



PUBLIC DISCLOSURE

October 25, 2012

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Savings Institute Bank and Trust Co.
Charter Number 717978

803 Main Street Willimantic, CT 06226

Office of the Comptroller of the Currency

340 Madison Avenue 4th Floor New York, NY 10017-2613

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, nor should it 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.

INSTITUTION'S CRA RATING: This institution is rated Outstanding.

The Lending Test is rated: Outstanding.

The Community Development Test is rated: Satisfactory.

Summarize the major factors supporting the institution's rating.

- The net loan-to-deposit ratio is more than reasonable when compared to similarly situated banks operating in the assessment areas.
- A substantial majority of home mortgage loans are originated inside the assessment areas.
- The overall distribution of home mortgage loans to borrowers of different income levels is excellent.
- The overall geographic distribution of home mortgage loans reflects reasonable distribution throughout the assessment areas.
- The bank has no consumer complaints regarding community reinvestment performance.
- SIBTC's community development activities demonstrate adequate responsiveness to community development needs

Scope of Examination

Our conclusions regarding the bank's lending performance is based on the bank's primary lending product, home mortgage loans, originated from July 1, 2009 through December 31, 2011. Home mortgage loan data was obtained from the bank's verified Loan Application Register filed as required by the Home Mortgage Disclosure Act. The borrower and geographic distribution analysis was completed by comparing the bank's distribution to 2000 U. S. census data. Our conclusions regarding the bank's community development activities is based on an assessment of community development loans, investments, and services between October 28, 2009 and October 25, 2012.

Description of Institution

The Savings Institute Bank and Trust Company (SIBTC) of Willimantic, Connecticut, is a federal thrift owned by holding company SI Financial Group, Inc. SI Financial Group is a one-bank holding company that is publicly traded under the symbol SIFI on the NASDAQ Global Market. SIBTC is a local institution focusing its lending efforts on both residential and commercial real estate lending. SIBTC has assets totaling \$942.6

million as of June 30, 2012 and operates 21 offices as of the evaluation date. As of June 30, 2012, loans total \$665.3 million and represent 71 percent of total assets. The loan portfolio consists primarily of residential real estate loans totaling \$291.7 million and commercial real estate loans totaling \$284.0 million, which collectively represent 87 percent of total loans. The remaining 13 percent of total loans include commercial/industrial loans at 10 percent, consumer loans at 2 percent, and municipal loans, leases, and financial institutions collectively representing 1 percent. Deposits total \$724.9 million and represent 77 percent of total assets. Deposits consist primarily of money market and savings accounts totaling \$390.2 million, time deposits totaling \$277.1, and demand deposit and negotiable order withdrawal (NOW) accounts totaling \$57.6 million. Tier-one capital totals \$103.9 million. The capital ratios for the bank as of June 30, 2012 are 11.08 percent for tier-one leverage capital, 20.81 percent for tier-one risk based capital, and 22.02 percent for total risk based capital.

As of the evaluation date, SIBTC offices are located entirely within the state of Connecticut with eight offices in New London County, seven offices in Windham County, three offices in Tolland County, two offices in Hartford County and one office in Middlesex County. In New London County, SIBTC ranks 7th in deposits with 4.56 percent market share and competes against 15 other institutions including RBS Citizens, N. A., Chelsea Groton Bank, and Peoples Bank with 19.11, 16.27, and 13.80 percent market share, respectively. In Windham County, SIBTC ranks 1st in deposit market share against nine other institutions with 21.04 percent trailed by Putnam Bank with 18.58 percent and The Citizens National Bank with 13.75 percent. In Tolland County, SIBTC ranks 6th in deposits with 5.97 percent market share with eleven other institutions in the market including Rockville Bank, First Niagara N. A., and Bank of America N. A. with 30.76, 24.31, and 10.79 percent market share, respectively. Hartford County is heavily banked with 25 other institutions operating in the market including dominant Bank of America with 51.20 percent market share. In Hartford County, SIBTC is ranked 22nd with 0.19 percent market share. In Middlesex County, SIBTC ranks last in market share with 0.27 percent and competes against 10 other institutions, including dominant Liberty Bank with 41.65 percent deposit market share.

