



PUBLIC DISCLOSURE

October 13, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Santander Bank, N.A.
Charter Number: 25022

824 North Market Street, Suite 100
Wilmington, DE 19801

Office of the Comptroller of the Currency

Large Bank Supervision
Constitution Center
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 Santander Bank, N.A. (Santander, SBNA, or the bank) with respect to the Lending, Investment, and Service Tests:

Performance Levels	Santander Bank, N.A. 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 support this rating include:

- The Lending Test rating is based on Outstanding performance in all rating areas except the Commonwealth of Massachusetts. The overall Lending Test rating is a blend of state and Multistate Metropolitan Statistical Area (MMSA) ratings, with most weight placed on the Outstanding performance in the following three Multistate Combined Statistical Areas (CSAs): Boston-Worcester-Providence, MA-RI-NH-CT CSA (Boston CSA), New York-Newark, NY-NJ-CT-PA CSA (New York CSA), and Philadelphia-Reading-Camden, PA-NJ-DE-MD CSA (Philadelphia CSA), which collectively comprise 92 percent of the bank's total deposits.
- The Investment Test rating is based on Outstanding performance in all rating areas except the Commonwealth of Massachusetts. The overall Investment Test rating is a blend of state and MMSA ratings, with most weight placed on the Outstanding performance in the Boston CSA, New York CSA, and Philadelphia CSA, which collectively comprise 92 percent of the bank's total deposits.
- The Service Test rating is based on Low Satisfactory performance in two rating areas, High Satisfactory performance in four rating areas, and Outstanding performance in one rating area. The overall Service Test rating is a blend of state and MMSA ratings, with most weight placed on the High Satisfactory performance in the New York CSA and Philadelphia CSA and Outstanding performance in the Boston CSA. These three rating areas collectively comprise 92 percent of the bank's total deposits.

Flexible and Innovative Lending Products

The bank offers several affordable mortgage products targeted to low- and moderate-income individuals and geographies during the evaluation period. The most significant products include:

- **CRA Affordable Mortgage Product** – Designed to help meet the needs of low- and moderate-income borrowers in the bank’s assessment areas (AAs), the CRA Affordable Mortgage Product includes lower down payment requirements, discounted pricing, lower minimum credit score, and a gift allowance from friends or family. During the evaluation period, SBNA originated 1,858 loans totaling \$378.7 million.
- **CRA Lender Paid Mortgage Insurance Product** – Designed to help meet the needs of low- and moderate-income borrowers in the bank’s AAs, this mortgage product not only includes the benefits of the CRA Affordable Mortgage Product described above, but the cost of mortgage insurance is not passed on to the borrower. The bank pays the full cost of the mortgage insurance. During the evaluation period, SBNA originated 2,486 loans totaling \$599.1 million.
- **New Jersey Affordable Mortgage Product** – Designed for low- and moderate-income borrowers purchasing or refinancing a home in the state of New Jersey, the loan product has the same benefits as the CRA Affordable Mortgage Product, but with deeper discounted pricing. During the evaluation period, SBNA originated 833 loans totaling \$173.3 million.
- **City of Providence Affordable Mortgage Product** – Designed for low- and moderate-income borrowers purchasing or refinancing a home in the city of Providence, RI, the loan product has the same benefits as the CRA Affordable Mortgage Product, but with deeper discounted pricing. During the evaluation period, SBNA originated 46 loans totaling \$7.4 million.

Lending in Assessment Area

A substantial majority of the bank’s loans are in its AAs.

The bank originated and purchased 87.3 percent of its total loans inside the bank’s AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2017	9,801	89.9	1,101	10.1	10,902	3,512,433	85.4	600,204	14.6	4,112,637
2018	18,679	93.5	1,290	6.5	19,969	5,798,726	88.7	735,261	11.3	6,533,987
2019	16,579	93.8	1,089	6.2	17,668	5,681,097	89.8	644,817	10.2	6,325,914
Subtotal	45,059	92.8	3,480	7.2	48,539	14,992,256	88.3	1,980,282	11.7	16,972,538
Small Business										
2017	12,019	82.7	2,516	17.3	14,535	1,175,438	81.0	276,073	19.0	1,451,511
2018	11,669	79.8	2,950	20.2	14,619	1,212,126	78.8	326,209	21.2	1,538,335
2019	11,646	80.7	2,790	19.3	14,436	1,341,386	79.8	340,556	20.2	1,681,942
Subtotal	35,334	81.1	8,256	18.9	43,590	3,728,950	79.8	942,838	20.2	4,671,788
Small Farm										

2017	5	100.0	0	0.0	5	457	100.0	0	0.0	457
2018	4	100.0	0	0.0	4	363	100.0	0	0.0	363
2019	2	100.0	0	0.0	2	132	100.0	0	0.0	132
Subtotal	11	100.0	0	0.0	11	952	100.0	0	0.0	952
Total	80,404	87.3	11,736	12.7	92,140	18,722,158	86.5	2,923,120	13.5	21,645,278

Source: Bank Data

The OCC uses loans made inside the bank's AAs to determine the bank's performance in the geographic distribution of loans and making loans to individuals of different income levels and businesses of different sizes. The bank originated or purchased sufficient numbers of home mortgage and small business loans to analyze. The number of small farm loans was too low to analyze.

Description of Institution

Santander Bank, N.A., established in 1907, is an interstate bank with its main office in Wilmington, Delaware and headquarters in Boston, Massachusetts. Previously chartered as Sovereign Bank, N.A., the bank rebranded in October 2013 and changed its name to Santander Bank, N.A. The bank is a wholly owned subsidiary of Santander Holdings, USA, Inc. (SHUSA), which has \$150 billion in total assets. SHUSA is a wholly owned subsidiary of Banco Santander, S.A., a \$1.7 trillion worldwide financial institution headquartered in Madrid, Spain. Affiliates of the bank include Banco Santander International Miami, Banco Santander Puerto Rico, and Santander Consumer USA (an automobile finance business based in Dallas, Texas).

SBNA operates in eight northeastern states (Connecticut, Delaware, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, and Rhode Island). As of December 31, 2019, the bank operated 588 retail banking offices and 2,231 ATMs in the northeastern U.S. During the evaluation period, SBNA reduced the number of branches by 90 and increased ATMs by 131 as it continually reassesses operating efficiency, capacity, customer traffic, and profitability of its branching network as part of the bank's multi-year network strategy.

The bank employs more than 9,700 individuals and has approximately 2.3 million customers, including approximately 956,000 customer using the bank's digital banking products. SBNA focuses on retail and commercial banking customers. The mortgage lending business is focused on prime mortgages. In late 2017, the bank began offering indirect automobile loans through an engagement with its affiliate Santander Consumer USA. In its first full year of operations in 2019, the bank funded more than 217,000 indirect automobile loans (17 percent of total retail loan originations) totaling approximately \$7 billion. Because the indirect automobile program was not fully operational until 2019 and not a significant business for the bank during the evaluation period, bank management elected not to have the indirect automobile lending activity considered in this CRA evaluation.

Competition is strong in the bank's major markets with numerous local, regional, and multinational banking companies and non-depository financial institutions such as mortgage companies. As of December 31, 2019, the bank had \$84.7 billion in total assets, \$61.6 billion in total deposits, and \$13.7 billion in equity capital. The loan portfolio primarily consists of \$12.9 billion in one-to-four family loans (23 percent), \$8.6 billion in multifamily residential real estate (15.5 percent), \$20.4 billion in commercial and commercial real estate loans (36.9 percent), and \$6.5 billion in automobile loans (11.7 percent).

For purposes of this evaluation, the bank has 32 AAs comprising seven rating areas. This evaluation combines micropolitan divisions and metropolitan statistical areas (MSAs) within the same CSA, effectively reducing the number of AAs to 15. During the evaluation period, there were a few changes in AAs. In 2017, the bank removed Franklin and Adams Counties in Pennsylvania and Rockland County in New York from its AAs since the bank maintains no physical presence there and lending volume was nominal. In 2018, the bank removed Litchfield County (Connecticut Non-MSA) as an AA following the closure of its only branch in the county in 2017. On September 9, 2019, the bank exited several communities in Pennsylvania through the sale of 14 branches and four ATMs to First Commonwealth Bank of Pennsylvania. Those branches were in six contiguous counties (Centre, Clinton, Lycoming, Northumberland, Montour, and Union) in central Pennsylvania. The divestiture of the branches is not considered closures under the Service Test as those branches continue to serve their respective communities under new ownership. Santander did not engage in any merger or acquisition activity during the evaluation period.

The bank's strategic focus during the evaluation centered on improving efficiency, profitability, and digital capabilities for delivering products and services. This strategy includes transforming the bank's branch network to be more competitive by repositioning ineffective locations, reducing branch square footage, and updating the branch design.

SBNA has no known legal or financial impediments that would have hindered its ability to meet the credit and community development (CD) needs of its AAs for this evaluation. The bank received an overall "Satisfactory" rating in its most recent Performance Evaluation, dated October 16, 2017.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This evaluation covers the bank's CRA-related activities from January 1, 2017, through December 31, 2019. The OCC considered the bank's home mortgage lending, small business lending (including business credit cards), CD lending, grants, donations, and other investments for CRA purposes. Examiners also considered any other loan data such as letters of credit used to support CD activities. Bank management did not request CRA consideration for consumer lending, which would include automobile loans and consumer credit cards. In addition, farm lending is not a major loan product the bank provides. During the evaluation period, the bank originated or purchased 11 small loans to farms in all AAs. The volume is too low for a meaningful analysis; therefore, conclusions on the bank's performance in making small loans to farms are not included in this evaluation.

Demographic data used to analyze Lending Test performance is based on the 2015 American Community Survey (ACS) information. Additionally, the Office of Management and Budget (OMB) introduced several MSA boundary changes in September 2018, effective January 1, 2019. However, none of the OMB changes affected the bank's AA boundaries. The OMB changes created the New Brunswick-Lakewood, NJ metropolitan division within the New York-Newark-Jersey City, NY-NJ-PA MSA. No new counties were added to the bank's AA. Rather, the four counties of Middlesex, Monmouth, Ocean, and Somerset making up the new metropolitan division were previously included in the bank's New York MMSA rating area.

This evaluation relied upon records provided by the bank, public loan and financial information, demographic data from the U.S. Census Bureau, Dun & Bradstreet (D&B), community contacts, and loan information reported under the Home Mortgage Disclosure Act (HMDA) and CRA.

With an evaluation period end date of December 31, 2019, qualifying activities performed in response to the significant impact of the coronavirus (also called COVID-19) pandemic across the U.S. are not addressed in this evaluation. Bank qualifying activities will be considered in the subsequent evaluation.

Selection of Areas for Full-Scope Review

In all MMSAs where the bank has branches in more than one state within the MMSA, the OCC evaluated the MMSA as a separate rating area. In each state where the bank has a branch, the OCC selected at least one AA within that state for a full-scope review. For purposes of this evaluation, bank delineated AAs that are within the same MSA or CSA were combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state were combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the “Scope” section under each State Rating section for details regarding how full-scope AAs were selected. Refer to appendix A: Scope of Examination for a list of full- and limited-scope AAs.

Ratings

The bank’s overall rating is a blend of the state and MMSA ratings, with most weight placed on performance in the Boston CSA, New York CSA, and Philadelphia CSA.

The Boston CSA, New York CSA, and Philadelphia CSA represent the bank’s most significant markets in terms of lending, deposits, and branch distribution and carried the greatest weight in the overall conclusions. The Boston CSA accounts for 37.8 percent of the bank’s home mortgage, small business, and small farm lending, 38 percent of total allocated deposits, and 40.8 percent of the branch network. The New York CSA accounts for 38.1 percent of home mortgage, small business, and small farm lending, 35.2 percent of total allocated deposits, and 33.8 percent of the branch network. The Philadelphia CSA accounts for 14.8 percent of home mortgage, small business, and small farm lending, 18.8 percent of total allocated deposits, and 13.8 percent of the branch network. Together, these three rating areas contain 92 percent of the bank’s total allocated deposits, 88.4 percent of the branch network, and 90.7 percent of reportable loans during the evaluation period.

Lending

For all AAs, home mortgage loans received greater weight than small loans to businesses based on the higher volume by number of home mortgage loans originated or purchased during the evaluation period. While the analyses consider lending performance by both number and dollar volume of loans, emphasis was placed on the number of loans as it better reflects the number of individuals and businesses served.

The OCC gave equal weighting to geographic and borrower distribution components of the Lending Test. The OCC generally gave more weighting to performance against the demographic data than performance against aggregate data. Lending performance against demographic data is for the entire evaluation period while performance against aggregate data is for a single year. For home mortgage lending, the year of aggregate industry data used is 2019. For small loans to businesses, the most recent year of aggregate industry data from D&B is 2018. For the analysis of loan distribution by geography,

the OCC gave greater consideration to the bank's performance in moderate-income geographies where there were a limited number of owner-occupied housing units in low-income geographies or the AA did not have any low-income geographies. For the loan distribution analysis by borrower income, the OCC considered the effects that income, poverty levels, housing costs, and savings for a down payment have on limiting homeownership opportunities of low- and moderate-income individuals and families, particularly in higher cost markets. Generally, it is more difficult for low- and moderate-income individuals to afford a median priced home in higher cost markets. As a result, the OCC gave more weight to the bank's lending performance in higher cost markets relative to aggregate performance than demographics. In addition, in AAs where low-income families made up a larger percentage of the population, performance in lending to low-income families was generally weighted more heavily.

Examiners considered the number and dollar volume of CD loans in each AA with more emphasis placed on those CD loans that were particularly complex or responsive to the credit needs of the AA. CD lending performance in each AA either had a positive, neutral, or negative impact on the Lending Test rating after considering the responsiveness of CD loans, available opportunities to make CD loans, and any other relevant performance context made available to the OCC examiners.

Investments

The analysis of investments included qualified investments made during the current evaluation period and qualified investments made during prior evaluation periods that were still outstanding. Investments made during the current evaluation period also included donations and grants that had CD as the primary purpose. Prior period investments were considered at their book values at the end of the current evaluation period. Current period investments were considered at their original investment amount. Investments that benefit more than one AA were allocated to the appropriate AAs based on the location where the proceeds were used. The analysis considered the number and dollar amount of investments made and to the extent that investments were innovative or complex, and met the credit and CD needs of the AA.

The bank's investment strategy has been to focus most of its investments towards affordable housing, primarily using low-income housing tax credits (LIHTCs). These are complex transactions that deliver substantial impact to low- and moderate-income individuals and communities in the form of affordable housing. In some AAs, investment opportunities were limited and/or there was strong competition, which impacted the bank's ability to make qualified investments.

