions of the AA. The bank has no branches of the seven total branches in low- or moderate-income census tracts. However, the assessment recognizes four branches in middle- or upper-income census tracts which are in close proximity to LMI geographies and meeting the needs of residents of LMI geographies including two branches where in excess of 25 percent of transactions are conducted by residents of LMI geographies.

Management complements its traditional service delivery methods with certain alternative delivery systems, including online banking, mobile banking, ATMs, and telephone banking; these delivery methods provide increased access to banking services throughout all areas in the AA. Alternative delivery system usage by households in LMI geographies was near to the percentage of households in LMI geographies.

Branch opening and closings has generally not adversely affected the accessibility of the bank's delivery systems in the AA. The bank closed one branch in an upper-income census tract during the evaluation period. The branch was closed due to low service volume and declining future growth potential.

Branch services and hours did not vary in a way that would inconvenience certain portions of the AA, particularly LMI individuals. Hours and services are comparable across all branches, regardless of geography income level. Bank personnel are available 24 hours a day, seven days a week through Webster's Customer Care Center. Webster continues to offer an "Opportunity Checking Account" product to meet the needs of un-banked consumers who are ineligible to open regular checking accounts. The account offers access to regular banking services, such as direct deposit, check writing, ATM cards, and online services, giving these consumers the opportunity to re-establish themselves as banking customers and provide

financial stability. In the New York MSA AA, 28.5 percent of active “Opportunity Checking Account” customers are located in LMI census tracts.

## **Community Development Services**

Webster’s performance in providing community development services in the New York MSA AA is excellent. The capacity of the bank is limited due to the number of employees and market share. The volume of hours is high and diversity of organizations is excellent.

Webster’s Default Management Services Group maintains a Loss Mitigation Program to assist eligible homeowners in the early stages of delinquency on a Webster owned first mortgage and/or home equity line of credit to create an affordable, sustained payment plan. Between January 1, 2014 and December 31, 2016, Webster completed two (2) modification requests for borrowers in LMI geographies in the New York MSA AA.

During the evaluation period, 12 employees provided their expertise to nine organizations for a total of 112 hours within the AA. Webster employees participated in many qualifying nonprofit organizations in a leadership capacity, either as a board member or committee member of three organizations and a total of 98 service hours using their financial expertise to provide technical assistance. These organizations work to create affordable housing, provide healthcare to low- and moderate-income families, provide education to children of low- and moderate-income parents, and provide economic development support to the local community.

The following are some examples of CD services provided by employees:

- Bank employee served as board during the entire evaluation period for an organization which provides programs that inspire young people from low-income communities to stay in school, to recognize business opportunities and to plan for successful futures. The involvement included coaching and assisting students in LMI neighborhoods with developing business plans, presentation skills and real-world application of skills learned.
- A bank representative assisted an organization develop a down payment assistance program. The organization guides LMI families and individuals from homelessness to home by providing emergency and transitional housing with an array of supportive services to achieve permanent homes.
- A task force was created to support the State Governor’s Cleaner, Greener Communities program. The objective of the initiative is to develop a realistic strategy for redevelopment. The bank employee shared their financial expertise which includes affordable housing, market rate housing, office and commercial uses space.

Bank employees taught financial education modules to six organizations through their CDEA program totaling 14 hours to LMI participants. Refer to the Other Performance Data – section in the overall Scope of Evaluation section for additional information.

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): 01/01/14 to 12/31/16  Investment and Service Tests and CD Loans: 06/02/14 to 08/07/17	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Webster Bank, National Association (WBNA) Waterbury, Connecticut	Home mortgage loans, small business loans, community development loans, qualified investments and community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
<i>None</i>		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>RI-MA MMSA</b>	Full Scope	Bristol County in Massachusetts and Bristol, Kent, Newport, Providence, and Washington counties in Rhode Island
<b>State of Connecticut</b> Bridgeport-Stamford-Norwalk, CT MSA #14860	Limited Scope	All of Fairfield County
Hartford-West Hartford-East Hartford, CT MSA #25540	Full Scope	All of Hartford, Middlesex and Tolland Counties
New Haven-Milford, CT MSA #35300	Full Scope	All of New Haven County
Norwich-New London, CT MSA #35980	Limited Scope	Portion of New London County
Connecticut non-MSA AA	Full Scope	All of Litchfield County
<b>State of Massachusetts</b> Boston-Cambridge-Newton, MA-NH MSA #14460	Full Scope	All of Norfolk, Plymouth and Suffolk Counties. Portion of Middlesex County.
Springfield, MA MSA #44140	Limited Scope	Portion of Hamden County.
<b>State of New York</b> New York-Jersey City-White Plains, NY-NJ MD #35614	Full Scope	Portion of Westchester County.

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

WEBSTER BANK, N. A.				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
<b>Webster Bank, N. A.</b>	High Satisfactory	Outstanding	Outstanding	Outstanding
Multistate Metropolitan Area or State:				
<b>RI-MA MMSA AA</b>	Outstanding	Outstanding	High Satisfactory	Outstanding
<b>State of Connecticut</b>	High Satisfactory	Outstanding	Outstanding	Outstanding
<b>State of Massachusetts</b>	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
<b>State of New York</b>	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: Community Profiles for Full-Scope Areas

### Providence-Warwick RI-MA MMSA AA

Demographic Information for Full Scope Area: Providence-Warwick RI-MA MMSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	368	12.77	20.92	37.23	28.26	0.82
Population by Geography	1,600,852	10.40	19.24	38.80	31.56	0.00
Owner-Occupied Housing by Geography	391,560	3.99	12.94	44.73	38.34	0.00
Business by Geography	95,251	9.04	16.50	39.71	34.67	0.10
Farms by Geography	2,587	3.52	8.16	38.11	50.21	0.00
Family Distribution by Income Level	400,698	22.56	16.87	20.08	40.49	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	158,004	18.04	27.09	36.28	18.59	0.00
Median Family Income		70.49%	Median Housing Value		301,214	
FFIEC Adjusted Median Family Income for 2016		73,100	Unemployment Rate (June 2017		4.30%	
Households Below Poverty Level		13%	BLS)			

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The Providence-Warwick RI MMSA is comprised of Bristol County in Massachusetts and Bristol, Kent, Newport, Providence, and Washington counties in Rhode Island. The area contains the principal cities of Providence, RI; New Bedford, MA; Fall River, MA, Warwick, RI, and Cranston RI. Webster includes this entire MMSA as its AA. The 2016 FFIEC adjusted median family income for this area is \$73,100 with approximately 13.00 percent of households living below the poverty level.

According to the June 30, 2016 FDIC Summary of Deposit Market Share report, Webster has 24 branches with \$1.07 billion in deposits in this AA representing 5.70 percent of its total deposits. The local banking environment is competitive with 31 FDIC-insured institutions operating 416 branches. Webster ranked eighth (8<sup>th</sup>) in deposit market share with 2.79 percent. Citizens Bank ranked first (1<sup>st</sup>) with 28.6 percent of deposit market share, followed by Bank of America with 24.30 percent, Santander Bank with 9.30 percent and The Washington Trust Company of Westerly with 7.10 percent. In addition to FDIC-insured institutions, this area is served by several credit unions, mortgage lenders and brokers, and money service businesses.

The area's major industries include healthcare, tourism and manufacturing. Some of the largest employers include Lifespan, Care New England, CVS Health Corp, Citizens Financial Group, General Dynamics Electric Boat, and Brown University. General Dynamics Electric Boat has doubled its workforce in the area in the last five years and within the last year has added 1,500 jobs. Amazon also recently opened a one million square foot distribution center in Fall River, MA which currently employs approximately 1,000 individuals. The unemployment rate in the AA as of June 2017 was 4.30 percent.