In the last public evaluation dated October 28, 2009, SIBTC received an Outstanding CRA rating from the Office of Thrift Supervision with an Outstanding rating for the Lending Test and a Satisfactory rating for the Community Development test. SIBTC is not facing any legal or financial issues that would impede its ability to help meet the credit needs in the assessment area.

Description of Assessment Area

SIBTC has three distinct assessment areas, which will be analyzed separately. The Hartford-West Hartford-East Hartford, CT MSA AA, MSA #25540, consists of portions of Hartford and Middlesex Counties and Tolland County in its entirety. The portions of Hartford County include the Towns of Enfield, East Windsor and South Windsor. The AA includes the Town of East Hampton in Middlesex County. The Norwich-New London, CT MSA AA, MSA #35980, consists entirely of New London County, which represents the entire MSA. The Non-MSA AA consists entirely of Windham County. The AAs consist of whole political subdivisions, does not arbitrarily exclude low- and moderate-income geographies, and does not reflect illegal discrimination. Area community contacts indicated a need for affordable housing loans and loans to small businesses.

Hartford-West Hartford-East Harford, CT MSA AA

The Hartford-West Hartford-East Harford, CT MSA AA consists of 50 census tracts and has a population of 234,867 persons based on the 2000 U. S. Census. The census tracts consist of one (1) low-income, three (3) moderate-income, 31 middle-income, and 14 upper-income geographies. This distribution is based on the 2000 Census MSA Median Family Income of \$64,156. The AA also includes one (1) census tract with income not applicable representing the Osborn and Northern Correctional Facilities. The AA includes 59,716 families consisting of 13.65 percent low-income families, 17.55 percent moderate-income families, 26.51 percent middle-income families, and 42.29 percent upper-income families. This distribution is based on the Housing and Urban Development's 2011 updated MSA Median Family Income of \$86,500. Of the 84,993 households in the AA, 4.76 percent are living below the poverty level. Housing units total 88,518 with 72.85 percent owner-occupied, 23.14 percent rental occupied, and 4.01 percent vacant housing. The weighted average median housing value is \$144,690.

The AA includes 24,206 businesses and 825 farms based on 2011 Dun and Bradstreet business data. The businesses and farms are heavily concentrated in the middle- and upper-income census tracts. Businesses in low- and moderate-income census tracts represent 1.27 and 5.06 percent of all businesses, respectively. Farms in low- and moderate-income census tracts represent 0.12 and 2.67 percent of all farms, respectively. According to the U. S. Bureau of Labor Statistics, the unemployment rates for Hartford, Middlesex, and Tolland Counties were 8.5, 6.8, and 6.8 percent, respectively, in October 2012. In comparison, the October 2012 unemployment rate for the State of Connecticut was 8.4 percent, and the national unemployment rate was 7.9 percent. Significant area employers include Mass Mutual, Lego, Osborn and Norther Correctional Facilities, Johnson Memorial and Rockville General Hospitals, University of Connecticut, GlaxoSmithKlien, Clear Edge Power, and Macy's.

Norwich-New London, CT MSA AA

The Norwich-New London, CT MSA AA consists of 62 census tracts and has a population of 259,088 persons based on the 2000 U. S. Census. The census tracts consist of two (2) low-income, 11 moderate-income, 36 middle-income, and 13 upper-income geographies. This distribution is based on the 2000 Census MSA Median Family Income of \$59,846. The AA includes 67,679 families consisting of 18.05 percent low-income families, 18.82 percent moderate-income families, 25.11 percent middle-income families, and 38.02 percent upper-income families. This distribution is based on the Housing and Urban Development's 2011 updated MSA Median Family Income of \$83,200. Of the 99,864 households in the AA, 6.72 percent are living below the poverty level. Housing units total 110,674 units with 60.13 percent owner-occupied, 30.08 percent rental occupied, and 9.79 percent vacant housing. The weighted average median housing value is \$141,544.

The AA includes 27,281 businesses and 761 farms based on 2011 Dun and Bradstreet business data. The businesses in low- and moderate-income census tracts represent 1.58 and 13.20 percent of all businesses, respectively. The farms in low- and moderate-income census tracts represent 0.39 and 3.15 percent of all farms, respectively. According to the U. S. Bureau of Labor Statistics, the October 2012 unemployment rate in New London County was 8.3 percent. Significant employers include Foxwoods Resort Casino, Mohegan Sun Casino, Pfizer, Inc., and U. S. Naval Submarine Base Groton.