Services

The review of services included analyzing the bank's network of retail branches and alternative delivery systems (ADS), such as ATMs and digital banking platforms to determine the availability and effectiveness of delivering retail banking services. Primary consideration was given to the bank's performance in delivering retail products and services to geographies and individuals of different income levels through the bank's geographic distribution of branches. The analysis was based on the distribution of retail branches operating at the end of the evaluation period with a primary focus on branch availability in low- and moderate-income geographies. In some AAs, branches located in middle- and upper-income geographies provided additional access to low- and moderate-income individuals and in low- and moderate-income geographies. The bank provided customer data for these branches in middle- and upper-income geographies to demonstrate the extent that the branches served individuals residing in low- and moderate-income geographies. The additional accessibility of these branches was not significant enough to affect any of the overall service delivery systems conclusions.

Customers can access retail banking services through several ADS, including deposit-taking ATMs, cash dispensing ATMs, and digital banking platforms, such as mobile and online banking. These systems are offered to all bank customers in all AAs. The bank also provided customer data to demonstrate the extent that customers residing in low- and moderate-income geographies use ADS to access retail banking services. The additional access provided through ADS was not significant enough to affect any of the overall service delivery systems conclusions.

The OCC evaluated the range of products, services, and operating hours for all bank branches with a primary focus on identifying material differences in those products, services, and operating hours between branches, particularly branches located in low- and moderate-income geographies. The operating hours of branches in low- and moderate-income areas were not more restrictive than the operating hours of branches in middle- and upper-income areas.

In AAs where the bank has opened or closed branches, the OCC evaluated the resulting impact of accessibility to retail banking services.

The OCC evaluated the bank's record of providing CD services in AAs that received full-scope reviews. The primary consideration was the responsiveness to the needs of the community. CD services that addressed critical needs or were the most impactful to the community received the most consideration.

The MMSA and state ratings are based on performance in all bank AAs within each respective rating area. Refer to the "Scope" section under each State and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Other Information

Assessment Areas - The OCC determined that all AAs consisted of whole geographies and met the requirements of the regulation. The areas reasonably reflected the different trade areas that SBNA's branches serve and did not arbitrarily exclude any low- and moderate-income areas.

Allocated Tier 1 Capital - To help put the levels of CD lending and CD investments in perspective, OCC examiners compare the dollar volumes of CD loans and investments in each AA against the tier 1 capital allocated to the AA based on the AA's deposits as a percentage of total deposits. OCC examiners also consider the responsiveness of CD loans and investments and any relevant performance context impacting the level of CD activities.

Lending Gap Analysis - The OCC reviewed summary reports and maps and analyzed home mortgage and small business lending activity to identify any gaps in the geographic distribution of loans in all full-scope AAs. The OCC did not identify any unexplained conspicuous gaps in lending in any full-scope AAs reviewed.

Deposit Market Share - The OCC used summary deposit data reported to the Federal Deposit Insurance Corporation (FDIC) as of June 30, 2019, which was the most recent public deposit data available during the evaluation period.

Minimum Loan Volume - The OCC did not analyze or conclude on Lending Test performance for any loan product in AAs where the bank originated or purchased fewer than 20 loans during the evaluation

period. This included small loans to farms in all AAs and small loans to businesses in the Bloomsburg-Berwick, PA MSA.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.17, 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 AA 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 Statistical Area Ratings

Boston-Worcester-Providence, MA-RI-NH-CT CSA (Boston CSA)

CRA rating for the Boston CSA¹: Outstanding

The Lending Test is rated: Outstanding

The Investment Test is rated: Outstanding

The Service Test is rated: Outstanding

The major factors that support this rating include:

- Good level of lending activity.
- Excellent geographic distribution of loans.
- Good distribution of loans by borrower income or business revenue.
- Excellent level of CD lending that has a significantly positive effect on the Lending Test.
- Excellent level of qualified CD investment and grants that are responsive to credit and community economic development needs.
- Service delivery systems are readily accessible to geographies and individuals of different income levels.
- Significant level of CD services that are responsive to the needs of the community.

Description of Institution's Operations in the Boston CSA

The Boston CSA rating area comprises the following metropolitan areas: Barnstable Town, MA MSA, Boston-Cambridge-Newton, MA-NH MSA (excluding Strafford County), Concord, NH Micropolitan Statistical Area, Manchester-Nashua, NH MSA, Providence-Warwick, RI-MA MSA, and Worcester, MA-CT MSA (excluding Windham County, CT). Refer to appendix A for a complete description of the rating area.

The Boston CSA is Santander's largest and most significant rating area based on the percentage of the bank's deposits in the rating area. Based on the June 30, 2019 FDIC Summary of Deposit Market Share report, the bank had \$22 billion of deposits in the AA, representing 38 percent of its total domestic deposits. With a deposit market share of 5.1 percent, the bank ranked fourth out of 143 FDIC-insured depository financial institutions, placing it in the top 3 percent of institutions. The top three banks with a combined deposit market share of 58 percent were State Street Bank and Trust with a 24.6 percent deposit market share, Bank of America, N.A. with a 20 percent deposit market share, and Citizens Bank, N.A. with 13.4 percent deposit market share. In comparison to the percentage of deposits relative to the bank's total domestic deposits, the bank originated or purchased 37.8 percent of the number of its home mortgage loans and small loans to businesses and farms during the evaluation period in the Boston CSA. Santander operated 240 branches and 418 deposit-taking ATMs representing 40.8 percent of total branches and 46.7 percent of total ATMs.

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

Demographic Data

Table A – Demographic Information of the Assessment Area						
Assessment Area: Boston CSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,667	11.6	19.0	38.9	28.6	1.9
Population by Geography	7,605,389	9.7	18.3	40.2	31.5	0.4
Housing Units by Geography	3,199,721	9.3	19.0	41.6	29.8	0.3
Owner-Occupied Units by Geography	1,810,666	3.3	13.2	45.7	37.7	0.1
Occupied Rental Units by Geography	1,092,057	19.1	27.9	34.4	18.1	0.5
Vacant Units by Geography	296,998	10.2	21.8	43.1	24.5	0.3
Businesses by Geography	616,599	7.4	14.9	38.7	38.2	0.7
Farms by Geography	14,204	3.0	10.1	44.6	42.2	0.1
Family Distribution by Income Level	1,858,128	22.8	16.5	19.8	40.8	0.0
Household Distribution by Income Level	2,902,723	26.1	14.6	16.5	42.7	0.0
Median Family Income MSA - 12700 Barnstable Town, MA MSA		\$80,751	Median Housing Value			\$346,728
Median Family Income MSA - 14454 Boston, MA		\$90,699	Median Gross Rent			\$1,144
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		\$100,380	Families Below Poverty Level			7.8%
Median Family Income MSA - 31700 Manchester-Nashua, NH MSA		\$85,966				
Median Family Income MSA - 39300 Providence-Warwick, RI-MA MSA		\$73,950				
Median Family Income MSA - 40484 Rockingham County-Strafford County, NH		\$90,150				
Median Family Income MSA - 49340 Worcester, MA-CT MSA		\$81,137				
<i>Source: 2015 ACS and 2019 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Table A shows that the percentages of owner-occupied housing units and businesses located in low-income geographies are relatively low, and 39.3 percent of families in the AA are low- and moderate-income.

Based on the information in Table A, low-income families earned between \$36,975 and \$50,190 and moderate-income families earned between \$59,160 and \$80,304, depending on the MSA. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30 percent of the applicant's income. Depending on the MSA, the calculated maximum affordable monthly mortgage payment ranged between \$924 and \$1,255 for low-income borrowers and between \$1,479 and \$2,008 for moderate-income borrowers. Assuming a 30-year mortgage with a 5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the CSA median housing

value would be \$1,861. Low- and moderate-income borrowers would be challenged to afford a mortgage loan in this AA.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the state poverty rate are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above poverty. Median rents and the high percentage of families below the poverty level suggest rental housing is also unaffordable for many low-income residents. The 2019 poverty level for the Boston-Cambridge-Newton, MA-NH MSA was 8.6 percent compared to the national average of 12.3 percent. These levels had an impact on meeting basic financial needs and home mortgage lending.

Economic Data

Boston-Cambridge-Newton, MA-NH MSA

Boston is the capital of Massachusetts and the most populous city in New England. Boston sits across the Charles River from Cambridge, which is home to Harvard University, the Massachusetts Institute of Technology, and one of the nation's largest concentrations of technology-based businesses and entities. The booming technology industry will continue to power Boston.

According to Moody's Analytics reports, dated September 2019 and May 2020, Boston's employment rose at an annualized pace of 1.3 percent in the first eight months of 2019, which is on par with growth nationally and is well ahead of that in the Northeast. Gains in education and the healthcare industry are accelerating and finance has turned upward after three years of stagnation. Boston's highly educated workforce and urban environment make it an ideal site for companies that want to be close to Cambridge's technology cluster and for Cambridge's high-income technology workers who prefer the attractions of a major city. Boston's reliance on hospital staff is one of the highest in the U.S. thanks to the presence of world-renowned medical facilities such as Massachusetts General Hospital, Brigham and Women's Hospital, Beth Israel Deaconess Medical Center, and Boston Children's Hospital.

Gains in technology positions will boost demand for housing and consumer industries. Housing constraints are not easing. Weaknesses in the area include high business and living costs and high exposure to cyclical investment. Jobs in education and healthcare account for a significant portion of the area labor market. Major employers in the area include Partners Healthcare, University of Massachusetts, Stop & Shop Supermarkets, Steward Healthcare System, Harvard University, and the Massachusetts Institute of Technology.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the Boston-Cambridge-Newton, MA-NH MSA was 2.5 percent as of January 1, 2017 compared to the national unemployment rate of 4.9 percent. The unemployment rate declined to 2.1 percent compared to the national unemployment rate of 3.7 percent as of December 31, 2019.

Providence-Warwick, RI-MA MSA

According to Moody's Analytics report, dated January 2020, Providence RI's economy has been improving with job growth surpassing that of the region and the nation. The private services have grown at the fastest pace in two decades on a year-over-year basis. Healthcare, finance, professional and business services, and government are all performing well. Providence is linked to Boston and Cambridge because of proximity, and the northern neighbor's strong growth will create more

opportunities for job seekers in Providence. Approximately 13 percent commute to jobs in the two metropolitan divisions, where the average worker earns 50 percent more than those in Providence and pay ranks in the top five of Northeast areas. The largest employment sectors are education and health services, government, professional and business services, and leisure and hospitality services. The largest employers are Lifespan, Care New England, CVS Health Corporation, Citizens Financial Group Inc., and General Dynamics Electric Boat. Providence has lower costs, leading to population growth. Although house prices have spiked and affordability has eroded, Providence's cost advantage is still significant with the median existing single-family house price about 30 percent less than Boston and Cambridge. Lower mortgage rates are boosting demand for single-family housing and the supply of housing is at an all-time low.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the Providence-Warwick, RI-MA MSA was 4.2 percent compared to the national unemployment rate of 4.9 percent as of January 1, 2017. The unemployment rate declined to 3.2 percent compared to the national unemployment rate of 3.7 percent as of December 31, 2019.

Worcester, MA-CT MSA

According to Moody's Analytics, dated September 2019, Worcester, MA's economy is in the late expansion stage of the business cycle, and the economy is weakening. Nearly 15 percent of personal income is earned by those working outside the metropolitan area. Worcester will not catch up to its state or national peers in job and income growth due to troubles in manufacturing. It depends more on factory employment than other New England metro areas and manufacturers are struggling due to a strong U.S. dollar and slowing global growth. The healthcare industry will remain a large source of new jobs, but growth will fall short of that nationally. The metropolitan area's reliance on healthcare staff is well above average. The largest employment sectors are education and health services, government, professional and business services, and manufacturing. The largest employers are UMass Memorial Health Care, University of Massachusetts Medical School, Reliant Medical Group, Saint Vincent Hospital, and MAPFRE U.S.A. Corporation. Worcester is situated next to the larger and more dynamic Boston and Cambridge economies and provides more reasonable living costs. The housing market in Worcester is slowing, house price gains have decelerated below the U.S. pace, and home sales are falling.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the Worcester, MA-CT MSA was 3 percent compared to the national unemployment rate of 4.9 percent as of January 1, 2017. The unemployment rate declined to 2.6 percent compared to the national unemployment rate of 3.7 percent as of December 31, 2019.

Barnstable Town, MA MSA

According to the Moody's Analytics May 2020 report, the Barnstable area is an attractive tourist destination with proximity to the Boston area. The area has below average employment volatility and positive net migration. The area's weaknesses include reliance on low wage tourism and retail jobs, above-average living and business costs, and an unfavorable age structure. The area is a popular vacation spot for Massachusetts residents and over 40 percent of the housing stock is seasonal vacation homes compared to 4 percent nationally. These homes traditionally attract higher income homebuyers who can afford to purchase a second property. Major employment industries for the area include leisure and hospitality services, education and health services, and retail trade. Major employers in the area include Cape Cod Healthcare, Woods Hole Oceanographic Institution, Hawthorne Motel, and the

Steamship Authority, which runs the ferry service between the Massachusetts mainland and the islands of Nantucket and Martha's Vineyard.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the Barnstable Town, MA MSA was 3.8 percent compared to the national unemployment rate of 4.9 percent as of January 1, 2017. The unemployment rate declined to 3.4 percent compared to the national unemployment rate of 3.7 percent as of December 31, 2019.

Manchester-Nashua, NH MSA

According to Moody's Analytics May 2020 report, the Manchester, NH area has a highly educated workforce and above average incomes, no state sales, income or capital gains tax, and a high quality of life and friendly business appeal to entrepreneurs. Population growth is slower relative to the U.S. as a whole; however, it is still stronger than the regional average. Household formation in the area is also stronger than the regional average and will help to support strong housing demand in the long-term. Major employment industries in the area include education and health services, professional and business services, and retail trade. The largest employers in the area include Walmart, Fidelity Investments, Liberty Mutual Insurance, Hannaford, and Elliot Hospital.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the Manchester-Nashua, NH MSA was 2.4 percent compared to the national unemployment rate of 4.9 percent as of January 1, 2017. The unemployment rate declined to 2.1 percent compared to the national unemployment rate of 3.7 percent as of December 31, 2019.

Community Contacts

A review was conducted of multiple community contacts completed during the examination period. The contacts were conducted with organizations located throughout the rating area. The mission of the organizations contacted focused on several areas including affordable housing, CD, community revitalization, community services, and financial capability. The area is served by numerous nonprofits, community development financial institutions (CDFIs), and CD entities providing multiple opportunities for participation and support by area financial institutions.