Based on census data, the median housing value is \$301,214. The area has lower business and living costs than Boston, MA, which is in close proximity, however, housing affordability remains an issue. Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$36,550 per year (or less than 50.00 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$170,215 mortgage with a payment of \$914 per month. A moderate-income borrower making \$58,480 per year (or less than 80.00 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$272,344 mortgage with a payment of \$1,462 per month. This illustrates that low- and moderate-income borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$1,608. Data from Realtor.com indicates the median listing price in the MMSA is \$299,500 as of December 2016.

There is a good level of opportunities in the area to participate in community development activities. The area is served by a number of community development and non-profit entities focused on affordable housing, economic development, and community services to LMI families and individuals.

In order to understand credit and community development needs in the area during the review period, OCC participated in a listening session with representatives of several non-profit and community-based organizations serving the Bristol County area of Massachusetts. These organizations were focused on a variety of areas including affordable housing, educational services, social services, and small business assistance. OCC staff also reviewed contacts completed during the evaluation period with organizations focused on affordable housing and community and economic development. Among the credit and community development needs identified by these contacts are support for job training and workforce development programs that are aligned with the needs of growing businesses and industry sectors such as healthcare and technology; financing and access to capital for small businesses; access to safe and affordable housing; access to traditional banking services, particularly for individuals who are non-English speaking and/or listed in the CHEX system. Contacts noted that there is a growing need for safe and affordable rental housing, particularly for households with Housing Choice vouchers. Contacts noted that it is becoming increasingly more difficult for participants in this program to find landlords willing to accept the vouchers. Contacts also indicated that they would like to see larger financial institutions provide greater support to smaller more localized projects and programs that serve LMI individuals and neighborhoods throughout the area.

## State of Connecticut

### Hartford MSA AA

Demographic Information for Full Scope Area: Hartford-West Hartford-East Hartford CT MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	290	15.86	14.48	39.31	28.28	2.07
Population by Geography	1,212,381	11.76	13.99	41.64	31.30	1.31
Owner-Occupied Housing by Geography	323,477	3.56	11.13	46.70	38.61	0.00
Business by Geography	88,017	9.33	10.99	41.83	37.46	0.39
Farms by Geography	2,678	2.80	6.83	43.61	46.71	0.04
Family Distribution by Income Level	310,244	21.35	16.97	22.11	39.57	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	118,886	21.38	20.77	39.09	18.74	0.01
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		82,299 86,000 9%	Median Housing Value Unemployment Rate (June 2017 BLS)	257,503 5.20%		

\*The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2016 FFIEC updated MFI

The Hartford-West Hartford-East Hartford, CT MSA is comprised of Hartford, Middlesex, and Tolland counties and contains the principal city of Hartford, the state capital of Connecticut. The bank defines the entire MSA as its assessment area. The 2016 FFIEC adjusted median family income for this MSA is \$86,000 with approximately 9.00 percent of households living below the poverty line.

According to the June 30, 2016 FDIC Summary of Deposit Market Share report, Webster operates 47 branches with \$4.27 billion in deposits in this AA representing 23 percent of its total deposits. The local banking environment is competitive with 30 FDIC-insured institutions operating 377 branches. Webster ranked second (2<sup>nd</sup>) in deposit market share with 9.96 percent. Bank of America ranked first (1<sup>st</sup>) in deposit market share with 42.85 percent followed by Webster, TD Bank with 6.79 percent, United Bank with 6.52 percent and Peoples United Bank with 5.78 percent.

The area's major industries include financial services, healthcare, and state government. The largest employers in the area include Aetna, Hartford Financial Services Group, Eversource, Hartford Hospital, and Connecticut state government. The unemployment rate in the MSA as of June 2017 was 5.20 percent compared to the Connecticut statewide rate of 5.10 percent. Unemployment in Hartford, Middlesex and Tolland Counties as of June 2017 was 5.30 percent, 4.50 percent and 4.50 percent, respectively.

The median housing value in the AA is \$257,503. Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$43,000 per year (or less than 50.00 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$200,253 mortgage with a payment of \$1,075 per month. A moderate-income borrower making \$68,800 per year (or less than 80.00 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$320,404 mortgage with a payment of \$1,720

per month. This illustrates that low-income borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$1,382. Data from Realtor.com indicates the median listing price in the MSA is \$249,900 as of December 2016.

There are a number of opportunities in the area to participate in community development activities. The area is served by several non-profit and community development entities, including community development corporations, community development financial institutions (CDFIs), nonprofit entities, and governmental organizations focused on areas such as affordable housing, economic development, asset development and financial education, community services, and youth programs.

As part of the examination, OCC staff completed a community contact with an organization focused on affordable housing and community development issues. The contact noted that the Frog Hollow neighborhood in Hartford is one of the poorest neighborhoods in the state of Connecticut. The neighborhood has an unemployment rate that is probably four times higher than the statewide average. There is ongoing need for investment in the neighborhood that will help to revitalize and stabilize the area without causing displacement for low and moderate-income residents. The contact noted that many residents are housing cost burdened, spending more than 30.00 percent of their income to cover housing related expenses. In the greater Hartford area, more than 30.00 percent of households have incomes below the "survival budget", meaning they do not earn enough to meet basic day to day living expenses. Due to childcare and housing costs, which for many low-income families are their largest household expenses, families are forced to make choices among other necessities such as transportation, healthcare, and food. There is a need for support for programs that will help lead to family economic stability.

**New Haven MSA AA**

Demographic Information for Full Scope Area: New Haven-Milford CT MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	189	14.29	21.16	35.45	29.10	0.00
Population by Geography	862,477	11.07	21.98	35.57	31.38	0.00
Owner-Occupied Housing by Geography	216,131	3.46	16.65	40.50	39.39	0.00
Business by Geography	63,206	8.52	15.26	39.21	37.01	0.00
Farms by Geography	1,533	3.59	11.42	32.68	52.32	0.00
Family Distribution by Income Level	217,115	22.94	16.70	19.78	40.59	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	86,054	18.78	31.63	33.10	16.48	0.00
Median Family Income		77,379	Median Housing Value		272,790	
FFIEC Adjusted Median Family Income for 2016		81,000	Unemployment Rate (June 2017 BLS)		5.50%	
Households Below Poverty Level		11%				

\* The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2010 US Census and 2016 FFIEC updated MFI

The New Haven MSA occupies the south-central portion of the state of Connecticut and is comprised of the entirety of New Haven County, including 27 towns and the principle cities of New Haven and Milford Webster defines the entire MSA as its AA. The 2016 FFIEC adjusted median family income for this MSA is \$81,000 with approximately 11 percent of families living below the poverty line.

According to the June 30, 2016 FDIC Summary of Deposit Market Share report, Webster has 33 branches with \$10.04 billion in deposits in this AA representing 53.07 percent of its total deposits. The local banking environment is competitive with 25 FDIC-insured institutions operating 265 branches. Webster ranked first (1<sup>st</sup>) in deposit market share with 36.30 percent. Wells Fargo Bank ranked second (2<sup>nd</sup>) in deposit market share with 12.98 percent, followed by Bank of America with 11.19 percent, and Peoples United with 8.34 percent.

The area’s major industries include educational services, health care, and social assistance. The city of New Haven benefits from its close proximity to two major bioscience centers, New York and Boston. Over half of the economy is based on services, especially healthcare, education and financial. New Haven also has a growing bio-technology industry, due primarily to Yale Medical School, pharmaceutical companies and local healthcare. Yale University and Yale Medical School also attract high-technology companies and research and development organizations. Yale University and its affiliated entities (including but not limited to Yale-New Haven Hospital and Yale-New Haven Health System) is the city's largest employer. Other major employers in the AA include Waterbury Hospital, VA Connecticut Healthcare System, St. Mary’s Hospital, and Southern Connecticut State University. The unemployment rate in the AA as of June 2017 was 5.50 percent compared to the Connecticut statewide rate of 5.10 percent.