Non-MSA AA

The Non-MSA AA consists of 25 census tracts and has a population of 109,091 persons based on the 2000 U. S. Census. The census tracts consist of one (1) low-income, nine (9) moderate-income, and 15 middle-income geographies. This distribution is based on the 2000 Census MSA Median Family Income of \$61,239. The AA includes 28,367 families consisting of 23.54 percent low-income families, 22.37 moderate-income families, 26.07 middle-income families, and 28.02 upper-income families. This distribution is based on the Housing and Urban Development's 2011 updated MSA Median Family Income of \$82,000. Of the 41,141 households in the AA, 8.57 percent are living below the poverty level. Housing units total 43,959 units with 63.10 percent owner-occupied, 30.49 percent rental occupied, and 6.41 percent vacant housing. The weighted average median housing value is \$116,372.

The AA includes 10,415 and 415 farms based on 2011 Dun and Bradstreet business data. Businesses in low- and moderate-income census tracts are 3.59 and 35.32 percent, respectively. Farms in low- and moderate-income census tracts are 0.48 and 15.66 percent, respectively. According to the U. S. Bureau of Labor Statistics, the October 2012 unemployment rate in Windham County was 9.1 percent. Significant area employers include Day Kimball Healthcare Center, Day Kimball Hospital, Windham Hospital, Frito-Lay, Rite-aid, Lowe's, and Windham Hospital.

Conclusions with Respect to Performance Tests

Based on an analysis of lending activity, branch dispersion, census tracts, and population, we selected all three AA's for a full-scope review. All three areas are equally weighted. In terms of home mortgage data, refinances are weighted more than home purchase and home improvement loans as refinances represented 53 percent of the number and 60 percent of the volume of all home mortgage loans.

LENDING TEST

Loan-to-Deposit Ratio

SIBTC's average loan-to-deposit ratio is more than reasonable and exceeds the standard for satisfactory performance. SIBTC's average loan-to-deposit ratio from fourth quarter 2009 through third quarter 2012 is 90.09 percent. Seven similarly situated intermediate small banks operating in the AA had average LTD ratios ranging from 49.81 to 105.87 percent.

Lending in Assessment Area

SIBTC originates a substantial majority of its home mortgage loans inside the assessment areas with 92 percent of the number and 88 percent of the amount of all home mortgage loans originated in the AA's.

Concentration of Loans Originated In and Outside of the Assessment Area						
Loan Type	% Inside Area		% Outside Area		Total	
	#	\$(000)	#	\$(000)	#	\$(000)
Home Purchase	92%	89%	8%	11%	372	64,010
Home Improvement	96%	91%	4%	9%	254	22,849
Refinance	90%	87%	10%	13%	735	131,628
Total	92%	88%	8%	12%	1,361	218,487

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The overall distribution of home mortgage loans to borrowers of different income levels is excellent.

Hartford-West Hartford-East Harford, CT MSA AA

The borrower distribution for all home mortgage loans in this AA is excellent.

The borrower distribution for home purchase loans in the Hartford-West Hartford-East Hartford, CT MSA AA is excellent. Distribution to both low- and moderate-income

borrowers is excellent. Home purchase lending to both low- and moderate-income borrowers exceeds the aggregate data.

Distribution of Home Purchase Loans By Borrower Income Level in the Assessment Area				
Borrower Income Category	% of Loans	% of \$ Volume	% Family Distribution	% of Aggregate (or Peers)
Low	14.29%	8.08%	13.65%	11.57%
Moderate	28.57%	25.70%	17.55%	28.47%
Middle	27.27%	29.52%	26.51%	25.88%
Upper	27.27%	34.35%	42.29%	23.69%
NA	2.60%	2.36%	0.00%	10.40%
Total # or \$	100.00%	100.00%	100.00%	100.00%

The borrower distribution for home improvement loans in the Hartford-West Hartford-East Hartford, CT MSA AA is reasonable. Home improvement lending to low-income borrowers exceeds the aggregate data. Home improvement lending to moderate-income borrowers is near to the aggregate data and family distribution.