Most contacts noted the high cost of housing in the area as a significant concern as most low- and moderate-income residents are challenged in finding both affordable rental housing as well as homes to purchase. Contacts in the greater Boston portion of the rating area noted that there is a significant affordable housing shortfall caused by the high cost of living and a significant number of unskilled laborers working at the minimum wage, which limits housing options. Contacts noted that housing costs in the communities immediately surrounding the cities of Boston and Cambridge have been steadily increasing as demand for affordable housing continues to outpace supply. Contacts noted that in the city of Cambridge, 65 percent of people who have a Housing Choice voucher are unable to locate a unit/landlord in the city of Cambridge who will accept it. The Housing Choice vouchers have a maximum cap of \$2,000; however, the typical two-bedroom apartment in Cambridge rents for much more. Recognizing the high demand for housing, many landlords are increasing rents dramatically, thus causing many residents to be evicted and forced into other communities further away from Boston because they cannot afford to live in the area. Much of the housing that is being built in the greater Boston area is market rate or luxury housing.

Contacts in the Rhode Island portion of the rating area indicated that the unemployment rate for Rhode Island is below the national average. Many households in the 50 to 64-year age group have experienced great financial losses due to the Great Recession. Locally, the foreclosure crisis disproportionately impacted communities of color, exacerbating disparity. Aging households are living longer with fewer resources and growing housing insecurity. Rhode Island's stock of senior and disabled housing is insufficient to meet the needs of the current aging population and falls far short of meeting the need for future seniors. More housing needs to be developed, in every community, that meets both affordability and accessibility needs of an aging population. Contacts indicated that Worcester has been rapidly developing, specifically its downtown area, creating a fear of gentrification. Contacts noted that the rebranding of downtown Worcester could displace lower income residents.

The contacts identified the following needs in the community:

- Affordable housing, including affordable rental housing.
- Housing counseling assistance.
- Loan programs for small businesses that do not meet traditional lending requirements.
- Loan programs to support the rehabilitation of older housing.
- Support for financial education programs.
- Low-cost deposit and loan products to help low- and moderate-income individuals establish and repair credit.
- Gap financing to support CD activities.
- Affordable and accessible housing for the elderly.
- Support for programs to help elders age in place.
- Access to affordable childcare.
- Funding to assist low-income homeowners with lead paint and asbestos abatement.
- Job readiness training.

Scope of Evaluation in the Boston CSA

The Boston CSA AA received a full-scope review. Home mortgage lending received slightly greater weight based on the volume of loan originations and purchases in the AA. The Boston CSA AA represents one of the bank's most significant markets in terms of lending, deposits, and branch distribution. Therefore, the performance in the Boston CSA AA was weighted more heavily in determining the bank's overall CRA rating.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE BOSTON CSA

LENDING TEST

The bank's performance under the Lending Test in the Boston CSA is rated Outstanding.

Based on a full-scope review, the bank's performance in the Boston CSA is excellent.

Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Lending Activity							2017-2019	
Number of Loans								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits
Boston CSA	17,914	12,477	3	36	--	30,430	100.0	100.0
TOTAL	17,914	12,477	3	36	--	30,430	100.0	100.0
Dollar Volume of Loans								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits
Boston CSA	4,893,707	1,138,949	440	343,641	--	6,376,737	100.0	100.0
TOTAL	4,893,707	1,138,949	440	343,641	--	6,376,737	100.0	100.0
<i>Source: Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>								

According to mortgage peer data for 2019, the bank had a market share of 2.1 percent based on the number of home mortgage loans originated or purchased. The bank ranked ninth among 775 home mortgage lenders in the AA, which placed it in the top 2 percent of lenders. The top three lenders with a combined market share of 14.6 percent were Citizens Bank, N.A. with 6.1 percent, Wells Fargo Bank, N.A. with 4.6 percent, and Quicken Loans with 3.9 percent. According to peer small business data for 2018, the bank had a market share of 2.2 percent based on the number of small loans to businesses originated or purchased. The bank ranked 11th out of 208 small business lenders, which placed it in the top 6 percent of lenders. The top lenders are nationwide lenders that have significant small business credit card portfolios. The top three lenders with a combined market share of 45.5 percent were American Express National Bank with 24.2 percent, Bank of America, N.A. with 11.6 percent, and Chase Bank USA, N.A. with 9.7 percent.

Distribution of Loans by Income Level of the Geography

The bank exhibits an excellent geographic distribution of loans in its AA.

Home Mortgage Loans

Refer to Table O in the Boston CSA 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. Based on the data in the tables and considering the performance context factors discussed above, the overall geographic distribution of home mortgage loans is excellent.

The bank's percentage of home mortgage loans in low- and moderate-income geographies exceeded both the percentages of owner-occupied housing units in those geographies and the aggregate distribution of home mortgage loans by all lenders. Despite the high cost of housing and economic considerations that affect large portions of the CSA, the bank achieved excellent geographic penetration.

Small Loans to Businesses

Refer to Table Q in the Boston CSA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses. Based on the data in the tables and considering the performance context factors discussed above, the overall geographic distribution of small loans to businesses is excellent.

The bank's percentage of small loans to businesses in low- and moderate-income geographies exceeded both the percentages of businesses located in those geographies and the aggregate distribution of small loans to businesses by all lenders. Despite the economic considerations and competition that affect large portions of the CSA, the bank achieved excellent geographic penetration.

Lending Gap Analysis

Examiners identified no conspicuous or unexplained gaps in lending in low- and moderate-income geographies. The OCC analyzed geographic lending patterns of home mortgage loans and small loans to businesses by reviewing maps of loan originations and purchases throughout the AA.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a good distribution of loans among individuals of different income levels and businesses of different sizes.

Home Mortgage Loans

Refer to Table P in the Boston CSA section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's home mortgage loan originations and purchases. Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of home mortgage loans is good.

Examiners considered the high housing cost, the limited availability of housing that low-income borrowers can afford to acquire, and poverty levels within the AA that constrained the lending opportunities to low-income borrowers. Considering low-income families make up a larger percentage of the population, lending to low-income borrowers was weighted more heavily. Due to these factors, the bank's percentage of home mortgage loans to low-income borrowers was below the percentage of low-income families within the AA. However, the bank outperformed and exceeded the aggregate distribution of home mortgage loans by all lenders.

The bank's percentage of home mortgage loans to moderate-income borrowers exceeded both the percentage of moderate-income families and the aggregate distribution of home mortgage loans by all lenders.

Small Loans to Businesses

Refer to Table R in the Boston CSA section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's originations and purchases of small loans to businesses. Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of small loans to businesses is good.

The bank did not collect or consider the gross annual revenues in the underwriting of approximately 5.5 percent of its small loans to businesses. Based on the businesses with known revenues, the bank's percentage of small loans to businesses with revenues of \$1 million or less was below the percentage of small businesses located in the AA. However, the bank outperformed and exceeded the aggregate distribution of small loans to businesses by all lenders.

Community Development Lending

The institution is a leader in making CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The level of CD lending in the Boston CSA is excellent. CD lending has a significantly positive effect on the Lending Test conclusion. The bank made 36 CD loans totaling over \$ 343.6 million, which represented 8.8 percent of the bank's allocated tier 1 capital. By dollar volume, 90 percent of these loans funded affordable housing, 4.4 percent funded community services, 1 percent funded revitalization and stabilization efforts, and 4.6 percent funded economic development.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- The bank made a \$30.1 million loan to acquire and rehabilitate two income-restricted apartment buildings in the CSA. One building included 211 units of affordable senior housing, comprised of 199 existing units and construction of 12 new units. Of the 211 units, 210 were restricted LIHTC units. The second building consisted of 89 one and two-bedroom units restricted to households earning 60 percent of the area median income.
- The bank made a \$22 million loan to finance the rehabilitation and construction of multiple multifamily properties located throughout the CSA. The project comprised 88 units, consisting of moderate renovation of an existing 45-unit project, a moderate renovation of an existing 20-unit project, and construction of 23 units on three contiguous sites. Of the proposed 88 units, 78 will be LIHTC-eligible and will target families earning between 30 percent and 60 percent of the area median income.
- The bank made a \$5 million loan to a CDFI, of which \$2.1 million benefitted organizations within the Boston CSA. The CDFI provided financing and training to other nonprofit organizations with the purpose of CD. The organization promotes CD by providing small businesses with affordable financing options for working capital purposes.

Product Innovation and Flexibility

The institution makes extensive use of innovative and/or flexible lending practices in order to serve AA credit needs. During the evaluation period, the bank originated 1,629 loans totaling over \$753.4 million among the various flexible lending products available throughout the Boston CSA. Please refer to the "Flexible and Innovative Lending Products" section for descriptions of the flexible lending products.

INVESTMENT TEST

The institution's performance under the Investment Test in the Boston CSA is rated Outstanding.

Based on a full-scope review, the institution's performance in the Boston CSA is excellent.

The institution has a significant level of qualified CD investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Boston CSA	79	116,705	439	326,004	518	100.0	442,709	100.0	83	813,661

* Prior Period Investments means investments made in a previous evaluation 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.

The institution exhibits excellent responsiveness to credit and community economic development needs. The bank made 518 CD investments totaling over \$442 million, which represented 11.3 percent of the allocated tier 1 capital. A substantial majority of the dollar volume of these transactions were LIHTC and Small Business Investment Company (SBIC) investments focused on affordable housing and economic development, primary needs in the AA. By dollar volume, 91.4 percent of the bank's current and prior period investments funded affordable housing, 1.7 percent funded community services, 1.2 percent funded revitalization and stabilization efforts, and 5.7 percent funded economic development. Included in the investments are 394 grants totaling \$12.5 million to a variety of organizations that primarily supported economic development and community services.

The institution makes significant use of innovative and/or complex investments to support CD initiatives. CD investments involved 60 complex LIHTC projects where the bank often acted in a leadership role with participations from federal, state, and local housing agencies, and real estate developers.

The following examples demonstrate the bank's use of complex and responsive investments:

- In 2017, the bank made a commitment to invest up to \$125 million in a LIHTC fund that provides financing for the construction of 582 units of affordable housing throughout the bank's AAs. The affordable housing units would be for households earning up to 60 percent of the area median income. During the evaluation period, \$19.2 million of the funds invested were allocated to housing developments within the Boston CSA. The project was considered complex and utilized multiple debt and equity financing sources.
- During the prior evaluation period, the bank made a \$6 million investment commitment in a private equity fund to provide mezzanine funds to small businesses throughout New England. Of the total commitment, \$5.3 million was allocated to small businesses within the Boston CSA. The bank is the lead investor in the fund, which has provided financing to eight small businesses. The investment

promotes economic development by financing small businesses that meet the size standards of the Small Business Administration (SBA).

- During the prior evaluation period, the bank made a \$1 million investment in a nonprofit public policy advocacy organization to provide permanent supportive housing for chronically homeless individuals throughout the Boston CSA. The bank demonstrated leadership as this program is the nation’s first Pay for Success initiative for reducing homelessness. The unique payment approach successfully provides permanent, affordable housing to low- and moderate-income individuals to address a primary need in the AA. During a six-year period, the program will provide housing for 500 to 800 homeless individuals.

SERVICE TEST

The institution’s performance under the Service Test in the Boston CSA is rated Outstanding.

Based on a full-scope review, the institution’s performance in the Boston CSA is excellent.

Retail Banking Services

Service delivery systems are readily accessible to geographies and individuals of different income levels in the Boston CSA.

Distribution of Branch Delivery System								As of December 31, 2019			
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)*				% of Population within Each Geography*			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Boston CSA	100.0	240	100.0	11.7	19.2	31.7	36.3	9.7	18.3	40.2	31.5

* The percentages of branches and population may not equal 100% due to NA tracts.

The bank had 240 branches in the AA. The distribution of branches is excellent in both the low- and moderate-income geographies. The distribution of branches in low-income geographies exceeded the percentage of the population in low-income geographies, while the distribution in moderate-income geographies exceeded the percentage of the population in moderate-income geographies.

The OCC reviewed bank-provided customer data for branches located in middle- and upper-income geographies that are adjacent to low- and moderate-income geographies to demonstrate the extent those branches serve low- and moderate-income individuals and geographies. Within the Boston CSA, the bank identified, and the OCC confirmed, 35 of these adjacent branches with a percentage of customers from low- and moderate-income geographies that exceeded the percentage of the population in low- and moderate-income geographies. These adjacent branches provided low- and moderate-income individuals and individuals in low- and moderate-income census tracts additional access to the bank’s retail banking services. The additional accessibility of these branches was not significant enough to affect the overall service delivery systems conclusion.

The bank provided additional access to its retail banking services through ADS, including ATMs and digital banking platforms (online banking/mobile banking). Over the three-year evaluation period (based on bank data for a six-month proxy in 2018 and 2019), an average of 28.8 percent and 38.9 percent of customer households in low- and moderate-income geographies utilized the online and mobile banking platforms, respectively, to access banking services. The bank operated 418 deposit-taking ATMs in the Boston CSA. ATM availability is excellent in low- and moderate-income geographies. The percentage of the bank’s ATMs in low-income census tracts, 12.7 percent, exceeded the percentage of the population in low-income census tracts, while the percentage of ATMs in moderate-income census tracts, 19.1 percent, exceeded the percentage of the population in moderate-income census tracts. Deposit-taking ATMs were generally available 24 hours every day. The bank also had 483 ATMs in the Boston CSA that do not accept deposits, but were available for cash withdrawals, transfers, and balance inquiries during the operating hours of the business where the ATM was located. These ATMs were primarily located in CVS Pharmacy stores and some Market Basket grocery stores. The additional access provided through ADS was not significant enough to affect the overall service delivery systems conclusion.

Distribution of Branch Openings/Closings						
Assessment Area	Branch Openings/Closings		Net change in Location of Branches (+ or -)			
	# of Branch Openings	# of Branch Closings	Low	Mod	Mid	Upp
	Boston CSA	0	22	-2	-2	-12

The institution’s closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The bank closed two branches in low-income geographies and two branches in moderate-income geographies. Three of the closed branches overlapped the service areas of nearby branches. Despite the net closures in low- and moderate-income geographies, the remaining branches remained readily accessible to low- and moderate-income geographies and to low- and moderate-income individuals.