The median home value in the AA is \$272,790. Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$40,500 per year (or less than 50.00 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$188,610 mortgage with a payment of \$1,013 per month. A moderate-income

borrower making \$64,800 per year (or less than 80.00 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$301,776 mortgage with a payment of \$1,620 per month. This illustrates that low-income borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$1,464. Data from Realtor.com indicates the median listing price in the MSA is \$249,500 as of December 2016.

There are a number of opportunities in the area to participate in community development activities. The area is served by several non-profit and community development entities, including community development corporations, community development financial institutions (CDFIs), nonprofit entities, and governmental organizations focused on areas such as affordable housing, economic development, asset development and financial education, community services, and youth programs.

As part of the examination, OCC staff reviewed community contacts completed during the examination period with organizations and entities that serve all or part of the AA. The contacts were with organizations focused on affordable housing and community development. According to the contacts, Connecticut remains one of the most expensive places to live in the country, and as a consequence, many families and individuals cannot afford quality affordable housing. Affordable housing remains a top need. Lack of sufficient subsidies makes it challenging for affordable housing developers to meet the demand. Contacts noted that the city of New Haven has a significant population of very wealthy and very poor individuals with Yale University providing a strong base for stability. In Waterbury the most pressing needs include affordable housing; better quality of houses; elimination of blight; park renovations; reducing crime; and financial literacy education. Contacts indicated that neighborhoods are riddled with tax delinquent properties. Many of the properties are owned by landlords that live out of town/state who purchased houses at the top of market. Now some of the properties are vacant or landlords are not investing in the property. Low-income residents are concerned with employment, affordable housing, and quality of life in their neighborhoods. Contacts also noted that there is a need for better connections between job training and job placement.

**Connecticut non-MSA AA**

Demographic Information for Full Scope Area: Connecticut non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	51	1.96	17.65	60.78	19.61	0.00
Population by Geography	189,927	0.96	16.74	57.15	25.15	0.00
Owner-Occupied Housing by Geography	60,345	0.49	14.66	58.24	26.62	0.00
Business by Geography	15,955	1.17	14.47	59.79	24.58	0.00
Farms by Geography	894	0.11	10.63	61.41	27.85	0.00
Family Distribution by Income Level	52,663	17.90	19.05	24.86	38.19	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	19,458	1.57	25.17	56.82	16.44	0.00
Median Family Income		84,890	Median Housing Value	306,264		
FFIEC Adjusted Median Family Income for 2016		89,300	Unemployment Rate (June 2017)	4.50%		
Households Below Poverty Level		6%	BLS			

\*The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2010 US Census and 2016 FFIEC updated MFI

The Connecticut non-MSA AA consists entirely of Litchfield County in the Connecticut non-MSA. The 2016 FFIEC adjusted median family income for this area is \$89,300 with approximately 6.00 percent of households living below the poverty line.

According to the June 30, 2016 FDIC Summary of Deposit Market Share report, Webster operates 11 branches with \$742 million in deposits in this AA representing 3.92 percent of its total deposits. The local banking environment is competitive with 16 FDIC-insured institutions, including Webster, operating 77 branches. Webster ranked first (1<sup>st</sup>) in deposit market share with 16.59 percent. The Torrington Savings Bank ranked second (2<sup>nd</sup>) in deposit market share with 13.01 percent, followed by Thomaston Savings Bank with 11.99 percent, Union Savings Bank with 11.85 percent, and Bank of America with 8.79 percent.

The area’s major industries include manufacturing and healthcare. The largest employers in the area include Barden Corp, Charlotte Hunger Hospital, Kimberly-Clark, Nicard Enterprises, and Siemon Company. The unemployment rate in the AA as of June 2017 was 4.50 percent compared to the Connecticut statewide rate of 5.10 percent.

Based on census data, the median home value in the area is \$306,264 and the median monthly rent is \$895. Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$44,650 per year (or less than 50.00 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$207,937 mortgage with a payment of \$1,116 per month. A moderate-income borrower making \$71,440 per year (or less than 80.00 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$332,699 mortgage with a payment of \$1,786 per month. This illustrates that low-income borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$1,644.

There are a limited number of community development entities that are based in the area, although the area is served by several affordable housing, community development and economic development entities that service a statewide or regional area.

As part of the examination, OCC staff reviewed community contacts completed during the examination period with organizations that serve the Litchfield County area. According to the contacts the main economic driver in the area is small- and moderate-sized manufacturing companies, artistic businesses, and small farms specializing in organic products. Tourism (vacation home rentals and other vacation attractions) is also prevalent in the more rural areas of the county. Housing values vary greatly depending on the area. The contact stated that there is sufficient housing and affordable housing in the area overall, but higher-priced localities are harder for lower-income families to afford. One contact specifically mentioned that regulation by the State of Connecticut makes it hard to keep businesses in the state, especially in this area which is close to the border with New York and Massachusetts. The contact stated the main credit need for the area is small business funding, as it appears to be the driver for most economic activity.

## State of Massachusetts

### Boston MSA AA

Demographic Information for Full Scope Area: Boston MA MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	596	10.91	20.47	37.08	29.19	2.35
Population by Geography	2,613,633	9.26	20.13	40.50	29.97	0.14
Owner-Occupied Housing by Geography	576,505	3.12	14.05	45.74	37.08	0.01
Business by Geography	195,878	6.10	13.87	37.03	42.69	0.31
Farms by Geography	2,937	1.74	9.09	50.60	38.58	0.00
Family Distribution by Income Level	600,456	22.96	16.14	20.09	40.82	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	234,728	15.62	28.25	39.37	16.76	0.01
Median Family Income		85,544	Median Housing Value	435,939		
FFIEC Adjusted Median Family Income for 2016		92,907	Unemployment Rate (June 2017 BLS)	4.00%		
Households Below Poverty Level		12%				

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The Boston-Cambridge-Newton MA-NH multi-state MSA is comprised of Suffolk, Norfolk, Plymouth, Middlesex and Essex Counties in eastern and northeastern Massachusetts and Rockingham and Strafford counties in southern New Hampshire. The MSA contains the principal cities of Boston (the largest city in New England), Quincy and Cambridge Massachusetts. The bank designated Plymouth, Norfolk, Suffolk, and a portion of Middlesex counties within the multi-state MSA as its assessment area. The 2016 FFIEC adjusted median family income for this AA is \$92,907 with approximately 12.00 percent of households living below the poverty level.

Competition for both loans and deposits is strong in this AA, especially from larger multistate financial institutions. According to the June 30, 2016 FDIC Summary of Deposit Market Share report, Webster has 22 branches with \$994 million in deposits in this AA, representing 5.00 percent of its total deposits. The local banking environment is highly competitive with 138 FDIC-insured institutions operating 1,537 branches. Webster ranked 31st in deposit market share with 0.32 percent. State Street Bank and Trust, a custodian bank providing securities services to institutional investors, ranked first (1<sup>st</sup>) with 29.99 percent, followed by Bank of America with 20.03 percent, RBS Citizens with 9.86 percent and Santander Bank with 4.99 percent. In addition to FDIC-insured institutions, this area is served by a number of credit unions, mortgage lenders and brokers, and money service businesses.