Distribution of Home Improvement Loans By Borrower Income Level in the Assessment Area				
Borrower Income Category	% of Loans	% of \$ Volume	% Family Distribution	% of Aggregate (or Peers)
Low	8.51%	3.61%	13.65%	8.29%
Moderate	14.89%	8.30%	17.55%	19.29%
Middle	31.91%	36.05%	26.51%	34.18%
Upper	38.30%	45.58%	42.29%	35.19%
NA	6.38%	6.45%	0.00%	3.05%
Total # or \$	100.00%	100.00%	100.00%	100.00%

The borrower distribution for refinance loans in the Hartford-West Hartford-East Hartford, CT MSA AA is excellent. Refinance lending to low-income borrowers exceeds the aggregate data. Refinance lending to moderate-income borrowers is near to the aggregate data and family distribution.

Distribution of Refinance Loans By Borrower Income Level in the Assessment Area				
Borrower Income Category	% of Loans	% of \$ Volume	% Family Distribution	% of Aggregate (or Peers)
Low	5.67%	2.93%	13.65%	5.45%
Moderate	16.49%	12.83%	17.55%	17.42%
Middle	37.11%	35.10%	26.51%	25.97%
Upper	37.63%	47.34%	42.29%	36.10%
NA	3.09%	1.80%	0.00%	15.06%
Total # or \$	100.00%	100.00%	100.00%	100.00%

Norwich-New London, CT MSA AA

The borrower distribution for all home mortgage loans in this AA is excellent.

The borrower distribution for home purchase loans in the Norwich-New London, CT MSA AA is excellent. Distribution to both low- and moderate-income borrowers is excellent. Home purchase lending to both low- and moderate-income borrowers exceeds the aggregate data.

Distribution of Home Purchase Loans By Borrower Income Level in the Assessment Area				
Borrower Income Category	% of Loans	% of \$ Volume	% Family Distribution	% of Aggregate (or Peers)
Low	12.96%	9.56%	18.05%	11.39%
Moderate	31.48%	25.42%	18.82%	29.01%
Middle	28.70%	30.64%	25.11%	21.95%
Upper	20.37%	30.28%	38.02%	24.43%
NA	6.48%	4.10%	0.00%	13.23%
Total # or \$	100.00%	100.00%	100.00%	100.00%

The borrower distribution for home improvement loans in the Norwich-New London, CT MSA AA is excellent. Home improvement lending to low-income borrowers is near to the aggregate data. Home improvement lending to moderate-income borrowers exceeds the aggregate data.

Distribution of Home Improvement Loans By Borrower Income Level in the Assessment Area				
Borrower Income Category	% of Loans	% of \$ Volume	% Family Distribution	% of Aggregate (or Peers)
Low	12.35%	7.38%	18.05%	14.15%
Moderate	28.40%	29.67%	18.82%	21.08%
Middle	29.63%	37.15%	25.11%	28.46%
Upper	24.69%	21.89%	38.02%	32.77%
NA	4.94%	3.91%	0.00%	3.54%
Total # or \$	100.00%	100.00%	100.00%	100.00%

The borrower distribution for refinance loans in the Norwich-New London, CT MSA AA is excellent. Refinance lending to low-income borrowers is near to the aggregate data. Refinance lending to moderate-income borrowers exceeds the aggregate data.

Distribution of Refinance Loans By Borrower Income Level in the Assessment Area				
Borrower Income Category	% of Loans	% of \$ Volume	% Family Distribution	% of Aggregate (or Peers)
Low	5.24%	1.82%	18.05%	5.97%
Moderate	20.94%	14.67%	18.82%	17.36%
Middle	23.04%	19.94%	25.11%	24.02%
Upper	46.60%	59.91%	38.02%	38.04%
NA	4.19%	3.66%	0.00%	14.62%
Total # or \$	100.00%	100.00%	100.00%	100.00%

Non-MSA AA

The borrower distribution for all home mortgage loans in this AA is excellent.

The borrower distribution for home purchase loans in the non-MSA AA is excellent. Distribution to both low- and moderate-income borrowers is excellent. Home purchase lending to both low- and moderate-income borrowers exceeds the aggregate data.