Services, including where appropriate, business hours, do not vary in a way that inconveniences the various portions of its AA, particularly low- and moderate-income geographies and/or individuals. Bank branches offered traditional products and services such as personal and business deposit accounts, deposit and withdrawal services, loan payments, wire transfer and money order sales, and loan applications for mortgage, business, home equity, lines of credit, and personal loans. Branch operating hours were generally consistent throughout the Boston CSA. The operating hours of branches in low- and moderate-income areas were not more restrictive than the operating hours of branches in middle- and upper-income areas. Branches were generally open 9:00 am to 5:00 pm Monday through Wednesday, 9:00 am to 6:00 pm Thursday and Friday, and 9:00 am to 1:00 pm Saturday.

Community Development Services

The institution provides a significant level of CD services.

During the evaluation period, bank employees contributed 18,617 hours with 198 different organizations to provide CD services primarily targeted to low- and moderate-income individuals. Bank employees provided CD services to 112 organizations that provide essential services to low- and moderate-income individuals, 50 organizations that provide affordable housing, and 36 organizations focusing on

economic development activities throughout the AA. In collaboration with CD organizations, employees participated in 1,309 affordable housing workshops and/or financial education seminars for 34,972 individuals that are primarily low- and moderate-income. Services also included participation on 60 boards of CD organizations and committee memberships for CD organizations in the AA.

The following examples demonstrate the bank's responsiveness in providing CD services:

- The bank partnered with an economic development organization designed to help early-stage entrepreneurs in low- and moderate-income emergent greater Boston neighborhoods build and sustain food-related businesses. The program is innovative and responsive as it was developed by the bank in collaboration with a local college, and prior to the development of the program, no entrepreneurial accelerator program existed focused on food service.
- The bank partnered with a community service organization that serves low- and moderate-income residents of greater Boston by offering clients the services and support they need for a successful job search, including financial literacy. Employees volunteered 1,408 hours to assist 352 clients in practicing their interviewing skills. This service is responsive to financial education and job readiness, both identified needs in the AA.
- Bank volunteers, in partnership with a community service organization that serves low- and moderate-income families of northern Rhode Island, led financial literacy workshops for 1,188 individuals. This service is responsive to this identified need in the AA. A bank volunteer serves on the organization's board.

Multistate Metropolitan Statistical Area Rating

New York-Newark, NY-NJ-CT-PA CSA (New York CSA)

CRA rating for the New York CSA²: Outstanding

The Lending Test is rated: Outstanding

The Investment Test is rated: Outstanding

The Service Test is rated: High Satisfactory

The major factors that support this rating include:

- Excellent level of lending activity.
- Excellent geographic distribution of loans.
- Good distribution of loans by borrower income or business revenue.
- Excellent level of CD lending that has a significantly positive effect on the Lending Test.
- Excellent level of qualified CD investment and grants that are responsive to credit and community economic development needs.
- Service delivery systems are accessible to geographies and individuals of different income levels.
- Excellent level of CD services that are responsive to the needs of the community.

Description of Institution's Operations in the New York CSA

The New York CSA rating area comprises the following metropolitan areas: New York-Newark-Jersey City, NY-NJ-PA MSA, New Haven-Milford, CT MSA, and Trenton-Princeton, NJ MSA. Refer to appendix A for a complete description of the rating area.

The New York CSA is Santander's second largest rating area based on the percentage of the bank's total deposits in the rating area. Based on the June 30, 2019 FDIC Summary of Deposit Market Share report, the bank had \$20.5 billion of deposits in the AA, representing 35.2 percent of its total domestic deposits. With a deposit market share of nearly 1.1 percent, the bank ranked 15th out of 193 FDIC-insured depository financial institutions, placing it in the top 8 percent of institutions. The top three banks with a combined deposit market share of 45.5 percent were JPMorgan Chase Bank, N.A. with 31 percent deposit market share, Bank of America, N.A. with 7.9 percent deposit market share, and The Bank of New York Mellon with 6.6 percent deposit market share. In comparison to the percentage of deposits relative to the bank's total domestic deposits, the bank originated or purchased 38.1 percent of the number of its home mortgage loans and small loans to businesses and farms during the evaluation period in the New York CSA. Santander operated 199 branches and 284 deposit-taking ATMs in the New York CSA representing 33.8 percent of total branches and 31.7 percent of total ATMs.

Demographic Data

Table A – Demographic Information of the Assessment Area						
Assessment Area: New York CSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #

²This rating reflects performance within the multistate metropolitan statistical area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

Geographies (Census Tracts)	4,707	11.5	21.4	33.3	31.8	2.0
Population by Geography	20,063,266	11.9	22.5	32.2	33.2	0.3
Housing Units by Geography	7,920,446	11.3	21.6	31.9	35.1	0.2
Owner-Occupied Units by Geography	3,694,102	3.1	13.9	37.6	45.3	0.1
Occupied Rental Units by Geography	3,497,662	19.6	29.5	25.9	24.7	0.2
Vacant Units by Geography	728,682	12.2	23.3	31.4	32.8	0.2
Businesses by Geography	1,630,962	7.0	16.3	30.5	45.1	1.1
Farms by Geography	24,155	3.5	13.7	35.6	46.9	0.2
Family Distribution by Income Level	4,736,673	25.2	15.6	17.3	41.8	0.0
Household Distribution by Income Level	7,191,764	27.3	14.3	15.9	42.5	0.0
Median Family Income MSA - 35004 Nassau County-Suffolk County, NY	\$108,193	Median Housing Value			\$452,803	
Median Family Income MSA - 35084 Newark, NJ-PA	\$90,570	Median Gross Rent			\$1,326	
Median Family Income MSA - 35154 New Brunswick-Lakewood, NJ	\$95,564	Families Below Poverty Level			11.3%	
Median Family Income MSA - 35300 New Haven-Milford, CT MSA	\$80,739					
Median Family Income MSA - 35614 New York-Jersey City-White Plains, NY-NJ	\$67,560					
Median Family Income MSA - 45940 Trenton-Princeton, NJ MSA	\$94,908					
<i>Source: 2015 ACS and 2019 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Table A shows that the percentages of owner-occupied housing units and businesses located in low-income geographies are low, and 40.8 percent of families in the AA are low- and moderate-income.

Based on the information in Table A, low-income families earned between \$33,780 and \$54,097 and moderate-income families earned between \$54,048 and \$86,554, depending on the MSA. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30 percent of the applicant's income. Depending on the MSA, the calculated maximum affordable monthly mortgage payment ranged between \$845 and \$1,352 for low-income borrowers and between \$1,351 and \$2,164 for moderate-income borrowers. Assuming a 30-year mortgage with a 5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the CSA median housing value would be \$2,431. Low- and moderate-income borrowers would be challenged to afford a mortgage loan in this AA.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the state poverty rate are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above poverty. Median rents and the high percentage of families below the poverty level suggest rental housing is also unaffordable for many low-income residents. The 2019 poverty level for the New

York-Newark-Jersey City, NY-NJ-PA MSA was 11.6 percent compared to the national average of 12.3 percent. These levels had an impact on meeting basic financial needs and home mortgage lending.

Economic Data

New York-Newark-Jersey City, NY-NJ-PA MSA

New York-Jersey City-White Plains, NY-NJ MD

According to the November 2019 Moody's Analytics report, in the New York-Jersey City-White Plains, NY-NJ MD, the housing market remains stagnant with both single-family and condominium prices moving sideways or lower and multifamily building well below its mid-decade peak. As the financial capital of the world, the area has a high per capita income and limited exposure to manufacturing. It has strong international immigration. However, high costs, including taxes, housing, office rents and energy, a rapidly aging infrastructure, and an overreliance on wealthy overseas buyers to support the real estate market, are major challenges. Major industries include education and health services, professional and business services, and government. Major employers in the area include Montefiore Health System, Mount Sinai Health System, JPMorgan Chase Bank, N.A., Bank of America, N.A., and New York-Presbyterian Healthcare System.

Nassau County-Suffolk County, NY MD

According to the November 2019 Moody's Analytics report, Nassau County-Suffolk County, NY MD has a robust healthcare sector and a highly skilled workforce. The proximity to New York City contributes to the high per capita income. However, there are high housing costs and a lack of land available for development. The high taxes are a burden for residents and firms. Population growth is weak, and a rapidly rising number of retirement-age seniors exist. Major industries include education and health services, government, and professional and business services. Major employers in the area include Northwell Health, Henry Schein Inc., Cablevision Systems Corporation., CA Inc., and Pall Corporation.

Newark, NJ-PA MD

According to the November 2019 Moody's Analytics report, the Newark, NJ-PA MD has a well-educated and productive workforce matched with financial services, pharmaceuticals, and high technology industries. However, prescription-drug price reform led to layoffs among major pharmaceutical companies located in the area. Also, Newark, NJ has weak population growth and high business and living costs. Major industries include professional and business services, education and health services, and government. Major employers in the area include Newark International Airport, Verizon, University of Medicine and Dentistry of New Jersey, NJ Transit, and United Airlines Inc.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the New York-Newark-Jersey City, NY-NJ-PA MSA was 4.2 percent compared to the national unemployment rate of 4.9 percent as of January 1, 2017. The unemployment rate declined to 3.4 percent compared to the national unemployment rate of 3.7 percent as of December 31, 2019.

New Haven-Milford, CT MSA

According to the November 2019 Moody's Analytics report, the New Haven-Milford, CT MSA has the highest jobless rate among Connecticut's four metropolitan areas. It does have a large, stable university concentration and a strong commitment by Yale to urban development. Business costs are lower here than in New York and Boston. Major industries include education and health services, government, and professional and business services. Major employers in the area include Yale New Haven Health System, Yale University, Verizon, Bozzuto's Inc., and Southern Connecticut State University.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the New Haven-Milford, CT MSA was 3.8 percent compared to the national unemployment rate of 4.9 percent as of January 1, 2017. The unemployment rate declined to 3 percent compared to the national unemployment rate of 3.7 percent as of December 31, 2019.

Trenton-Princeton, NJ MSA

According to the November 2019 Moody's Analytics report, the Trenton-Princeton, NJ MSA has a highly educated and highly skilled workforce with a concentration of white-collar and high technology jobs. There are strong talent pipelines from Princeton University and The College of New Jersey. The workforce attracts investment in technology, finance, and professional services. Business costs are low relative to the state. The affordability of housing is above average and close to average living costs. The unemployment rate is among the lowest for metropolitan areas in the Middle Atlantic region. Trenton is New Jersey's state capital and government positions make up 27 percent of total employment. As a result, the area is vulnerable to the state's poor financial condition. Major industries include government, education and health services, and professional and business services. Major employers in the area include Bank of America, N.A., Princeton University, Bristol-Myers Squibb, Capital Health System, and New Jersey Manufacturers Insurance.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the Trenton-Princeton, NJ MSA was 3.5 percent compared to the national unemployment rate of 4.9 percent as of January 1, 2017. The unemployment rate declined to 3.1 percent compared to the national unemployment rate of 3.7 percent as of December 31, 2019.

Community Contacts

A review was conducted of multiple community contacts completed during the examination period with organizations located throughout the area. The organizations contacted focus on areas such as affordable housing, small business development, community services, and policy and research. The contacts noted the need for affordable housing programs, both homeownership and rental housing due to the high-cost areas across the AA. Affordable rental housing is particularly necessary in high-cost metropolitan areas such as New York City, where two-thirds of its residents remain renters. Often these renters experience a high rent burden. Multifamily lending is also a need in these areas, many of which have experienced gentrification during the rating period. For homeowners across the AA, affordable mortgages with down payment assistance and home improvement loans are needed for low- and moderate-income families to purchase and repair homes. Support for seniors is necessary as many areas throughout the AA report a growing senior population. Seniors will need access to various community services as well as low-cost loans to maintain homes. Job training is noted as experienced workers age out of the workforce without enough qualified replacements.

For small businesses, there is an increased need especially for small scale businesses that struggle most to access capital. In the high-cost areas across the AA, it is difficult for businesses to survive due to

rising commercial real estate leases and large chains entering the local retail markets. Capacity building for community organizations including providing access to technical training and leadership development was noted. Other needs identified include:

- Access to affordable banking products and services including low-cost checking and savings products and credit repair products.
- Access to traditional financial services.
- Financial literacy.
- Financial education for start-up businesses.
- Small dollar mortgage and small business loans.
- Affordable small dollar emergency credit.
- Homebuyer education and counseling.
- Support for youth after-school programs.
- Job training and resources.

Scope of Evaluation in the New York CSA

The New York CSA received a full-scope review. Home mortgage lending received slightly greater weight based on the volume of loan originations and purchases in the AA. The New York CSA represents one of the bank's most significant markets in terms of lending, deposits, and branch distribution. Therefore, the performance in the New York CSA was weighted more heavily in determining the bank's overall CRA rating.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE NEW YORK CSA

LENDING TEST

The bank's performance under the Lending Test in the New York CSA is rated Outstanding.

Based on a full-scope review, the bank's performance in the New York CSA is excellent.

Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Lending Activity							2017-2019	
Number of Loans								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits
New York CSA	15,775	14,878	0	200	--	30,853	100.0	100.0
TOTAL	15,775	14,878	0	200	--	30,853	100.0	100.0
Dollar Volume of Loans								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits
New York CSA	7,329,136	1,760,265	0	1,220,529	--	10,309,930	100.0	100.0
TOTAL	7,329,136	1,760,265	0	1,220,529	--	10,309,930	100.0	100.0
<i>Source: Bank Data; "--" data not available.</i>								
<i>Due to rounding, totals may not equal 100.0%</i>								

According to mortgage peer data for 2019, the bank had a market share of 1.4 percent based on the number of home mortgage loans originated or purchased. The bank ranked 15th among 908 home mortgage lenders in the AA, which placed it in the top 2 percent of lenders. The top three lenders with a combined market share of 21.1 percent were Wells Fargo Bank, N.A. with 9.2 percent, JPMorgan Chase Bank, N.A. with 6.8 percent, and Quicken Loans with 5.1 percent. According to peer small business data for 2018, the bank had a market share of 0.8 percent based on the number of small loans to businesses originated or purchased. The bank ranked 16th out of 320 small business lenders, which placed it in the top 5 percent of lenders. The top lenders were nationwide lenders that have significant small business credit card portfolios. The top three lenders with a combined market share of 59.5 percent were American Express National Bank with 31.2 percent, Chase Bank USA, N.A. with 21.2 percent, and Bank of America, N.A. with 7.1 percent.

Distribution of Loans by Income Level of the Geography

The bank exhibits an excellent geographic distribution of loans in its AA.

Home Mortgage Loans

Refer to Table O in the New York CSA 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. Based on the data in the tables and considering the performance context factors discussed above, the overall geographic distribution of home mortgage loans is excellent.

The bank's percentage of home mortgage loans in low- and moderate-income geographies exceeded both the percentages of owner-occupied housing units in those geographies and the aggregate distribution of home mortgage loans by all lenders. Despite the high cost of housing and economic considerations that affect large portions of the CSA, the bank achieved excellent geographic penetration.