The area's major industries include healthcare, education and financial services. The largest employers in the area include Brigham and Women's Hospital, Massachusetts General Hospital, Beth Israel Deaconess Medical Center, Boston University, Fidelity Investments, John Hancock Financial Services, Tufts New England Medical Center, Harvard University and Massachusetts Institute of Technology. There is also a growing high tech and biotech sector. As such, the area has a highly skilled and highly educated workforce. The unemployment rate as of June 2017 in the MSA is low at 4.00 percent and lower than the Massachusetts statewide

rate of 4.40 percent. Plymouth, Norfolk, Suffolk, and Middlesex Counties have unemployment rates of 4.50, 4.00, 4.30, and 3.70 percent, respectively, as of June 2017.

The cost of living in the greater Boston area is high and housing affordability is a key issue. The median housing value based on census data is \$435,939. Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$46,453 per year (or less than 50.00 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$216,336 mortgage with a payment of \$1,161 per month. A moderate-income borrower making \$74,326 per year (or less than 80.00 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$346,137 mortgage with a payment of \$1,858 per month. This illustrates that low- and moderate-income borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$2,340.

Data from Realtor.com indicates the median listing price in the MSA is \$474,900 as of December 2016 and \$494,400 as of February 2017. Housing costs in most neighborhoods within the City of Boston as well as within several surrounding communities are high and are unaffordable for low and moderate-income households. In many communities in the greater Boston area, two and three family properties, which traditionally provided a source of affordable housing for LMI and working class families, are being acquired by investors and cash buyers who renovate the units and convert them into market rate and luxury condominium units.

There are numerous opportunities in the area to participate in community development activities. The area is served by multiple well-established community development entities, including community development corporations, community development financial institutions (CDFIs), nonprofit entities, and governmental and quasi-governmental organizations focused on areas such as affordable housing, economic development, asset development and financial education, community services, and youth programs. All of these entities are open to partnership opportunities with area financial institutions.

In order to better understand credit and community development needs in the area, OCC staff met with representatives of organizations focused on areas such as affordable housing, community and economic development, and community services. In addition, staff reviewed existing community contacts completed during the review period as part of CRA examinations for other institutions operating in the AA. Contacts noted that housing costs in the area are high and that demand for affordable housing exceeds the supply of available units for both rental and homeownership. Lower income households are being price out of much of Boston and Cambridge and relocating to communities south and north of the city. Contacts also noted that there is a racial wealth gap in the area as low income minority households have not benefited from the economic growth that is taking place. Contacts noted that access to programs that help promote homeownership will help lower-income households build wealth. Contacts also noted that the foreclosure issues that resulted from the subprime mortgage crisis have passed and that most foreclosures that are occurring now are due to such circumstances as loss of wages or divorce.

## State of New York

### New York MSA AA

Demographic Information for Full Scope Area: New York-Jersey City-White Plains NY-NJ MD						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	172	2.91	14.53	27.33	53.49	1.74
Population by Geography	721,349	2.24	16.23	26.86	54.32	0.35
Owner-Occupied Housing by Geography	154,947	0.31	5.30	21.64	72.75	0.00
Business by Geography	55,948	1.41	14.24	22.01	62.26	0.08
Farms by Geography	990	0.71	13.13	28.38	57.78	0.00
Family Distribution by Income Level	177,992	16.32	12.14	14.77	56.76	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	50,666	5.61	30.55	34.53	29.32	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		68,006 72,600 9%	Median Housing Value Unemployment Rate (2010 US Census)	521,612 4.50%		

\*The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2016 FFIEC updated MFI

The New York-Jersey City-White Plains NY-NJ MD contains Bronx, Kings, New York, Orange, Queens, Richmond, Rockland, and Westchester counties in New York and Hudson, Middlesex, Monmouth, Ocean, and Passaic counties in New Jersey. The bank designated only a portion of Westchester County as its AA. The 2016 FFIEC adjusted median family income for the New York-Jersey City-White Plains NY-NJ MD \$72,600 with approximately 9.00 percent of households living below the poverty level. Westchester County is more affluent than most of the communities that make up the MD. According to U.S. Census data, as of 2016 the estimated median family income for Westchester County was \$110,751.

Competition for loans and deposits is strong in this AA, particularly as a large number of multi-state financial institutions operate in the market. According to the June 30, 2016 FDIC Summary of Deposit Market Share report, Webster has eight branches with \$297 million in deposits in this AA, representing 1.57 percent of its total deposits. The local banking environment is competitive with 36 FDIC-insured institutions, including Webster, operating 350 branches. Webster ranked 21st in deposit market share with 0.34 percent. Morgan Stanley Private Bank ranked first (1<sup>st</sup>) in deposit market share with 45.27 percent, followed by JP Morgan Chase Bank with 14.50 percent, Citibank with 7.59 percent, Emigrant Bank with 5.07 percent and Wells Fargo Bank with 5.01 percent.

A number of Fortune 500 companies are headquartered in Westchester County including MasterCard, PepsiCo, IBM, ITT Corp, Jarden and Universal American. The county also has a growing biotechnology sector. In April 2017, county officials unveiled plans for an 80 acre, 3.0 million square-foot biotechnology hub to be built on vacant land adjacent to Westchester Medical Center in Valhalla. This new center is anticipated to create 12,000 new jobs and include over 2.25 million square feet of biotechnology research space. The unemployment rate in the AA as of June 2017 was 4.50 percent compared to the New York statewide rate of 4.50 percent.

Based on census data, the median housing value is \$521,612. Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$36,300 per year (or less than 50.00 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$169,051 mortgage with a payment of \$908 per month. A moderate-income borrower making \$58,080 per year (or less than 80.00 percent of the 2016 FFIEC adjusted median family income in the AA) could afford a \$270,481 mortgage with a payment of \$1,452 per month. This illustrates that low- and moderate-income borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$2,800. Data from Realtor.com indicates the median listing price in the MSA is \$425,000 as of December 2016.

In order to better understand credit and community development needs in the AA, OCC staff completed a contact with a community development entity whose service area includes Westchester County. According to the contact in the Hudson Valley region, the majority of jobs are found in companies employing 15 or fewer employees. The lack of affordable housing is a significant concern in the area. The area economy is tied significantly to New York City. Although the area has direct access to New York City and its multiple economic opportunities, Westchester and neighboring counties are losing their workforce. Both younger people who are just starting out in their careers as well as older retirees cannot afford housing in the area. Buyers and renters who have been priced out of the New York City housing market continue to enter the region looking for more affordable housing options. This level of activity is driving up housing prices in the area leaving many communities unaffordable for low- and moderate-income households. The contact noted that there is a need for continued support of programs and activities that will increase the availability of affordable housing in the area, particularly for low- and moderate-income households. The contact also noted, small businesses need continued access to capital.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE. [Note: Do not renumber the tables.]

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the

bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the

table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

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

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

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

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

Institution ID: Webster Bank

**Table 1. Lending Volume**

LENDING VOLUME												
Geography: RI-MA MMSA												
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016												
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Providence-Warwick RI-MA MMSA	100.00	2,212	491,056	1,102	214,634	0	0	19	34,382	3,333	740,072	100.00

\* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.  
 \*\* The evaluation period for Community Development Loans is from June 02, 2014 to August 07, 2017.  
 \*\*\* Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: Webster Bank

**Table 1. Other Products**

LENDING VOLUME		Geography: RI-MA MMSA		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016	
Assessment Area:	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
Full Review:					
Providence-Warwick RI-MA MMSA	0	0	6	5,491	

\* The evaluation period for Optional Product Line(s) is from January 01, 2014 to December 31, 2016.