Distribution of Home Purchase Loans By Borrower Income Level in the Assessment Area				
Borrower Income Category	% of Loans	% of \$ Volume	% Family Distribution	% of Aggregate (or Peers)
Low	21.79%	13.32%	23.54%	14.73%
Moderate	32.69%	25.49%	22.37%	31.96%
Middle	26.28%	28.53%	26.07%	24.46%
Upper	16.03%	28.64%	28.02%	15.54%
NA	3.21%	4.03%	0.00%	13.30%
Total # or \$	100.00%	100.00%	100.00%	100.00%

The borrower distribution for home improvement loans in the non-MSA AA is excellent. Distribution to both low- and moderate-income borrowers is excellent. Home improvement lending to both low- and moderate-income borrowers exceeds the aggregate data.

Distribution of Home Improvement Loans By Borrower Income Level in the Assessment Area				
Borrower Income Category	% of Loans	% of \$ Volume	% Family Distribution	% of Aggregate (or Peers)
Low	17.39%	11.57%	23.54%	13.67%
Moderate	30.43%	34.88%	22.37%	27.70%
Middle	28.70%	29.01%	26.07%	29.50%
Upper	20.87%	22.89%	28.02%	24.10%
NA	2.61%	1.65%	0.00%	5.04%
Total # or \$	100.00%	100.00%	100.00%	100.00%

The borrower distribution for refinance loans in the non-MSA AA is excellent. Distribution to both low- and moderate-income borrowers is excellent. Refinance lending to both low- and moderate-income borrowers exceeds the aggregate data.

Distribution of Refinance Loans By Borrower Income Level in the Assessment Area				
Borrower Income Category	% of Loans	% of \$ Volume	% Family Distribution	% of Aggregate (or Peers)
Low	11.07%	7.67%	23.54%	6.94%
Moderate	26.07%	21.93%	22.37%	22.23%
Middle	33.93%	33.36%	26.07%	28.53%
Upper	23.57%	31.27%	28.02%	26.37%
NA	5.36%	5.76%	0.00%	15.93%
Total # or \$	100.00%	100.00%	100.00%	100.00%

Geographic Distribution of Loans

The overall geographic distribution of home mortgage loans reflects reasonable distribution throughout the assessment areas.

Hartford-West Hartford-East Harford, CT MSA AA

The geographic distribution for all home mortgage loans in this AA is poor.

The geographic distribution for home purchase loans in the Hartford-West Hartford-East Hartford, CT MSA AA is reasonable. Home purchase lending in low-income geographies is significantly lower than the aggregate data. However, the opportunities to lend in this area are few with less than one percent of the owner-occupied housing located in this AA. Home purchase lending in moderate-income geographies is lower than the aggregate data.

Distribution of Home Purchase Loans By Census Tract Income Level in the Assessment Area				
Census Tract Income Category	% of Loans	% of \$ Volume	% Owner Occupied	% of Aggregate (or Peers)
Low	0.00%	0.00%	0.67%	0.84%
Moderate	2.60%	1.92%	4.80%	4.16%
Middle	54.55%	53.95%	55.46%	55.29%
Upper	42.86%	44.13%	39.07%	39.71%
Total # or \$	100.00%	100.00%	100.00%	100.00%

The geographic distribution for home improvement loans in the Hartford-West Hartford-East Hartford, CT MSA AA is poor. Home improvement lending in low-income geographies is lower than the aggregate data. However, the opportunities to lend in this area are few with less than one percent of the owner-occupied housing located in this AA. Home improvement lending in moderate-income geographies is significantly lower than the aggregate data.

Distribution of Home Improvement Loans By Census Tract Income Level in the Assessment Area				
Census Tract Income Category	% of Loans	% of \$ Volume	% Owner Occupied	% of Aggregate (or Peers)
Low	0.00%	0.00%	0.67%	0.34%
Moderate	0.00%	0.00%	4.80%	4.40%
Middle	40.43%	32.42%	55.46%	58.38%
Upper	59.57%	67.58%	39.07%	36.89%
Total # or \$	100.00%	100.00%	100.00%	100.00%

The geographic distribution for refinance loans in the Hartford-West Hartford-East Hartford, CT MSA AA is poor. Refinance lending in low-income geographies is lower than the aggregate data. However, the opportunities to lend in this area are few with less than one percent of the owner-occupied housing located in this AA. Refinance lending in moderate-income geographies is significantly lower than the aggregate data.