Small Loans to Businesses

Refer to Table Q in the New York CSA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses. Based on the data in the tables and considering the performance context factors discussed above, the overall geographic distribution of small loans to businesses is excellent.

The bank's percentage of small loans to businesses in low- and moderate-income geographies exceeded both the percentages of businesses located in those geographies and the aggregate distribution of small loans to businesses by all lenders. Despite the economic considerations and competition that affect large portions of the CSA, the bank achieved excellent geographic penetration.

Lending Gap Analysis

Examiners identified no conspicuous or unexplained gaps in lending in low- and moderate-income geographies. The OCC analyzed geographic lending patterns of home mortgage loans and small loans to businesses by reviewing maps of loan originations and purchases throughout the AA.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a good distribution of loans among individuals of different income levels and businesses of different sizes.

Home Mortgage Loans

Refer to Table P in the New York CSA section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's home mortgage loan originations and purchases. Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of home mortgage loans is good.

Examiners considered that the high housing cost, limited availability of housing that low-income borrowers can afford to acquire, and poverty levels within the AA constrained lending opportunities to low-income borrowers. Considering low-income families make up a larger percentage of the population, lending to low-income borrowers was weighted more heavily. Due to these factors, the bank's percentage of home mortgage loans to low-income borrowers was well below the percentage of low-income families within the AA. However, the bank outperformed and exceeded the aggregate distribution of home mortgage loans by all lenders.

The bank's percentage of home mortgage loans to moderate-income borrowers exceeded both the percentage of moderate-income families and the aggregate distribution of home mortgage loans by all lenders.

Small Loans to Businesses

Refer to Table R in the New York CSA section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's originations and purchases of small loans to businesses. Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of small loans to businesses is adequate.

The bank did not collect or consider the gross annual revenues in the underwriting of approximately 7.5 percent of its small loans to businesses. Based on the businesses with known revenues, the bank's percentage of small loans to businesses with revenues of \$1 million or less was well below the percentage of small businesses located in the AA. However, the bank outperformed and exceeded the aggregate distribution of small loans to businesses by all lenders.

Community Development Lending

The institution is a leader in making CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The level of CD lending in the New York CSA is excellent. CD lending has a significantly positive effect on the Lending Test conclusion. The bank made 200 CD loans totaling over \$1.2 billion, which represented 33.6 percent of the bank's allocated tier 1 capital. By dollar volume, 92.8 percent of these loans funded affordable housing, 5.9 percent funded community services, and 1.3 percent funded economic development.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- The bank made a \$14.3 million loan to finance the construction of an income-restricted apartment building in the New York CSA that consisted of 70 units for chronically homeless individuals and seniors. The property contained 42 studio apartments targeted to chronically homeless individuals with serious mental illness and 27 studio apartments for low-income seniors earning between 40 percent and 60 percent of the area median income. All units will qualify for LIHTCs.
- The bank made an \$8 million loan to a CDFI, of which \$6.4 million benefitted organizations within the New York CSA. The CDFI provided financing and training to low-income women across the U.S. Specifically, the organization promotes CD by providing micro lending to entrepreneurial women living below the federal poverty line which enables them to build their businesses and achieve a higher family income while revitalizing their communities.
- The bank made a \$7.4 million participation in a \$34 million loan with other lenders to finance the construction of a 124-unit multifamily income-restricted apartment building in the New York CSA and is comprised of 12 studio units, 92 one-bedroom units and 20 two-bedroom units. The project was constructed with subsidies from the LIHTC program. Rents were legally restricted to households whose earnings do not exceed 50 percent (25 units), 60 percent (40 units), 90 percent (19 units), or 100 percent (40 units) of the area median income.

Product Innovation and Flexibility

The institution makes extensive use of innovative and/or flexible lending practices in order to serve AA credit needs. During the evaluation period, the bank originated 1,652 loans totaling over \$392.6 million among the various flexible lending products available throughout the New York CSA. Please refer to the "Flexible and Innovative Lending Products" section for descriptions of the flexible lending products.

INVESTMENT TEST

The institution's performance under the Investment Test in the New York CSA is rated Outstanding.

Based on a full-scope review, the institution's performance in the New York CSA is excellent.

The institution has an excellent level of qualified CD investment and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
New York CSA	43	117,346	377	427,658	420	100.0	545,004	100.0	77	953,986

* Prior Period Investments means investments made in a previous evaluation 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.

The institution exhibits excellent responsiveness to credit and community economic development needs. The bank made 420 CD investments totaling over \$545 million, which represented 15 percent of the bank's allocated tier 1 capital. A substantial majority of the dollar volume of these investment transactions were LIHTCs that focused on affordable housing, a primary need in the AA. By dollar volume, 88.4 percent of the bank's current and prior period investments funded affordable housing, 0.6 percent funded community services, 0.1 percent funded revitalization and stabilization efforts, and 10.9 percent funded economic development. Included in the investments are 320 grants totaling \$8.3 million to a variety of organizations that primarily supported affordable housing and community services.

The institution occasionally uses innovative and/or complex investments to support CD initiatives. CD investments involved 22 complex LIHTC and 15 complex SBIC projects where the bank occasionally acted in a leadership role with participations from federal, state, and local housing agencies, and real estate developers.

The following examples demonstrate the bank's use of complex and responsive investments:

- The bank invested \$6.5 million towards a \$25 million investment in a regional multi-investor LIHTC fund. The bank's investment in the fund was directed towards the development of a 255-unit affordable housing project in Bronx, New York.
- In 2017, the bank made a commitment to invest up to \$125 million in a LIHTC fund that provides financing for the construction of 582 units of affordable housing throughout the bank's AAs. The affordable housing units would be for households earning up to 60 percent of the area median income. During the evaluation period, \$51.3 million of the funds invested were allocated to a housing development within the New York CSA. The project was considered complex and utilized multiple debt and equity financing sources.

- The bank invested \$73.0 million towards a \$84.5 million proprietary LIHTC investment with the bank acting in a leadership role. The investment purpose was for the construction and rehabilitation of 163 units of affordable housing, meeting a primary need in the AA.

SERVICE TEST

The institution's performance under the Service Test in the New York CSA is rated High Satisfactory.

Based on a full-scope review, the institution's performance in the New York CSA is good.

Retail Banking Services

Service delivery systems are accessible to geographies and individuals of different income levels in the New York CSA.

Distribution of Branch Delivery System								As of December 31, 2019			
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)*				% of Population within Each Geography*			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
New York CSA	100.0	199	100.0	9.6	20.1	32.2	37.2	11.9	22.5	32.2	33.2

* The percentages of branches and population may not equal 100% due to NA tracts.

The bank had 199 branches in the AA. The distribution of branches is good in low- and moderate-income geographies. The distribution of branches in low-income geographies was below the percentage of the population in low-income geographies, while the distribution in moderate-income geographies was below the percentage of the population in moderate-income geographies.

The OCC reviewed bank-provided customer data for branches located in middle- and upper-income geographies that are adjacent to low- and moderate-income geographies to demonstrate the extent that those branches serve low- and moderate-income individuals and geographies. Within the New York CSA, the bank identified, and the OCC confirmed, four branches in middle- and upper-income geographies that serve low-income geographies and 18 additional branches in middle- and upper-income geographies that serve moderate-income geographies. Of these adjacent branches, the percentage of branches serving low-income geographies was slightly below demographics. However, the percentage of branches serving moderate-income geographies was slightly above demographics. These adjacent branches provided low- and moderate-income individuals and individuals in low- and moderate-income census tracts additional access to the bank's retail banking services. The additional accessibility of these branches was not significant enough to affect the overall service delivery systems conclusion.

The bank provided additional access to its retail banking services through ADS, including ATMs and digital banking platforms (online banking/mobile banking). Over the three-year evaluation period (based on bank data for a six-month proxy in 2018 and 2019), an average of 25.9 percent and 38.9 percent of customer households in low- and moderate-income geographies utilized the online and mobile banking platforms, respectively, to access banking services. The bank operated 284 deposit-taking ATMs in the New York CSA. ATM availability is good in low- and moderate-income geographies. The percentage of

the bank’s ATMs in low- and moderate-income census tracts substantially met the percentage of the population in low- and moderate-income census tracts. Deposit-taking ATMs were generally available 24 hours every day. The bank also had 417 ATMs in the New York CSA that do not accept deposits, but were available for cash withdrawals, transfers, and balance inquiries during the operating hours of the business where the ATM was located. These ATMs were generally located in CVS Pharmacy stores. The additional access provided through ADS was not significant enough to affect the overall service delivery systems conclusion.

Distribution of Branch Openings/Closings						
Assessment Area	Branch Openings/Closings		Net change in Location of Branches (+ or -)			
	# of Branch Openings	# of Branch Closings	Low	Mod	Mid	Upp
	New York CSA	5	22	+2	-2	-4

The institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The distribution of branches in low-income geographies improved with two net openings. Despite the net closures in moderate-income geographies, the remaining branches remained accessible to low- and moderate-income geographies and to low- and moderate-income individuals.

Services, including where appropriate, business hours, do not vary in a way that inconveniences the various portions of its AA, particularly low- and moderate-income geographies and/or individuals. Bank branches offered traditional products and services such as personal and business deposit accounts, deposit and withdrawal services, loan payments, wire transfer and money order sales, and loan applications for mortgage, business, home equity, lines of credit, and personal loans. Branch operating hours were generally consistent throughout the New York CSA. The operating hours of branches in low- and moderate-income areas were not more restrictive than the operating hours of branches in middle- and upper-income areas. Branches were typically open 9:00 am to 5:00 pm Monday through Wednesday, 9:00 am to 6:00 pm Thursday and Friday, and 9:00 am to 1:00 pm Saturday.

Community Development Services

The institution provides a significant level of CD services.

During the evaluation period, bank employees contributed 14,033 hours with 248 different organizations to provide CD services primarily targeted to low- and moderate-income individuals. Bank employees provided CD services to 117 organizations that provide essential services to low- and moderate-income individuals, 64 organizations that provide affordable housing, and 67 organizations focusing on economic development activities throughout the AA. In collaboration with CD organizations, employees participated in 307 affordable housing workshops for 10,326 individuals and 494 financial education seminars for 26,723 individuals that are primarily low- and moderate-income. Services also included participation on 38 boards of CD organizations and committee memberships for CD organizations in the AA.

The following examples demonstrate the bank’s responsiveness in providing CD services:

- In 2017, the bank supported a collaborative initiative with a nationally recognized small business technical support provider on the Manage Forward StreetWise MBA program. This program assists

established small businesses, particularly businesses owned by women and minorities in low- and moderate-income areas. The program included classroom training, peer-to-peer learning, and coaching by Santander Business Banking volunteers. The businesses developed a three-year strategic growth action plan, which outlined specific and actionable growth goals. Within one year of completing the program, StreetWise had a goal that 80 percent of the participants will create an average of 1.5 new jobs per business and increase their revenues by 30 percent.

- During the evaluation period, bank staff collaborated with a community-based development corporation in Newark, NJ to provide financial education to 159 participants that provided insight on budgeting, credit building, borrowing process, general tips/best practices regarding foreclosure prevention, and various grants/products available to supplement the purchase process for low- and moderate-income borrowers. The complex partnership leveraged the resources of the nonprofit along with the bank's affordable mortgage products, eligible government down payment grants, and new product offerings such as Lender Paid Mortgage Insurance and the First Front Door Down Payment programs.
- Bank employees worked with a community housing organization in the New York-Newark-Jersey City, NY-NJ-PA MSA that provides a full range of housing and supportive services to homeless and low- to moderate-income households that include emergency housing, transitional and permanent supportive housing, homeownership counseling, education and down payment assistance grants, and foreclosure prevention counseling. Bank employees volunteered a total of 22.5 hours with this organization to educate 230 potential low- and moderate-income homebuyers at six separate homeownership events.

Multistate Metropolitan Statistical Area Rating

Philadelphia-Reading-Camden, PA-NJ-DE-MD CSA (Philadelphia CSA)

CRA rating for the Philadelphia CSA³: Outstanding

The Lending Test is rated: Outstanding

The Investment Test is rated: Outstanding

The Service Test is rated: High Satisfactory

The major factors that support this rating include:

- Good level of lending activity.
- Excellent geographic distribution of loans.
- Good distribution of loans by borrower income or business revenue.
- Excellent level of CD lending that has a significantly positive effect on the Lending Test.
- Excellent level of qualified CD investment and grants that are responsive to credit and community economic development needs.
- Service delivery systems are accessible to geographies and individuals of different income levels.
- Significant level of CD services that are responsive to the needs of the community.

Description of Institution's Operations in the Philadelphia CSA

The Philadelphia CSA rating area comprises the metropolitan areas of Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA (excluding Cecil County, MD and Salem County, NJ) and Reading, PA MSA. Refer to appendix A for a complete description of the rating area.

The Philadelphia CSA is Santander's third largest rating area based on the percentage of the bank's total deposits in the rating area. Based on the June 30, 2019 FDIC Summary of Deposit Market Share report, the bank had \$10.9 billion of deposits in the AA, representing 18.8 percent of its total domestic deposits. With a deposit market share of 2.3 percent, the bank ranked ninth out of 102 FDIC-insured depository financial institutions, placing it in the top 8 percent of institutions. The top three banks with a combined deposit market share of 61.4 percent were Capital One, N.A. with 29 percent deposit market share, TD Bank, N.A. with 25.6 percent deposit market share, and Wells Fargo Bank, N.A. with 6.8 percent deposit market share. In comparison to the percentage of deposits relative to the bank's total domestic deposits, the bank originated or purchased 14.8 percent of the number of its home mortgage loans and small loans to businesses and farms during the evaluation period in the Philadelphia CSA. Santander operated 81 branches and 105 deposit-taking ATMs in the Philadelphia CSA representing 13.8 percent of total branches and 11.6 percent of total ATMs.