Institution ID: Webster Bank

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

Geographic Distribution: HOME PURCHASE														Geography: RI-MA MMSA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*										
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp							
<b>Full Review:</b>																					
Providence-Warwick RI-MA MMSA	1,133	100.00	3.99	5.83	12.94	16.33	44.73	43.42	38.34	34.42	4.68	13.31	44.70	37.31							

\* Based on 2015 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

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

Institution ID: Webster Bank

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

Geographic Distribution: HOME IMPROVEMENT														Geography: RI-MA MMSA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016									
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*																
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp													
<b>Full Review:</b>																											
Providence-Warwick RI-MA MMSA	264	100.00	3.99	5.30	12.94	13.26	44.73	37.12	38.34	44.32	3.25	11.23	41.83	43.68													

\* Based on 2015 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

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

Institution ID: Webster Bank

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

Geographic Distribution: HOME MORTGAGE REFINANCE														Geography: RI-MA MMSA		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016										
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income *															
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp												
<b>Full Review:</b>																										
Providence-Warwick RI-MA MMSA	777	100.00	3.99	3.60	12.94	10.55	44.73	41.57	38.34	44.27	3.13	10.50	43.06	43.31												

\* Based on 2015 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

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

Institution ID: Webster Bank

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

Geographic Distribution: MULTIFAMILY														Geography: RI-MA MMSA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016									
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income *																
	#	% of Total **	% of MF Units ***	% BANK Loans **	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp													
<b>Full Review:</b>																											
Providence-Warwick RI-MA MMSA	38	100.00	23.18	31.58	22.70	28.95	36.76	34.21	17.37	5.26	22.73	33.77	31.49	12.01													

\* Based on 2015 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Multi-family Units is the number of multi-family units in a particular geography divided by the number of multi-family housing units in the area based on 2010 Census information.

\*\*\*\* Multi-family loan distribution includes Home Purchases, Home Improvement and Refinances.

Institution ID: Webster Bank

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

Geographic Distribution: SMALL LOANS TO BUSINESSES														Geography: RI-MA MMSA		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016									
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*														
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp											
<b>Full Review:</b>																									
Providence-Warwick RI-MA MMSA	1,102	100.00	9.04	13.52	16.50	19.06	39.71	40.02	34.67	27.40	8.31	15.02	40.57	36.10											

\* Based on 2015 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2016).

Institution ID: Webster Bank

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

Borrower Distribution: HOME PURCHASE														
Geography: RI-MA MMSA														
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016														
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans*** *	% Families <sup>5</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Providence-Warwick RI-MA MMSA	1,133	100.00	22.56	7.79	16.87	26.49	20.08	24.20	40.49	41.52	7.55	25.33	28.35	38.76

\* Based on 2015 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 3.7% of loans originated and purchased by BANK.

<sup>5</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: Webster Bank

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

Borrower Distribution: HOME IMPROVEMENT														Geography: RI-MA MMSA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016									
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*																
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>6</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp													
<b>Full Review:</b>																											
Providence-Warwick RI-MA MMSA	264	100.00	22.56	6.25	16.87	15.63	20.08	26.95	40.49	51.17	8.47	17.44	25.22	48.87													

\* Based on 2015 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 3.0% of loans originated and purchased by BANK.

<sup>6</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: Webster Bank

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

Borrower Distribution: HOME MORTGAGE REFINANCE														Geography: RI-MA MMSA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016									
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*																
	#	% of Total**	% Families***	% BANK Loans*** *	% Families <sup>7</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp													
<b>Full Review:</b>																											
Providence-Warwick RI-MA MMSA	777	100.00	22.56	7.35	16.87	15.92	20.08	27.76	40.49	48.98	6.34	16.67	27.37	49.62													

\* Based on 2015 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 5.4% of loans originated and purchased by BANK.

<sup>7</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: Webster Bank

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

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: RI-MA MMSA		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016					
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data *	
	#	% of Total **	% of Businesses ***	% BANK Loans ****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Providence-Warwick RI-MA MMSA	1,102	100.00	82.74	54.81	56.26	20.51	23.23	26,742	12,502

\* Based on 2015 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2016).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.27% of small loans to businesses originated and purchased by the bank.

Institution ID: Webster Bank

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
			Geography: RI-MA MMSA		Evaluation Period: JUNE 2, 2014 TO AUGUST 7, 2017				
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>									
Providence-Warwick RI-MA MMSA	12	13,980	65	47,780	77	61,760	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.

Institution ID: Webster Bank

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: RI-MA MMSA Evaluation Period: JUNE 2, 2014 TO AUGUST 7, 2017																	
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				
<b>Full Review:</b>																	
Providence-Warwick RI-MA MMSA	100.00	20	100.00	15.00	20.00	40.00	25.00	0	4	0	0	-3	-1	10.40	19.24	38.80	31.56

Institution ID: Webster Bank

**Table 1. Lending Volume**

LENDING VOLUME												
Geography: CONNECTICUT												
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016												
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Hartford-West Hartford-East Hartford CT MSA	45.70	3,454	688,415	2,815	449,839	0	0	8	23,778	6,277	1,162,032	25.88
New Haven-Milford CT MSA	25.61	1,914	349,681	1,599	252,867	0	0	8	7,241	3,521	609,789	60.87
Connecticut Non-MSA	8.49	706	122,947	458	53,571	0	0	1	12,000	1,165	188,518	4.49
<b>Limited Review:</b>												
Bridgeport-Stamford-Norwalk CT MSA	18.80	1,470	777,643	1,109	174,022	0	0	8	40,138	2,587	991,803	8.27
Norwich-New London CT MSA	1.41	131	35,218	62	9,237	0	0	0	0	193	44,455	0.48
Statewide								1	5,600			

\* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.  
 \*\* The evaluation period for Community Development Loans is from June 02, 2014 to August 07, 2017.  
 \*\*\* Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: Webster Bank

**Table 1. Other Products**

LENDING VOLUME		Geography: CONNECTICUT		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016	
Assessment Area:	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
Hartford-West Hartford-East Hartford CT MSA	0	0	8	7,401	
New Haven-Milford CT MSA	0	0	8	5,779	
Connecticut Non-MSA	0	0	0	0	
<b>Limited Review:</b>					
Bridgeport-Stamford-Norwalk CT MSA	0	0	6	27,585	
Norwich-New London CT MSA	0	0	0	0	

\* The evaluation period for Optional Product Line(s) is from January 01, 2014 to December 31, 2016.

Institution ID: Webster Bank

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

Geographic Distribution: HOME PURCHASE		Geography: CONNECTICUT				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016								
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income *			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Hartford-West Hartford-East Hartford CT MSA	1,568	44.53	3.56	4.15	11.13	11.93	46.70	47.00	38.61	36.93	2.94	10.74	46.80	39.53
New Haven-Milford CT MSA	891	25.31	3.46	3.37	16.65	18.07	40.50	38.61	39.39	39.96	2.56	14.60	42.04	40.80
Connecticut Non-MSA	301	8.55	0.49	0.66	14.66	20.27	58.24	57.14	26.62	21.93	0.14	13.61	55.92	30.33
<b>Limited Review:</b>														
Bridgeport-Stamford-Norwalk CT MSA	707	20.08	5.20	3.54	15.88	11.60	40.35	31.54	38.57	53.32	3.90	14.95	41.55	39.61
Norwich-New London CT MSA	54	1.53	2.17	3.70	12.88	1.85	45.50	42.59	39.45	51.85	1.73	15.94	45.63	36.69

\* Based on 2015 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

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

Institution ID: Webster Bank

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

Geographic Distribution: HOME IMPROVEMENT														Geography: CONNECTICUT				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*										
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp							
<b>Full Review:</b>																					
Hartford-West Hartford-East Hartford CT MSA	547	46.24	3.56	3.47	11.13	11.33	46.70	52.29	38.61	32.91	2.05	7.95	44.32	45.69							
New Haven-Milford CT MSA	294	24.85	3.46	2.72	16.65	17.69	40.50	36.39	39.39	43.20	3.42	13.21	36.33	47.04							
Connecticut Non-MSA	112	9.47	0.49	0.00	14.66	15.18	58.24	50.00	26.62	34.82	0.00	13.10	60.70	26.20							
<b>Limited Review:</b>																					
Bridgeport-Stamford-Norwalk CT MSA	210	17.75	5.20	4.76	15.88	7.62	40.35	41.43	38.57	46.19	3.14	8.42	35.40	53.04							
Norwich-New London CT MSA	20	1.69	2.17	10.00	12.88	0.00	45.50	55.00	39.45	35.00	2.61	9.80	49.67	37.91							