Distribution of Refinance Loans By Census Tract Income Level in the Assessment Area				
Census Tract Income Category	% of Loans	% of \$ Volume	% Owner Occupied	% of Aggregate (or Peers)
Low	0.00%	0.00%	0.67%	0.31%
Moderate	0.00%	0.00%	4.80%	3.30%
Middle	50.00%	49.48%	55.46%	51.42%
Upper	50.00%	50.52%	39.07%	44.95%
Total # or \$	100.00%	100.00%	100.00%	99.98%*

Norwich-New London, CT MSA AA

The geographic distribution for all home mortgage loans in this AA is poor.

The geographic distribution for home purchase loans in the Norwich-New London, CT MSA AA is excellent. Home purchase lending in low-and moderate-income geographies exceeds the aggregate data.

Distribution of Home Purchase Loans By Census Tract Income Level in the Assessment Area				
Census Tract Income Category	% of Loans	% of \$ Volume	% Owner Occupied	% of Aggregate (or Peers)
Low	1.85%	1.51%	1.09%	1.58%
Moderate	14.81%	10.12%	7.53%	8.72%
Middle	71.30%	72.12%	67.69%	67.68%
Upper	12.04%	16.26%	23.70%	22.02%
Total # or \$	100.00%	100.00%	100.01%	100.00%

The geographic distribution for home improvement loans in the Norwich-New London, CT MSA AA is poor. Home improvement lending in low-income geographies is lower than the aggregate data. Home improvement lending in moderate-income geographies is significantly lower than the aggregate data.

Distribution of Home Improvement Loans By Census Tract Income Level in the Assessment Area				
Census Tract Income Category	% of Loans	% of \$ Volume	% Owner Occupied	% of Aggregate (or Peers)
Low	0.00%	0.00%	1.09%	1.54%
Moderate	1.23%	0.16%	7.53%	6.62%
Middle	79.01%	73.71%	67.69%	69.23%
Upper	19.75%	26.13%	23.70%	22.62%
Total # or \$	100.00%	100.00%	100.01%	100.00%

The geographic distribution for refinance loans in the Norwich-New London, CT MSA AA is poor. Refinance lending in low- and moderate-income geographies is lower than the aggregate data.

Distribution of Refinance Loans By Census Tract Income Level in the Assessment Area				
Census Tract Income Category	% of Loans	% of \$ Volume	% Owner Occupied	% of Aggregate (or Peers)
Low	0.00%	0.00%	1.09%	0.98%
Moderate	1.57%	0.48%	7.53%	4.61%
Middle	68.59%	59.92%	67.69%	62.87%
Upper	29.84%	39.60%	23.70%	31.54%
Total # or \$	100.00%	100.00%	100.01%	100.00%

Non-MSA AA

The geographic distribution for all home mortgage loans in this AA is excellent.

The geographic distribution for home purchase loans in the non-MSA AA is excellent. Home purchase lending in low-and moderate-income geographies exceeds the aggregate data.

Distribution of Home Purchase Loans By Census Tract Income Level in the Assessment Area				
Census Tract Income Category	% of Loans	% of \$ Volume	% Owner Occupied	% of Aggregate (or Peers)
Low	2.56%	1.46%	0.74%	0.18%
Moderate	39.10%	25.37%	34.58%	36.70%
Middle	58.33%	73.17%	64.67%	63.13%
Upper	0.00%	0.00%	0.00%	0.00%
Total # or \$	100.00%	100.00%	99.99%	100.00%

The geographic distribution for home improvement loans in the non-MSA AA is excellent. Home improvement lending in low-income geographies exceeds the aggregate data. Home improvement lending in moderate-income geographies is near to the aggregate data.

Distribution of Home Improvement Loans By Census Tract Income Level in the Assessment Area				
Census Tract Income Category	% of Loans	% of \$ Volume	% Owner Occupied	% of Aggregate (or Peers)
Low	0.87%	1.60%	0.74%	0.36%
Moderate	26.96%	24.25%	34.58%	28.06%
Middle	72.17%	74.15%	64.67%	71.58%
Upper	0.00%	0.00%	0.00%	0.00%
Total # or \$	100.00%	100.00%	99.99%	100.00%

The geographic distribution for refinance loans in the non-MSA AA is reasonable. Refinance lending in low-income geographies exceeds the aggregate data. Refinance lending in moderate-income geographies is near to the aggregate data.