Demographic Data

Table A – Demographic Information of the Assessment Area						
Assessment Area: Philadelphia CSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #

³ This rating reflects performance within the multistate metropolitan statistical area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

Geographies (Census Tracts)	1,523	7.7	22.9	38.3	29.7	1.3
Population by Geography	6,282,565	7.3	21.7	39.6	31.1	0.3
Housing Units by Geography	2,539,576	7.5	22.6	39.3	30.5	0.2
Owner-Occupied Units by Geography	1,574,777	3.9	17.4	42.8	35.9	0.0
Occupied Rental Units by Geography	748,447	13.0	30.4	34.2	21.9	0.5
Vacant Units by Geography	216,352	14.5	33.3	31.0	21.0	0.2
Businesses by Geography	511,261	4.2	17.3	39.1	39.0	0.5
Farms by Geography	11,367	1.5	12.6	48.4	37.3	0.2
Family Distribution by Income Level	1,508,916	21.9	17.2	20.0	40.8	0.0
Household Distribution by Income Level	2,323,224	25.1	15.6	17.1	42.2	0.0
Median Family Income MSA - 15804 Camden, NJ		\$87,133	Median Housing Value			\$236,447
Median Family Income MSA - 33874 Montgomery County-Bucks County- Chester County, PA		\$99,939	Median Gross Rent			\$1,041
Median Family Income MSA - 37964 Philadelphia, PA		\$56,411	Families Below Poverty Level			9.3%
Median Family Income MSA - 39740 Reading, PA MSA		\$67,696				
Median Family Income MSA - 48864 Wilmington, DE-MD-NJ		\$80,707				
<i>Source: 2015 ACS and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Table A shows that the percentages of owner-occupied housing units and businesses located in low-income geographies are low, and 39.1 percent of families in the AA are low- and moderate-income.

Based on the information in Table A, low-income families earned between \$28,206 and \$49,970 and moderate-income families earned between \$45,129 and \$79,951, depending on the MSA. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30 percent of the applicant's income. Depending on the MSA, the calculated maximum affordable monthly mortgage payment ranged between \$705 and \$1,249 for low-income borrowers and between \$1,128 and \$1,999 for moderate-income borrowers. Assuming a 30-year mortgage with a 5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the CSA median housing value would be \$1,269. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the state poverty rate are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above poverty. Median rents and the high percentage of families below the poverty level suggest rental housing is also unaffordable for many low-income residents. The 2019 poverty level for the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA was 11.8 percent compared to the national average of 12.3 percent. These levels had an impact on meeting basic financial needs and home mortgage lending.

Economic Data

Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA

According to the November 2019 Moody's Analytics report, the area economy is strong. The area has world-class educational institutions and is a center for healthcare and medical research. Growth in total employment is in the top 10 among metropolitan areas in the Northeast and firmly outpaces the national average. The unemployment rate has been historically low for the area due to an expanding labor force. The housing market is also making inroads. After a brief slowdown in 2018, homebuilding picked up in the first three quarters of 2019, and house price appreciation outpaces the Pennsylvania and U.S. averages. Major employment industries include college, universities and professional schools, and federal government. Top employers include University of Pennsylvania Health System, Thomas Jefferson University, Comcast, Drexel University, and Aramark, Corporation. Collectively, the federal, state, and local government is a significant employer in the area. The area has a relatively low population growth. Prohibitive business taxes push firms out of the area.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA was 4.3 percent compared to the national unemployment rate of 4.9 percent as of January 1, 2017. The unemployment rate declined to 4 percent compared to the national unemployment rate of 3.7 percent as of December 31, 2019.

Community Contacts

A review was conducted of multiple community contacts completed during the examination period. The contacts were conducted with organizations located throughout the rating area. The mission of the organizations contacted focused on several areas including affordable housing, economic development, and community services. Contacts noted concerns regarding foreclosures and negative equity, low-income wage earners being able to earn a living wage, aging housing stock, rent burden, poverty levels, and access to credit for small business. The contacts identified the following needs in the area:

- Affordable housing rehabilitation and preservation.
- Foreclosure prevention.
- Financing for small businesses including micro-loans for small business working capital.
- Small dollar loans.
- Financial literacy.
- Technical assistance for small business.
- Workforce housing.

Scope of Evaluation in the Philadelphia CSA

The Philadelphia CSA received a full-scope review. Home mortgage lending received slightly greater weight based on the volume of loan originations and purchases in the AA. The Philadelphia CSA represents one of the bank's more significant markets in terms of lending, deposits, and branch distribution. Therefore, the performance in the Philadelphia CSA was weighted more heavily in determining the bank's overall CRA rating.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE PHILADELPHIA CSA

LENDING TEST

The bank’s performance under the Lending Test in the Philadelphia CSA is rated Outstanding.

Based on a full-scope review, the bank’s performance in the Philadelphia CSA is excellent.

Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Lending Activity							2017-2019	
Number of Loans								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits
Philadelphia CSA	6,874	4,987	1	32	--	11,894	100.0	100.0
TOTAL	6,874	4,987	1	32	--	11,894	100.0	100.0
Dollar Volume of Loans								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits
Philadelphia CSA	1,993,633	561,382	32	239,691	--	2,794,738	100.0	100.0
TOTAL	1,993,633	561,382	32	239,691	--	2,794,738	100.0	100.0
<i>Source: Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>								

According to mortgage peer data for 2019, the bank had a market share of 1.2 percent based on the number of home mortgage loans originated or purchased. The bank ranked 19th among 827 home mortgage lenders in the AA, which placed it in the top 3 percent of lenders. The top three lenders with a combined market share of 17.8 percent were Wells Fargo Bank, N.A. with 9.3 percent, Citizens Bank, N.A. with 4.7 percent, and Quicken Loans with 3.8 percent. According to peer small business data for 2018, the bank had a market share of 1.2 percent based on the number of small loans to businesses originated or purchased. The bank ranked 16th out of 220 small business lenders, which placed it in the top 8 percent of lenders. The top lender was a nationwide lender that had a significant small business credit card portfolio. The top three lenders with a combined market share of 40.6 percent were American Express National Bank with 23.8 percent, Chase Bank USA, N.A. with 9.5 percent, and Wells Fargo Bank, N.A. with 7.3 percent.

Distribution of Loans by Income Level of the Geography

The bank exhibits an excellent geographic distribution of loans in its AA.

Home Mortgage Loans

Refer to Table O in the Philadelphia CSA 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. Based on the data in the tables and considering the performance context factors discussed above, the overall geographic distribution of home mortgage loans is excellent.

The bank's percentage of loans in low- and moderate-income geographies exceeded both the percentages of owner-occupied housing units in those geographies and the aggregate distribution of loans by all lenders. Despite the high cost of housing and economic considerations that affect large portions of the CSA, the bank achieved excellent geographic penetration.

Small Loans to Businesses

Refer to Table Q in the Philadelphia CSA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses. Based on the data in the tables and considering the performance context factors discussed above, the overall geographic distribution of small loans to businesses is excellent.

The bank's percentage of small loans to businesses in low- and moderate-income geographies met the percentages of businesses located in those geographies and exceeded the aggregate distribution of small loans to businesses by all lenders. Despite the economic considerations and competition that affect large portions of the CSA, the bank achieved excellent geographic penetration.

Lending Gap Analysis

Examiners identified no conspicuous or unexplained gaps in lending in low- and moderate-income geographies. The OCC analyzed geographic lending patterns of home mortgage loans and small loans to businesses by reviewing maps of loan originations and purchases throughout the AA.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a good distribution of loans among individuals of different income levels and businesses of different sizes.

Home Mortgage Loans

Refer to Table P in the Philadelphia CSA section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's home mortgage loan originations and purchases. Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of home mortgage loans is good.

Examiners considered that the high housing cost, the limited availability of housing that low-income borrowers can afford to acquire, and poverty levels within the AA constrained the lending opportunities to low-income borrowers. Considering low-income families make up a larger percentage of the population, lending to low-income borrowers was weighted more heavily.

The bank's percentage of home mortgage loans to low-income borrowers substantially met the percentage of low-income families within the AA and exceeded the aggregate distribution of home mortgage loans by all lenders.

The bank's percentage of home mortgage loans to moderate-income borrowers exceeded both the percentage of moderate-income families and the aggregate distribution of home mortgage loans by all lenders.

Small Loans to Businesses

Refer to Table R in the Philadelphia CSA section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's originations and purchases of small loans to businesses. Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of small loans to businesses is adequate.

The bank did not collect or consider the gross annual revenues in the underwriting of approximately 7.5 percent of its small loans to businesses. Based on the businesses with known revenues, the bank's percentage of small loans to businesses with revenues of \$1 million or less was well below the percentage of small businesses located in the AA. However, the bank outperformed and exceeded the aggregate distribution of small loans to businesses by all lenders.

Community Development Lending

The institution is a leader in making CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The level of CD lending in the Philadelphia CSA is excellent. CD lending has a significantly positive effect on the Lending Test conclusion. The bank made 32 CD loans totaling over \$239.6 million, which represented 12.4 percent of the allocated tier 1 capital. By dollar volume, 81.7 percent of these loans funded affordable housing, 14.9 percent funded community services, and 3.4 percent funded economic development.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- A \$7.5 million loan to finance adaptive reuse and new construction of a multifamily property with 50 affordable units located in the Philadelphia CSA. All units will be eligible for LIHTCs and will be set aside for households with incomes at or below 60 percent of the area median income.
- A \$9.1 million loan to finance the construction of a residential building that will contain 57 affordable units located in the Philadelphia CSA, all of which will be designated for senior citizens (62+). All units will be eligible for LIHTCs and will be set aside for households with incomes at or below 60 percent of the area median income. Additionally, supportive social services will be provided at the property to enable the senior residents to live independently.
- A \$8.1 million loan to finance the construction of a residential building that will contain 41 affordable units located in the Philadelphia CSA, all of which will be designated for senior citizens

(62+). All units will be eligible for LIHTCs and will be set aside for households with incomes at or below 60 percent of the area median income.

Product Innovation and Flexibility

The institution makes extensive use of innovative and/or flexible lending practices in order to serve AA credit needs. During the evaluation period, the bank originated 1,662 loans totaling over \$306.3 million among the various flexible lending products available throughout the Philadelphia CSA. Please refer to the “Flexible and Innovative Lending Products” section for descriptions of the flexible lending products.

INVESTMENT TEST

The institution’s performance under the Investment Test in the Philadelphia CSA is rated Outstanding.

Based on a full-scope review, the institution’s performance in the Philadelphia CSA is excellent.

The institution has an excellent level of qualified CD investment and grants, often in a leadership position.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000’s)	#	\$(000’s)	#	% of Total #	\$(000’s)	% of Total \$	#	\$(000’s)
Philadelphia CSA	16	50,224	200	135,429	216	100.0	185,653	100.0	27	364,847

* Prior Period Investments means investments made in a previous evaluation 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.

The institution exhibits excellent responsiveness to credit and community economic development needs. The bank made 216 CD investments totaling over \$185.6 million, which represented 9.6 percent of the bank’s allocated tier 1 capital. A substantial majority of the dollar volume of these investment transactions were LIHTCs that focused on affordable housing, a primary need in the AA. By dollar volume, 91 percent of the bank’s current and prior period investments funded affordable housing and 9 percent funded economic development. Included in the investments are 173 grants totaling \$5 million to a variety of organizations that primarily supported small business development and workforce development. Grants also supported affordable housing, community services, financial education, and neighborhood revitalization.

The institution makes extensive use of innovative and complex investments to support CD initiatives. CD investments involved 18 complex LIHTC projects where the bank acted in a leadership role in seven instances with participations from federal, state, and local housing agencies, and real estate developers.

The following examples demonstrate the bank’s use of complex and responsive investments:

- In December 2018, SBNA invested \$30 million into a proprietary real estate fund to acquire affordable housing rental properties across the Philadelphia CSA. Investment primarily took place in

Montgomery, Bucks, and Chester counties in Pennsylvania. The investment fund’s focus was to acquire and rehabilitate properties that provide for and preserve quality affordable housing. All acquired properties were existing class B/C market rate multifamily housing and located in low- and moderate-income census tracts. These properties comprise 780 rental units across six properties with 751 units restricted to households earning up to 80 percent of the area median income.

- In March 2019, SBNA invested \$50 million in a LITHC. The investment consists of three properties, one of which is in Lansdowne, PA. The 41-unit new construction project targeted seniors earning below 60 percent of the area median income. The housing project includes 20 units that are restricted to tenants earning no more than 60 percent of the area median income, 18 units restricted to tenants earning no more than 50 percent of the area median income, and three units restricted to tenants earning no more than 20 percent of area median income.
- During the evaluation period, SBNA provided three \$100,000 grants to an organization to fund a team of stipend volunteers that provide classroom support for teachers and students in public schools located in low- and moderate-income geographies in Philadelphia, PA.

SERVICE TEST

The institution’s performance under the Service Test in the Philadelphia CSA is rated High Satisfactory.

Based on a full-scope review, the institution’s performance in the Philadelphia CSA is good.

Retail Banking Services

Service delivery systems are accessible to geographies and individuals of different income levels in the Philadelphia CSA.

Distribution of Branch Delivery System								As of December 31, 2019			
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)*				% of Population within Each Geography*			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Philadelphia CSA	100.0	81	100.0	3.7	14.8	44.4	35.8	7.3	21.7	39.6	31.1

* The percentages of branches and population may not equal 100% due to NA tracts.

The bank had 81 branches in the AA. The distribution of branches is adequate in both the low- and moderate-income geographies. The distribution of branches in low-income geographies was below the percentage of the population in low-income geographies, and the distribution in moderate-income geographies was below the percentage of the population in moderate-income geographies.

The OCC reviewed bank-provided customer data for branches located in middle- and upper-income geographies that are adjacent to low- and moderate-income geographies to demonstrate the extent that those branches serve low- and moderate-income individuals and geographies. Within the Philadelphia CSA, the bank identified, and the OCC confirmed, 20 of these adjacent branches with a percentage of customers from low- and moderate-income geographies that met or exceeded the percentage of the

population in low- and moderate-income geographies. These adjacent branches provided low- and moderate-income individuals and individuals in low- and moderate-income census tracts additional access to the bank’s retail banking services. The additional accessibility of these branches was not significant enough to affect the overall service delivery systems conclusion.

The bank provided additional access to its retail banking services through ADS, including ATMs and digital banking platforms (online banking/mobile banking). Over the three-year evaluation period (based on bank data for a six-month proxy in 2018 and 2019), an average of 29.9 percent and 42.8 percent of customer households in low- and moderate-income geographies utilized the online and mobile banking platforms, respectively, to access banking. The bank operated 105 deposit-taking ATMs in the Philadelphia CSA. ATM availability is adequate in low- and moderate-income geographies. The percentage of the bank’s ATMs in low-income census tracts, 4.8 percent, was below the percentage of the population in low-income census tracts, while the percentage of ATMs in moderate-income census tracts, 16.2 percent, was below the percentage of the population in moderate-income census tracts. Deposit-taking ATMs were generally available 24 hours every day. The bank also had 245 ATMs in the Philadelphia CSA that do not accept deposits, but were available for cash withdrawals, transfers, and balance inquiries during the operating hours of the business where the ATM was located. These ATMs were generally located in CVS Pharmacy stores. The additional access provided through ADS was not significant enough to affect the overall service delivery systems conclusion.