\* Based on 2015 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

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

Institution ID: Webster Bank

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

Geographic Distribution: HOME MORTGAGE REFINANCE														Geography: CONNECTICUT				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income *										
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp							
<b>Full Review:</b>																					
Hartford-West Hartford-East Hartford CT MSA	1,295	44.97	3.56	1.70	11.13	10.04	46.70	47.41	38.61	40.85	2.46	9.31	46.20	42.03							
New Haven-Milford CT MSA	709	24.62	3.46	1.41	16.65	12.27	40.50	33.15	39.39	53.17	3.80	12.69	39.55	43.96							
Connecticut Non-MSA	287	9.97	0.49	0.00	14.66	9.76	58.24	60.28	26.62	29.97	0.26	12.26	58.95	28.53							
<b>Limited Review:</b>																					
Bridgeport-Stamford-Norwalk CT MSA	532	18.47	5.20	2.63	15.88	10.15	40.35	30.45	38.57	56.77	2.60	11.28	36.91	49.21							
Norwich-New London CT MSA	57	1.98	2.17	0.00	12.88	0.00	45.50	26.32	39.45	73.68	1.63	11.90	46.42	40.06							

\* Based on 2015 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

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

Institution ID: Webster Bank

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

Geographic Distribution: MULTIFAMILY														Geography: CONNECTICUT				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*										
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp							
<b>Full Review:</b>																					
Hartford-West Hartford-East Hartford CT MSA	44	48.35	30.71	50.00	18.62	18.18	38.97	22.73	11.70	9.09	45.99	16.06	30.66	7.30							
New Haven-Milford CT MSA	20	21.98	19.68	25.00	30.98	35.00	37.19	25.00	12.16	15.00	27.19	32.46	35.96	4.39							
Connecticut Non-MSA	6	6.59	2.49	0.00	29.49	50.00	56.18	33.33	11.84	16.67	0.00	27.27	54.55	18.18							
<b>Limited Review:</b>																					
Bridgeport-Stamford-Norwalk CT MSA	21	23.08	27.12	38.10	37.71	28.57	27.47	23.81	7.71	9.52	39.39	32.32	18.18	10.10							
Norwich-New London CT MSA	0	0.00	8.93	0.00	59.55	0.00	19.89	0.00	11.62	0.00	9.09	63.64	27.27	0.00							

\* Based on 2015 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Multi-family Units is the number of multi-family units in a particular geography divided by the number of multi-family housing units in the area based on 2010 Census information.

\*\*\*\* Multi-family loan distribution includes Home Purchases, Home Improvement and Refinances.

Institution ID: Webster Bank

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

Geographic Distribution: SMALL LOANS TO BUSINESSES														Geography: CONNECTICUT		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016											
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*																
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp													
<b>Full Review:</b>																											
Hartford-West Hartford-East Hartford CT MSA	2,810	46.54	9.33	9.50	10.99	13.31	41.83	46.65	37.46	30.53	6.65	11.01	44.46	37.88													
New Haven-Milford CT MSA	1,599	26.48	8.52	9.13	15.26	16.57	39.21	39.15	37.01	35.15	6.65	15.28	38.35	39.72													
Connecticut Non-MSA	458	7.59	1.17	0.66	14.47	11.79	59.79	64.19	24.58	23.36	0.99	13.39	58.64	26.98													
<b>Limited Review:</b>																											
Bridgeport-Stamford-Norwalk CT MSA	1,109	18.37	10.35	9.92	16.49	22.09	32.55	39.77	40.61	28.22	9.19	16.56	33.79	40.46													
Norwich-New London CT MSA	62	1.03	1.83	1.61	24.78	12.90	38.70	22.58	34.35	62.90	1.94	17.71	52.10	28.24													

\* Based on 2015 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2016).

Institution ID: Webster Bank

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

Borrower Distribution: HOME PURCHASE														Geography: CONNECTICUT		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016											
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*																
	#	% of Total**	% Families***	% BANK Loans*** *	% Families <sup>8</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp													
<b>Full Review:</b>																											
Hartford-West Hartford-East Hartford CT MSA	1,568	44.53	21.35	10.53	16.97	29.49	22.11	22.67	39.57	37.31	11.20	27.93	26.87	33.99													
New Haven-Milford CT MSA	891	25.31	22.94	7.83	16.70	26.63	19.78	26.99	40.59	38.55	8.16	28.61	27.15	36.08													
Connecticut Non-MSA	301	8.55	17.90	11.30	19.05	38.01	24.86	23.29	38.19	27.40	11.55	30.83	26.89	30.72													
<b>Limited Review:</b>																											
Bridgeport-Stamford-Norwalk CT MSA	707	20.08	22.70	5.65	16.66	13.69	19.96	16.52	40.68	64.14	9.26	20.22	20.58	49.94													
Norwich-New London CT MSA	54	1.53	19.03	9.26	20.13	12.96	21.75	20.37	39.08	57.41	8.71	25.81	24.15	41.33													

\* Based on 2015 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 5.4% 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)

Institution ID: Webster Bank

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

Borrower Distribution: HOME IMPROVEMENT		Geography: CONNECTICUT					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>9</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Hartford-West Hartford-East Hartford CT MSA	547	46.24	21.35	11.09	16.97	25.38	22.11	28.01	39.57	35.53	7.18	18.75	27.40	46.67
New Haven-Milford CT MSA	294	24.85	22.94	10.49	16.70	21.33	19.78	27.27	40.59	40.91	7.93	17.88	22.54	51.64
Connecticut Non-MSA	112	9.47	17.90	11.71	19.05	26.13	24.86	27.03	38.19	35.14	9.72	17.01	26.74	46.53
<b>Limited Review:</b>														
Bridgeport-Stamford- Norwalk CT MSA	210	17.75	22.70	10.40	16.66	15.84	19.96	18.32	40.68	55.45	7.48	12.13	19.93	60.46
Norwich-New London CT MSA	20	1.69	19.03	10.00	20.13	20.00	21.75	25.00	39.08	45.00	17.02	16.31	24.82	41.84

\* Based on 2015 Peer Mortgage Data -- US and PR

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

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

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

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

Institution ID: Webster Bank

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

Borrower Distribution: HOME MORTGAGE REFINANCE														Geography: CONNECTICUT		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016											
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*																
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>10</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp													
<b>Full Review:</b>																											
Hartford-West Hartford-East Hartford CT MSA	1,295	44.97	21.35	9.54	16.97	20.37	22.11	25.87	39.57	44.22	7.42	20.44	27.51	44.62													
New Haven-Milford CT MSA	709	24.62	22.94	7.31	16.70	15.67	19.78	26.27	40.59	50.75	6.43	17.98	25.88	49.72													
Connecticut Non-MSA	287	9.97	17.90	9.52	19.05	23.81	24.86	30.40	38.19	36.26	8.52	19.68	26.62	45.18													
<b>Limited Review:</b>																											
Bridgeport-Stamford- Norwalk CT MSA	532	18.47	22.70	6.32	16.66	10.47	19.96	19.37	40.68	63.83	6.23	13.80	19.17	60.80													
Norwich-New London CT MSA	57	1.98	19.03	5.26	20.13	14.04	21.75	19.30	39.08	61.40	8.70	18.22	24.91	48.17													

\* Based on 2015 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 4.8% 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)

Institution ID: Webster Bank

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

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: CONNECTICUT			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data *	
	#	% 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-West Hartford-East Hartford CT MSA	2,815	46.58	84.27	57.44	64.87	18.29	16.84	23,192	11,669
New Haven-Milford CT MSA	1,599	26.46	85.73	54.53	66.17	16.76	17.07	18,157	9,469
Connecticut Non-MSA	458	7.58	87.81	70.31	77.73	10.26	12.01	4,798	2,704
<b>Limited Review:</b>									
Bridgeport-Stamford-Norwalk CT MSA	1,109	18.35	87.11	58.88	63.48	20.29	16.23	26,176	13,930
Norwich-New London CT MSA	62	1.03	84.03	54.84	61.29	25.81	12.90	3,879	1,951

\* Based on 2015 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2016).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.31% of small loans to businesses originated and purchased by the bank.