Distribution of Refinance Loans By Census Tract Income Level in the Assessment Area				
Census Tract Income Category	% of Loans	% of \$ Volume	% Owner Occupied	% of Aggregate (or Peers)
Low	1.79%	1.80%	0.74%	0.75%
Moderate	22.86%	19.53%	34.58%	27.07%
Middle	75.36%	78.67%	64.67%	72.17%
Upper	0.00%	0.00%	0.00%	0.00%
Total # or \$	100.00%	100.00%	99.99%	100.00%

Responses to Complaints

SIBTC has not had any CRA related complaints since our previous CRA examination.

COMMUNITY DEVELOPMENT TEST

Responsiveness to Community Development Needs

SIBTC's community development activities demonstrate adequate responsiveness to community development needs in the assessment areas through community development lending, investments, and services.

Number and Amount of Community Development Loans

SIBTC did not have any community development loans. However, SIBTC participates in several lending programs to help low- and moderate-income borrowers, small businesses, and small farms including the following programs:

- Connecticut Housing Finance Authority's Down Payment Assistance and Home Ownership Programs
- Guaranteed Rural Housing Program
- Lead Elimination Action Program (LEAP)
- Small Business Administration (SBA) Loans
- Norwich Public Utilities
- USDA Rural Development
- Federal Home Loan Bank - Equity Builder Grant. In 2011, distributed \$24,500 to low- and moderate-income homebuyers in the form of a second mortgage.

Number and Amount of Qualified Investments

Community development investment activity is adequate. SIBTC did not have any community development investments to organizations within the assessment areas. The investments are not specifically allocated to any of the bank's assessment areas; however, the investments are located in a broader statewide area that includes the bank's assessment area and has the potential to benefit the bank's assessment areas. SIBTC has 14 prior period investments totaling \$3,966,470 (3.65 percent of Tier 1

Capital) and eight current period investments totaling \$1,444,546 (1.33 percent of Tier 1 Capital) outside of the assessment area that has the potential to benefit all three assessment areas. Tier 1 Capital totals \$108,700,000.

SIBTC funded three prior period community development investments totaling \$3 million and four current period investments totaling \$1.05 million to the Connecticut Housing Finance Authority which provides affordable home mortgage programs, home ownership counseling, and services for homeowners in crisis.

SIBTC funded five prior period community development investments totaling \$98,995 and two current period investments totaling \$129,955 to the First New England Capital I. SIBTC funded four prior period community development investments totaling \$367,475 and two current period investments totaling \$269,591 to the First New England Capital III. First New England Capital provides direct investment capital for small businesses.

SIBTC funded two prior period community development investments totaling \$500,000 to the Connecticut Economic Development Fund's Eastern Connecticut Segmented Loan Fund which provides flexible funding to small- and micro-businesses.

Extent to Which the Bank Provides Community Development Services

The level of community development services is adequate.

SIBTC management and staff participate in several community organizations, and hold the position of Treasurer in five community development organizations. SIBTC conducted seminars for entrepreneurs and those interested in starting a new business. The four seminars covered several topics including business planning, bookkeeping, and marketing. Each of the four sessions was attended by 30 to 40 local business people.

Hartford-West Hartford-East Harford, CT MSA AA

In this AA, SIBTC has adequate responsiveness to community needs. The Hartford-West Hartford-East Harford, CT MSA AA does not include any branches in low- or moderate-income census tracts while 1.95 percent of the population lives in low-income geographies and 6.78 percent of the population lives in moderate-income geographies.

Norwich-New London, CT MSA AA

In this AA, SIBTC has adequate responsiveness to community needs. The Norwich-New London, CT MSA AA has one branch in a moderate-income census tract which represents 12.50 percent of the branches. In comparison, 3.44 percent of the population lives in low-income geographies and 15.12 percent of the population lives in moderate-income geographies.

Non-MSA AA

In this AA, SIBTC has excellent responsiveness to community needs. The Non-MSA AA has one branch in a low-income tract and three branches in moderate-income

census tracts which represents 14.29 percent and 42.86 percent of branches respectively. In comparison, 3.58 percent of the population lives in low-income geographies and 40.37 percent of the population lives in moderate-income geographies.

Fair Lending or Other Illegal Credit Practices Review

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