Distribution of Branch Openings/Closings						
Assessment Area	Branch Openings/Closings		Net change in Location of Branches*			
	# of Branch Openings	# of Branch Closings	(+ or -)			
			Low	Mod	Mid	Upp
Philadelphia CSA	3	6	+1	+1	-1	-3

* One net closure in a NA census tract

The institution’s opening and closing of branches has improved the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The bank opened one branch in a low-income geography during January 2019 and two branches in moderate-income geographies during late 2019. However, the bank also closed one branch in a moderate-income geography. Despite the closures, the remaining branches remained accessible to low- and moderate-income geographies and to low- and moderate-income individuals.

Services, including where appropriate, business hours, do not vary in a way that inconveniences the various portions of its AA, particularly low- and moderate-income geographies and/or individuals. Bank branches offered traditional products and services such as personal and business deposit accounts, deposit and withdrawal services, loan payments, wire transfer and money order sales, and loan applications for mortgage, business, home equity, lines of credit, and personal loans. Branch operating hours were generally consistent throughout the Philadelphia CSA. The operating hours of branches in low- and moderate-income areas were not more restrictive than the operating hours of branches in middle- and upper-income areas. Branches were typically open 9:00 am to 5:00 pm Monday through Wednesday, 9:00 am to 6:00 pm Thursday and Friday, and 9:00 am to 1:00 pm Saturday.

Community Development Services

The institution provides a significant level of CD services.

During the evaluation period, bank employees contributed 7,613 hours with 101 different organizations to provide CD services primarily targeted to low- and moderate-income individuals. Bank employees provided CD services to 61 organizations that provide essential services to low- and moderate-income individuals, 21 organizations that provide affordable housing, and 19 organizations focusing on economic development activities throughout the AA. In collaboration with CD organizations, employees participated in 484 affordable housing workshops and/or financial education seminars for 20,081 individuals that are primarily low- and moderate-income. Services also included participation on 20 boards of CD organizations and committee memberships for CD organizations in the AA.

The following examples demonstrate the bank's responsiveness in providing CD services:

- An affordable housing organization that provides programs to expand home ownership opportunities for low-income markets in Reading/Berks County and Philadelphia. Bank volunteers led homebuying seminars for 667 clients, and a bank volunteer joined the organization's board in 2019. This service is responsive as it assists in meeting the substantial affordable housing challenges including aging/lack of housing stock, lack of credit access for borrowers, and responsible foreclosure prevention tactics for those borrower's post-purchase.
- Bank volunteers provided 1,921 clients 354 hours of financial literacy education with a community service organization that serves low- and moderate-income residents of eastern north Philadelphia. In addition to the education component, this service is responsive as the bank is the only financial institution providing multiple services to support the organization's mission including pro-bono legal work and tax work.

State Rating

State of Connecticut

CRA rating for the State of Connecticut⁴: Outstanding

The Lending Test is rated: Outstanding

The Investment Test is rated: Outstanding

The Service Test is rated: High Satisfactory

The major factors that support this rating include:

- Excellent level of lending activity.
- Excellent geographic distribution of loans.
- Good distribution of loans by borrower income or business revenue.
- Excellent level of CD lending that has a significantly positive effect on the Lending Test.
- Excellent level of qualified CD investment and grants that are responsive to credit and community economic development needs.
- Service delivery systems are accessible to geographies and individuals of different income levels.
- Adequate level of CD services that are responsive to the needs of the community.

Description of Institution's Operations in Connecticut

The bank delineated two AAs in the state of Connecticut including the Hartford-East Hartford-Middletown, CT MSA and the Connecticut Non-MSA. Refer to appendix A for a complete description of the AAs.

The state of Connecticut is Santander's fifth largest rating area based on the percentage of the bank's deposits in the state. Based on the June 30, 2019 FDIC Summary of Deposit Market Share report, the bank had nearly \$1.7 billion of deposits in the state, when excluding approximately \$128.7 million in deposits allocated to the Boston CSA and New York CSA rating areas. The net deposits in the state represented 2.9 percent of its total domestic deposits. With a deposit market share of 1.6 percent, the bank ranked 12th out of 55 FDIC-insured depository financial institutions, placing it in the top 22 percent of institutions. The top three banks with a combined deposit market share of 49.8 percent were Bank of America, N.A. with 26.1 percent deposit market share, People's United Bank, N.A. with 17 percent deposit market share, and Webster Bank, N.A. with 6.7 percent deposit market share. In comparison to the percentage of deposits relative to the bank's total domestic deposits, the bank originated or purchased 2.5 percent of the number of its home mortgage loans and small loans to businesses and farms during the evaluation period in the state of Connecticut. Santander operated 19 branches and 31 deposit-taking ATMs in the state of Connecticut representing 3.2 percent of total branches and 3.5 percent of total ATMs.

Demographic Data

Table A – Demographic Information of the Assessment Area

Assessment Area: Hartford-East Hartford-Middletown, CT MSA

⁴ The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	290	15.9	14.8	36.6	30.7	2.1
Population by Geography	1,214,056	12.5	14.1	37.7	34.3	1.3
Housing Units by Geography	507,998	13.2	14.9	39.3	32.6	0.0
Owner-Occupied Units by Geography	313,532	3.7	10.9	42.5	42.8	0.0
Occupied Rental Units by Geography	153,414	29.5	22.5	33.3	14.7	0.1
Vacant Units by Geography	41,052	24.3	17.2	37.1	21.4	0.1
Businesses by Geography	104,304	9.6	12.1	40.7	37.2	0.4
Farms by Geography	3,251	2.9	8.2	41.2	47.7	0.1
Family Distribution by Income Level	306,718	22.3	16.5	20.7	40.5	0.0
Household Distribution by Income Level	466,946	25.7	14.8	17.3	42.2	0.0
Median Family Income MSA - 25540 Hartford-East Hartford-Middletown, CT MSA		\$88,016	Median Housing Value			\$238,867
			Median Gross Rent			\$1,005
			Families Below Poverty Level			7.7%
<i>Source: 2015 ACS and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Table A shows that the percentages of owner-occupied housing units and businesses located in low-income geographies are low, and 38.8 percent of families in the AA are low- and moderate-income.

Based on the information in Table A, low-income families earned \$44,008 and moderate-income families earned \$70,413. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment is \$1,100 for low-income borrowers and \$1,760 for moderate-income borrowers. Assuming a 30-year mortgage with a 5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be \$1,282. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the state poverty rate are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above poverty. Median rents and the high percentage of families below the poverty level suggest rental housing is also unaffordable for many low-income residents.

Economic Data

According to Moody's Analytics May 2020 report, the Hartford area has a well-educated workforce and above average wages. Living and business costs are lower than in Boston and New York and housing is relatively affordable. However, the area's weaknesses include exposure to job losses in state government, negative net migration and flat population, and high energy costs relative to the country as a whole. Job gains were meager in 2019 with growth that was about one-third of the national average. The area's aerospace industry was struggling before the onset of the COVID-19 pandemic.

Manufacturing is a valuable source of high wage jobs in the area. Aerospace manufacturer and Boeing supplier, United Technologies, previously pledged to hire 2,000 workers by 2022. However, the grounding of the Boeing 737 MAX put that promise in jeopardy.

Finance and insurance along with business/professional services supply an outsize share of jobs in the area. Jobs in education and health services account for 18 percent of employment in the area, followed by government with 14.6 percent, professional and business services with 13.4 percent, and manufacturing with 10.9 percent. Major employers in the area include Hartford Healthcare, Pratt & Whitney/United Technologies, University of Connecticut, the Travelers Companies, and Hartford Financial Services Group.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the Hartford-East Hartford-Middletown, CT MSA was 3.9 percent compared to the national unemployment rate of 4.9 percent as of January 1, 2017. The unemployment rate declined to 3.3 percent compared to the national unemployment rate of 3.7 percent as of December 31, 2019.

Community Contacts

A review was conducted of multiple community contacts completed during the examination period. The contacts were conducted with organizations located throughout the rating area and included an examiner listening session conducted with representatives of multiple organizations. The mission of the organizations contacted focused on several areas including affordable housing, CD and revitalization, community services, financial capability, and small business/economic development. According to the contacts, Hartford is the largest urban center in Connecticut and the city has the fifth highest poverty level in the country. A growing number of Hartford residents (34 percent) live below the poverty level according to U.S. Census information, more than three times the rate for the state of Connecticut. More residents are facing a housing affordability gap, which reflects both the low income of many Hartford residents and the rising cost of housing. The city's housing stock is aging, some blighted, and in need of repair and improvement. Job and income growth are stagnant. Residents who are working are more likely to be working in low wage jobs. Small business owners face impediments such as high rent, high cost of utilities, and limited access to capital. Entrepreneurs lack training and technical assistance opportunities. Linguistic isolation presents a barrier to employment and makes it harder for immigrants to access other services. The number of people becoming homeless each year is greater than the number of persons exiting homelessness each year. Needs in the area include:

- Affordable housing for low-income households.
- English language classes for non-English speakers.
- Technical assistance for small businesses.
- Access to capital for small businesses.
- Access to affordable childcare.
- Access to credit for smaller nonprofit organizations.

Scope of Evaluation in Connecticut

The Hartford-East Hartford-Middletown, CT MSA AA received a full-scope review. Home mortgage lending received slightly greater weight based on the volume of loan originations and purchases in the AA. The state of Connecticut does not represent one of the bank's more significant rating areas in terms

of lending, deposits, and branch distribution. Therefore, the performance in the state of Connecticut was weighted less heavily in determining the bank's overall CRA rating.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CONNECTICUT

LENDING TEST

The bank's performance under the Lending Test in the state of Connecticut is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Hartford-East Hartford-Middletown, CT MSA is excellent.

Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Lending Activity							2017-2019	
Number of Loans*								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits
Hartford-East Hartford-Middletown MSA	992	880	0	7	--	1,879	94.6	100.00
Connecticut Non-MSA	66	42	0	--	--	108	5.4	0.00
TOTAL	1,058	922	0	7	--	1,987	100.0	100.00
Dollar Volume of Loans*								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits
Hartford-East Hartford-Middletown MSA	216,811	82,906	0	33,519	--	333,236	95.8	100.00
Connecticut Non-MSA	11,406	3,299	0	--	--	14,705	4.2	0.00
TOTAL	228,217	86,205	0	33,519	--	347,941	100.0	100.00
<i>Source: Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>								

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

According to mortgage peer data for 2019, the bank had a market share of 1 percent based on the number of home mortgage loans originated or purchased. The bank ranked 30th among 461 home mortgage lenders in the AA, which placed it in the top 7 percent of lenders. The top three lenders with a combined market share of 13.6 percent were Wells Fargo Bank, N.A. with 5.1 percent, Webster Bank, N.A. with 4.3 percent, and Quicken Loans with 4.2 percent. According to peer small business data for 2018, the bank had a market share of 1 percent based on the number of small loans to businesses originated or purchased. The bank ranked 17th out of 117 small business lenders, which placed it in the top 15 percent of lenders. The top lender was a nationwide lender that had a significant small business credit card portfolio. The top three lenders with a combined market share of 39.5 percent were American Express National Bank with 20.1 percent, Bank of America, N.A. with 10.1 percent, and Chase Bank USA, N.A. with 9.3 percent.

Distribution of Loans by Income Level of the Geography

The bank exhibits an excellent geographic distribution of loans in its AA.

Home Mortgage Loans

Refer to Table O 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 and purchases. Based on the data in the tables and considering the performance context factors discussed above, the overall geographic distribution of home mortgage loans is excellent.

The bank's percentage of home mortgage loans in low- and moderate-income geographies exceeded both the percentages of owner-occupied housing units in those geographies and the aggregate distribution of home mortgage loans by all lenders.

Small Loans to Businesses

Refer to Table Q in the state of Connecticut section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses. Based on the data in the tables and considering the performance context factors discussed above, the overall geographic distribution of small loans to businesses is excellent.

The bank's percentage of small loans to businesses in low- and moderate-income geographies exceeded both the percentages of businesses located in those geographies and the aggregate distribution of small loans to businesses by all lenders.

Lending Gap Analysis

Examiners identified no conspicuous or unexplained gaps in lending in low- and moderate-income geographies. The OCC analyzed geographic lending patterns of home mortgage loans and small loans to businesses by reviewing maps of loan originations and purchases throughout the AA.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a good distribution of loans among individuals of different income levels and businesses of different sizes.

Home Mortgage Loans

Refer to Table P in the state of Connecticut section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's home mortgage loan originations and purchases. Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of home mortgage loans is good.

Examiners considered the high housing cost, the limited availability of housing that low-income borrowers can afford to acquire, and poverty levels within the AA that constrained the lending opportunities to low-income borrowers. Considering low-income families make up a larger percentage of the population, lending to low-income borrowers was weighted more heavily.

Despite the factors above, the bank's percentage of home mortgage loans to low-income borrowers substantially met the percentage of low-income families within the AA. However, the bank outperformed and exceeded the aggregate distribution of home mortgage loans by all lenders.

The bank's percentage of home mortgage loans to moderate-income borrowers exceeded both the percentage of moderate-income families and the aggregate distribution of home mortgage loans by all lenders.

Small Loans to Businesses

Refer to Table R in the state of Connecticut section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's originations and purchases of small loans to businesses. Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of small loans to businesses is good.

The bank did not collect or consider the gross annual revenues in the underwriting of approximately 6.9 percent of its small loans to businesses. Based on the businesses with known revenues, the bank's percentage of small loans to businesses with revenues of \$1 million or less was below the percentage of small businesses located in the AA. However, the bank substantially met the aggregate distribution of small loans to businesses by all lenders.

Community Development Lending

The institution is a leader in making CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The level of CD lending in the Hartford-East Hartford-Middletown, CT MSA is excellent. CD lending has a significantly positive effect on the Lending Test conclusion. The bank made seven CD loans totaling over \$33.5 million, which represented 11.4 percent of the allocated tier 1 capital. By dollar volume, 80.6 percent of these loans funded affordable housing and 19.4 percent funded economic development.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- The bank made a \$9.2 million loan for a 176-unit multifamily rental housing with rents affordable at 80 percent of area median income. The property is in a moderate-income census tract.
- The bank made a \$4.5 million loan to a local small business that meets the SBA size standards and provides job retention or creation for low- and moderate-income individuals. The company employs approximately 50 individuals.