Institution ID: Webster Bank

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: CONNECTICUT									
Evaluation Period: JUNE 2, 2014 TO AUGUST 7, 2017									
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-West Hartford-East Hartford CT MSA	13	19,873	145	25,886	158	45,758	34.38	0	0
New Haven-Milford CT MSA	19	20,546	133	44,616	152	65,162	48.96	0	0
Connecticut Non-MSA	6	849	12	1,006	18	1,855	1.39	0	0
<b>Limited Review:</b>									
Bridgeport-Stamford-Norwalk CT MSA	6	3,383	82	11,862	88	15,245	11.46	0	0
Norwich-New London CT MSA	4	441	6	585	10	1,026	0.77	0	0
Statewide – Connecticut	2	1,559	5	2,483	7	4,042	3.04		

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

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

Institution ID: Webster Bank

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: CONNECTICUT Evaluation Period: JUNE 2, 2014 TO AUGUST 7, 2017																	
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-West Hartford-East Hartford CT MSA	25.88	45	39.13	13.33	17.78	44.44	24.44	0	6	0	-3	-2	-1	11.76	13.99	41.64	31.30
New Haven- Milford CT MSA	60.87	33	28.70	12.12	15.15	42.42	30.30	0	0	0	0	0	0	11.07	21.98	35.57	31.38
Connecticut Non-MSA	4.49	11	9.57	0.00	36.36	45.45	18.18	0	0	0	0	0	0	0.96	16.74	57.15	25.15
<b>Limited Review:</b>																	
Bridgeport- Stamford- Norwalk CT MSA	8.27	23	20.00	4.35	17.39	31.82	45.45	1	3	0	0	-2	0	13.48	19.50	33.65	33.38
Norwich-New London CT MSA	0.48	3	2.61	0.00	0.00	100.00	0.00	0	0	0	0	0	0	5.04	27.12	35.73	30.56

Institution ID: Webster Bank

**Table 1. Lending Volume**

LENDING VOLUME												
Geography: MASSACHUSETTS												
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016												
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 MA MSA	87.05	1,291	736,371	268	71,808	0	0	4	8,832	1,563	817,011	94.04
<b>Limited Review:</b>												
Springfield MA MSA	12.95	180	27,395	52	7,503	0	0	0	0	232	34,898	5.96

\* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.  
 \*\* The evaluation period for Community Development Loans is from June 02, 2014 to August 07, 2017.  
 \*\*\* Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: Webster Bank

**Table 1. Other Products**

LENDING VOLUME		Geography: MASSACHUSETTS		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016	
Assessment Area:	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
Boston MA MSA	0	0	2	1,234	
<b>Limited Review:</b>					
Springfield MA MSA	0	0	0	0	

\* The evaluation period for Optional Product Line(s) is from January 01, 2014 to December 31, 2016.

Institution ID: Webster Bank

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

Geographic Distribution: HOME PURCHASE														Geography: MASSACHUSETTS				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*										
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp							
<b>Full Review:</b>																					
Boston MA MSA	819	90.10	3.12	2.20	14.05	8.67	45.74	33.21	37.09	55.92	4.31	15.08	44.51	36.11							
<b>Limited Review:</b>																					
Springfield MA MSA	90	9.90	5.39	3.33	24.00	15.56	39.11	42.22	31.50	38.89	4.36	24.83	40.51	30.29							

\* Based on 2015 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

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

Institution ID: Webster Bank

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

Geographic Distribution: HOME IMPROVEMENT		Geography: MASSACHUSETTS				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016								
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Boston MA MSA	82	71.30	3.12	3.66	14.05	23.17	45.74	43.90	37.09	29.27	3.00	12.56	44.13	40.31
<b>Limited Review:</b>														
Springfield MA MSA	33	28.70	5.39	3.03	24.00	12.12	39.11	54.55	31.50	30.30	4.39	20.91	40.20	34.50

\* Based on 2015 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

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

Institution ID: Webster Bank

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

Geographic Distribution: HOME MORTGAGE REFINANCE														Geography: MASSACHUSETTS		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income *								
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp					
<b>Full Review:</b>																			
Boston MA MSA	376	87.24	3.12	5.32	14.05	10.11	45.74	36.97	37.09	47.61	3.66	13.84	44.01	38.49					
<b>Limited Review:</b>																			
Springfield MA MSA	55	12.76	5.39	3.64	24.00	18.18	39.11	40.00	31.50	38.18	3.63	19.74	40.79	35.84					

\* Based on 2015 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

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

Institution ID: Webster Bank

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

Geographic Distribution: MULTIFAMILY														Geography: MASSACHUSETTS				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*										
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp							
<b>Full Review:</b>																					
Boston MA MSA	13	86.67	14.23	15.38	22.77	38.46	36.14	15.38	26.86	30.77	14.37	32.49	35.18	17.96							
<b>Limited Review:</b>																					
Springfield MA MSA	2	13.33	41.77	0.00	21.85	100.00	29.11	0.00	7.27	0.00	32.26	25.81	35.48	6.45							

\* Based on 2015 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Multi-family Units is the number of multi-family units in a particular geography divided by the number of multi-family housing units in the area based on 2010 Census information.

\*\*\*\* Multi-family loan distribution includes Home Purchases, Home Improvement and Refinances.

Institution ID: Webster Bank

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

Geographic Distribution: SMALL LOANS TO BUSINESSES														Geography: MASSACHUSETTS		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*								
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp					
<b>Full Review:</b>																			
Boston MA MSA	263	83.49	6.10	5.70	13.87	14.83	37.03	50.57	42.69	28.90	4.67	12.71	39.83	42.79					
<b>Limited Review:</b>																			
Springfield MA MSA	52	16.51	20.76	15.38	25.84	7.69	28.52	26.92	24.88	50.00	15.31	18.99	35.10	30.60					

\* Based on 2015 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2016).

Institution ID: Webster Bank

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

Borrower Distribution: HOME PURCHASE														Geography: MASSACHUSETTS				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*										
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>11</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp							
<b>Full Review:</b>																					
Boston MA MSA	820	90.11	22.96	1.73	16.14	4.93	20.09	8.88	40.82	84.46	4.04	18.30	25.53	52.12							
<b>Limited Review:</b>																					
Springfield MA MSA	90	9.89	27.92	4.60	16.55	28.74	18.96	25.29	36.57	41.38	10.05	31.83	27.48	30.64							

\* Based on 2015 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 1.3% 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)

Institution ID: Webster Bank

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

Borrower Distribution: HOME IMPROVEMENT														Geography: MASSACHUSETTS				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*										
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>12</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp							
<b>Full Review:</b>																					
Boston MA MSA	82	71.30	22.96	8.97	16.14	19.23	20.09	15.38	40.82	56.41	4.56	14.43	25.91	55.10							
<b>Limited Review:</b>																					
Springfield MA MSA	33	28.70	27.92	9.09	16.55	21.21	18.96	36.36	36.57	33.33	7.81	16.88	30.31	45.00							

\* Based on 2015 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 3.5% 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)

Institution ID: Webster Bank

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

Borrower Distribution: HOME MORTGAGE REFINANCE														Geography: MASSACHUSETTS		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016									
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*														
	#	% of Total**	% Families***	% BANK Loans****	% Families13	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp											
<b>Full Review:</b>																									
Boston MA MSA	376	87.24	22.96	3.60	16.14	8.03	20.09	17.17	40.82	71.19	3.95	15.27	26.51	54.27											
<b>Limited Review:</b>																									
Springfield MA MSA	55	12.76	27.92	5.66	16.55	22.64	18.96	22.64	36.57	49.06	7.61	19.99	28.24	44.16											

\* Based on 2015 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 3.9% of loans originated and purchased by BANK.

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

Institution ID: Webster Bank

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

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: MASSACHUSETTS			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% 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 MA MSA	268	83.75	82.71	42.16	41.42	22.01	36.57	73,858	35,318
<b>Limited Review:</b>									
Springfield MA MSA	52	16.25	80.83	53.85	69.23	15.38	15.38	7,110	3,365

\* Based on 2015 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2016).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.63% of small loans to businesses originated and purchased by the bank.

Institution ID: Webster Bank

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
Geography: MASSACHUSETTS									
Evaluation Period: JUNE 2, 2014 TO AUGUST 7, 2017									
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 MA MSA	3	2,377	83	57,296	86	59,673	99.04	0	0
<b>Limited Review:</b>									
Springfield MA MSA	3	555	12	29	15	584	0.97	0	0

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

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

Institution ID: Webster Bank

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: MASSACHUSETTS																	
Evaluation Period: JUNE 2, 2014 TO AUGUST 7, 2017																	
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 MA MSA	94.04	22	88.00	13.64	9.09	31.82	45.45	17	1	+2	-1	+4	+11	9.26	20.13	40.50	29.97
<b>Limited Review:</b>																	
Springfield MA MSA	5.96	3	12.00	0.00	33.34	33.33	33.33	0	2	0	-1	0	-1	16.74	28.76	31.34	23.17

Institution ID: Webster Bank

**Table 1. Lending Volume**

LENDING VOLUME		Geography: NEW YORK				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
New York-Jersey City-White Plains NY-NJ MD	100.00	381	283,318	225	47,200	0	0	4	9,758	610	340,276	100.00
Statewide								2	2,566			

\* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.  
 \*\* The evaluation period for Community Development Loans is from June 02, 2014 to August 07, 2017.  
 \*\*\* Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: Webster Bank

**Table 1. Other Products**

LENDING VOLUME				
Geography: NEW YORK		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016		
Assessment Area:	Other Unsecured Consumer Loans*		Other Optional Loans*	
	#	\$ (000's)	#	\$ (000's)
<b>Full Review:</b>				
New York-Jersey City-White Plains NY-NJ MD	0	0	2	3,942

\* The evaluation period for Optional Product Line(s) is from January 01, 2014 to December 31, 2016.

Institution ID: Webster Bank

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

Geographic Distribution: HOME PURCHASE														Geography: NEW YORK				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*										
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp							
<b>Full Review:</b>																					
New York-Jersey City-White Plains NY-NJ MD	283	100.00	0.31	0.00	5.30	4.24	21.64	12.72	72.75	83.04	0.32	4.51	19.96	75.21							

\* Based on 2015 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

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

Institution ID: Webster Bank

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

Geographic Distribution: HOME IMPROVEMENT		Geography: NEW YORK				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016								
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New York-Jersey City-White Plains NY-NJ MD	36	100.00	0.31	2.78	5.30	5.56	21.64	33.33	72.75	58.33	0.80	4.29	18.23	76.68

\* Based on 2015 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

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

Institution ID: Webster Bank

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

Geographic Distribution: HOME MORTGAGE REFINANCE														Geography: NEW YORK				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016									
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income *																
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp													
<b>Full Review:</b>																											
New York-Jersey City-White Plains NY-NJ MD	46	100.00	0.31	0.00	5.30	4.35	21.64	26.09	72.75	69.57	0.44	5.47	19.71	74.38													

\* Based on 2015 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

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

Institution ID: Webster Bank

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

Geographic Distribution: MULTIFAMILY														Geography: NEW YORK				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*										
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp							
<b>Full Review:</b>																					
New York-Jersey City-White Plains NY-NJ MD	16	100.00	3.78	12.50	24.52	12.50	34.24	56.25	37.45	18.75	6.07	28.50	33.18	32.24							

\* Based on 2015 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Multi-family Units is the number of multi-family units in a particular geography divided by the number of multi-family housing units in the area based on 2010 Census information.

\*\*\*\* Multi-family loan distribution includes Home Purchases, Home Improvement and Refinances.

Institution ID: Webster Bank

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

Geographic Distribution: SMALL LOANS TO BUSINESSES														Geography: NEW YORK				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016									
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*																
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp													
<b>Full Review:</b>																											
New York-Jersey City-White Plains NY-NJ MD	225	100.00	1.41	3.11	14.24	14.67	22.01	32.00	62.26	50.22	0.90	9.94	20.68	68.48													

\* Based on 2015 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2016).

Institution ID: Webster Bank

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

Borrower Distribution: HOME PURCHASE														Geography: NEW YORK		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016										
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*															
	#	% of Total**	% Families***	% BANK Loans****	% Families14	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp												
<b>Full Review:</b>																										
New York-Jersey City-White Plains NY-NJ MD	283	100.00	16.32	0.00	12.14	2.55	14.77	3.27	56.76	94.18	0.69	5.48	14.46	79.36												

\* Based on 2015 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 2.8% of loans originated and purchased by BANK.

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

Institution ID: Webster Bank

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

Borrower Distribution: HOME IMPROVEMENT														Geography: NEW YORK				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016								
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*															
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>15</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp												
<b>Full Review:</b>																										
New York-Jersey City-White Plains NY-NJ MD	36	100.00	16.32	0.00	12.14	11.11	14.77	13.89	56.76	75.00	1.99	2.56	11.65	83.81												

\* Based on 2015 Peer Mortgage Data -- US and PR

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

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

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

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

Institution ID: Webster Bank

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

Borrower Distribution: HOME MORTGAGE REFINANCE														Geography: NEW YORK		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*								
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp			
<b>Full Review:</b>																			
New York-Jersey City-White Plains NY-NJ MD	46	100.00	16.32	0.00	12.14	0.00	14.77	18.18	56.76	81.82	1.88	4.77	12.54	80.81					

\* Based on 2015 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 4.3% of loans originated and purchased by BANK.

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

Institution ID: Webster Bank

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

Borrower Distribution: SMALL LOANS TO BUSINESSES									
Geography: NEW YORK			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
New York-Jersey City-White Plains NY-NJ MD	225	100.00	85.69	48.89	56.00	15.56	28.44	25,826	11,972

\* Based on 2015 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2016).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.89% of small loans to businesses originated and purchased by the bank.

Institution ID: Webster Bank

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
			Geography: NEW YORK		Evaluation Period: JUNE 2, 2014 TO AUGUST 7, 2017				
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
New York-Jersey City-White Plains NY-NJ MD	1	1,254	32	13,353	33	14,607	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.

Institution ID: Webster Bank

**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: JUNE 2, 2014 TO AUGUST 7, 2017																	
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
New York-Jersey City-White Plains NY-NJ MD	100.00	7	100.00	0.00	0.00	42.86	57.14	0	1	0	0	0	-1	2.24	16.23	26.86	54.32