Product Innovation and Flexibility

The institution makes extensive use of innovative and/or flexible lending practices in order to serve AA credit needs. During the evaluation period, the bank originated 120 loans totaling over \$18.4 million among the various flexible lending products available throughout the Hartford-East Hartford-Middletown, CT MSA. Please refer to the “Flexible and Innovative Lending Products” section for descriptions of the flexible lending products.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank’s performance under the Lending Test in the Connecticut Non-MSA is consistent with the bank’s overall performance under the Lending Test in the full-scope area.

Refer to Tables O through R in the state of Connecticut section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The bank’s performance under the Investment Test in the state of Connecticut is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Hartford-East Hartford-Middletown, CT MSA is excellent.

The institution has an excellent level of qualified CD investment and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000’s)	#	\$(000’s)	#	% of Total #	\$(000’s)	% of Total \$	#	\$(000’s)
Hartford-East Hartford-Middletown MSA	7	10,958	41	50,011	48	100.0	60,969	100.0	6	36,281
Connecticut Non-MSA	0	0	0	0	0	0.0	0	0.0	0	0

* Prior Period Investments means investments made in a previous evaluation 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.

The institution exhibits excellent responsiveness to credit and community economic development needs. The bank made 48 CD investments totaling over \$60 million, which represented 20.7 percent of the bank's allocated tier 1 capital. A substantial majority of the dollar volume of these investment transactions were SBICs that focused on economic development, a primary need in the AA. By dollar volume, 81 percent of the bank's current and prior period investments funded affordable housing, 0.4 percent funded community services, and 18.6 percent funded economic development. Included in the investments are 34 grants totaling \$554,000 to a variety of organizations that primarily supported affordable housing and community services.

The institution occasionally uses complex investments to support CD initiatives. CD investments involved one complex LIHTC and five complex SBIC projects where the bank occasionally acted in a leadership role with participations from federal, state, and local housing agencies, and real estate developers.

The following examples demonstrate the bank's use of complex and responsive investments:

- The bank provided \$55,000 in grants to provide financial and technical assistance to CD corporations in the AA. The grants met primary AA needs of affordable housing and community services. Homeownership workshops were provided to more than 3,200 low- and moderate-income individuals in the AA.
- The bank provided \$2.6 million in funding towards a \$10 million small business investment program. The financing structure provided economic development to small businesses without access to traditional funding sources.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Investment Test in the Connecticut Non-MSA is weaker than the bank's overall performance under the Investment Test in the full-scope area. Performance is weaker due to the absence of any qualified investments or grants in the AA. However, the weaker performance did not affect the Investment Test rating for the state of Connecticut since there was only one branch and no significant deposits were attributable to this limited-scope area.

SERVICE TEST

The bank's performance under the Service Test in the state of Connecticut is rated High Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Hartford-East Hartford-Middletown, CT MSA is good.

Retail Banking Services

Service delivery systems are accessible to geographies and individuals of different income levels in the Hartford-East Hartford-Middletown, CT MSA.

Distribution of Branch Delivery System								As of December 31, 2019			
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Hartford-East Hartford-Middletown MSA	100.0	19	100.0	10.5	15.8	42.1	31.6	12.5	14.1	37.7	34.3
Connecticut Non-MSA	0.0	0	0.0	0.0	0.0	0.0	0.0	0.7	19.8	58.5	20.9

The bank had 19 branches in the AA. The distribution of branches is good in low-income geographies and excellent in moderate-income geographies. The distribution of branches in low-income geographies was below the percentage of the population in low-income geographies, while the distribution in moderate-income geographies exceeded the percentage of the population in moderate-income geographies.

The OCC reviewed bank-provided customer data for branches located in middle- and upper-income geographies that are adjacent to low- and moderate-income geographies to demonstrate the extent that those branches serve low- and moderate-income individuals and geographies. Within the Hartford-East Hartford-Middletown, CT MSA, the bank identified, and the OCC confirmed, two of these adjacent branches with a percentage of customers from low- and moderate-income geographies that met or exceeded the percentage of the population in low- and moderate-income geographies. These adjacent branches provided low- and moderate-income individuals and individuals in low- and moderate-income census tracts additional access to the bank's retail banking services. The additional accessibility of these branches was not significant enough to affect the overall service delivery systems conclusion.

The bank provided additional access to its retail banking services through ADS, including ATMs and digital banking platforms (online banking/mobile banking). Over the three-year evaluation period (based on bank data for a six-month proxy in 2018 and 2019), an average of 29.1 percent and 38.7 percent of customer households in low- and moderate-income geographies utilized the online and mobile banking platforms, respectively, to access banking. The bank operated 31 deposit-taking ATMs in the Hartford-East Hartford-Middletown, CT MSA. ATM availability is good in low- and moderate-income geographies. The percentage of the bank's ATMs in low-income census tracts was below the percentage of the population in low-income census tracts, while the percentage of ATMs in moderate-income census tracts significantly exceeded the percentage of the population in moderate-income census tracts. Deposit-taking ATMs were generally available 24 hours every day. The bank also had 55 ATMs in the Hartford-East Hartford-Middletown, CT MSA that do not accept deposits, but were available for cash withdrawals, transfers, and balance inquiries during the operating hours of the business where the ATM was located. These ATMs were generally located in CVS Pharmacy stores. The additional access provided through ADS was not significant enough to affect the overall service delivery systems conclusion.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Hartford-East Hartford- Middletown MSA	0	4	-1	0	-3	0
Connecticut Non-MSA	0	1	0	0	-1	0

The institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Despite the net closure in low-income geographies, the remaining branches remained readily accessible to low- and moderate-income geographies and to low- and moderate-income individuals.

Services, including where appropriate, business hours do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and/or individuals. Bank branches offered traditional products and services such as personal and business deposit accounts, deposit and withdrawal services, loan payments, wire transfer and money order sales, and loan applications for mortgage, business, home equity, lines of credit, and personal loans. Branch operating hours were generally consistent throughout the Hartford-East Hartford-Middletown, CT MSA. The operating hours of branches in low- and moderate-income areas were not more restrictive than the operating hours of branches in middle- and upper-income areas. Branches were generally open 9:00 am to 5:00 pm Monday through Wednesday, 9:00 am to 6:00 pm Thursday and Friday, and 9:00 am to 1:00 pm Saturday.

Community Development Services

The institution provides an adequate level of CD services.

During the evaluation period, bank employees contributed 902 hours with 14 different organizations to provide CD services primarily targeted to low- and moderate-income individuals. Bank employees provided CD services to eight organizations that provide essential services to low- and moderate-income individuals, four organizations that provide affordable housing, and three organizations focusing on economic development activities throughout the AA. In collaboration with CD organizations, employees participated in three affordable housing workshops for 27 individuals and 29 financial education seminars for 2,284 individuals that are primarily low- and moderate-income. Services also included participation on three boards of CD organizations and committee memberships for CD organizations in the AA.

The following examples demonstrate the bank's responsiveness in providing CD services:

- One bank employee volunteered as a Hartford local advisory committee member for a national nonprofit that works with residents to create resilient and inclusive communities of opportunity across America. This nonprofit promoted the revitalization of Hartford neighborhoods by building financial and technical capacity of local nonprofit organizations to create sustainable low- and

moderate-income housing. In this capacity, the employee provided input on all of Hartford's grants and loan investments and provided strategic advice on program policies and activities.

- During the evaluation period, the bank worked with a nonprofit affordable housing organization in New Britain, CT to provide low- and moderate-income clients financial literacy education, including identity theft protection, credit building, and budgeting. One bank volunteer joined the organization's board during the evaluation period and has served to enlist additional internal employee support for the organization's service program.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Service Test in the Connecticut Non-MSA is weaker than the bank's overall performance under the Service Test in the full-scope area. However, this performance did not affect the Service Test rating for the state of Connecticut since there was only one branch and no significant deposits were attributable to this limited-scope area.

State Rating

Commonwealth of Massachusetts

CRA rating for Massachusetts⁵: Satisfactory
The Lending Test is rated: High Satisfactory
The Investment Test is rated: High Satisfactory
The Service Test is rated: High Satisfactory

The major factors that support this rating include:

- Excellent level of lending activity.
- Good geographic distribution of loans.
- Adequate distribution of loans by borrower income or business revenue.
- Excellent level of CD lending that has a significantly positive effect on the Lending Test.
- Excellent level of qualified CD investment and grants that are responsive to credit and community economic development needs.
- Service delivery systems are accessible to geographies and individuals of different income levels.
- Adequate level of CD services that are responsive to the needs of the community.

Description of Institution’s Operations in Massachusetts

The bank delineated two AAs in Massachusetts including the Springfield, MA MSA and the Massachusetts Non-MSA. Refer to appendix A for a complete description of the AAs.

Massachusetts is Santander’s seventh largest rating area based on the percentage of the bank’s deposits in the state. Based on the June 30, 2019 FDIC Summary of Deposit Market Share report, the bank had \$213.4 million of deposits in the state, when excluding approximately \$18.8 billion in deposits allocated to the Boston CSA rating area. The net deposits in the state represented nearly 0.4 percent of its total domestic deposits. With a deposit market share of 1.3 percent, the bank ranked 15th out of 22 FDIC-insured depository financial institutions, placing it in the 68th percentile of institutions. The top three banks by deposit market share were Bank of America, N.A. with 12.4 percent deposit market share, TD Bank, N.A. with 11.1 percent deposit market share, and People’s United Bank with 10.9 percent deposit market share. In comparison to the percentage of deposits relative to the bank’s total domestic deposits, the bank originated or purchased 0.7 percent of the number of its home mortgage loans and small loans to businesses and farms during the evaluation period in Massachusetts. Santander operated four branches and nine deposit-taking ATMs in Massachusetts representing 0.7 percent of total branches and 0.9 percent of total ATMs.

Demographic Data

Table A – Demographic Information of the Assessment Area						
Assessment Area: Springfield, MA MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #

⁵ The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

Geographies (Census Tracts)	139	17.3	15.8	29.5	34.5	2.9
Population by Geography	628,800	14.3	15.3	31.0	36.5	2.9
Housing Units by Geography	254,960	14.1	16.0	33.7	36.0	0.1
Owner-Occupied Units by Geography	147,690	4.7	12.4	35.2	47.6	0.0
Occupied Rental Units by Geography	87,841	28.4	21.1	32.0	18.3	0.3
Vacant Units by Geography	19,429	20.9	20.7	30.6	27.4	0.4
Businesses by Geography	38,869	14.0	15.1	28.8	41.3	0.9
Farms by Geography	1,217	2.8	6.3	32.7	58.0	0.2
Family Distribution by Income Level	149,875	24.6	15.7	17.9	41.8	0.0
Household Distribution by Income Level	235,531	27.1	14.5	15.5	42.9	0.0
Median Family Income MSA - 44140 Springfield, MA MSA		\$67,203	Median Housing Value			\$209,221
			Median Gross Rent			\$856
			Families Below Poverty Level			12.0%
<i>Source: 2015 ACS and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Demographic Data

Table A shows that the percentages of owner-occupied housing units and businesses located in low-income geographies are low, and 40.3 percent of families in the AA are low- and moderate-income.

Based on the information in Table A, low-income families earned \$33,602 and moderate-income families earned \$53,762. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment is \$840 for low-income borrowers and \$1,344 for moderate-income borrowers. Assuming a 30-year mortgage with a 5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be \$1,123. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the state poverty rate are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above poverty. Median rents and the high percentage of families below the poverty level suggest rental housing is also unaffordable for many low-income residents.

Economic Data

According to Moody's Analytics May 2020 report, the strengths of the Springfield area include affordable housing for New England, stability from large healthcare presence, and below average employment volatility. However, the area's economy is struggling and was underperforming prior to the onset of the COVID-19 pandemic. The area is underrepresented in high technology, has persistent out-migration of skilled youth, and low labor force participation. Housing demand is decreasing, driven by a decline in the number of households and continued out-migration. The lack of demand for new housing

will reduce work for builders. Education and healthcare services account for a significant portion of the jobs industry, accounting for 27.5 percent of area employment. The top employers in the area include the University of Massachusetts, Baystate Health, Big Y Supermarkets, Westover Air Reserve Base, Mercy Medical, and Sisters of Providence Health System.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the Springfield, MA MSA was 3.4 percent compared to the national unemployment rate of 4.9 percent as of January 1, 2017. The unemployment rate declined to 3 percent compared to the national unemployment rate of 3.7 percent as of December 31, 2019.

Community Contacts

A review was conducted of community contacts completed during the examination review period with organizations serving the Springfield area. Contacts also included an examiner listening session with representatives of organizations serving the Springfield area. The organizations contacted focused on affordable housing, community services, CD, and economic development. According to the contacts, there is a need for living wage jobs and self-sufficiency programs for people living in poverty. Although unemployment has decreased, poverty levels have increased meaning that not everyone in the community is benefiting from the ongoing economic growth. The poverty rate in the area is 16.3 percent compared to 11.1 percent for Massachusetts as a whole. However, the poverty rate in the Hispanic and Latino community is more than twice that rate, at 38.7 percent, and the poverty rate is over twice as high for black residents as it is for white residents (22.7 percent and 9.3 percent, respectively). Contacts also noted that there is a need for financial education programming. There is a shortage of educated skilled workers for available jobs; therefore, support for workforce development programs is also needed. Other identified needs include:

- Access to transportation.
- Access to traditional financial services and bank branches, particularly in the city of Holyoke.
- Affordable childcare.
- English language proficiency training.
- Access to capital and technical assistance for small businesses.
- Access to safe and affordable housing.

Scope of Evaluation in Massachusetts

The Springfield, MA MSA AA received a full-scope review. Home mortgage lending received slightly greater weight based on the volume of loan originations and purchases in the AA. Massachusetts does not represent one of the bank's more significant rating areas in terms of lending, deposits, and branch distribution. Therefore, performance in Massachusetts was weighted less heavily in determining the bank's overall CRA rating.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MASSACHUSETTS

LENDING TEST

The bank's performance under the Lending Test in the Commonwealth of Massachusetts is rated High Satisfactory. Performance in the limited-scope AA had a negative effect on the overall Lending Test rating.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Springfield, MA MSA is excellent.

Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Lending Activity							2017-2019	
Number of Loans*								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits
Springfield MSA	141	102	0	1	--	244	44.9	45.9
Massachusetts Non-MSA	201	99	0	--	--	300	55.1	54.1
TOTAL	342	201	0	1	--	544	100.0	100.0
Dollar Volume of Loans*								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits
Springfield MSA	28,599	11,787	0	4,780	--	45,166	30.1	45.9
Massachusetts Non-MSA	96,714	8,327	0	--	--	105,041	69.9	54.1
TOTAL	125,313	20,114	0	4,780	--	150,207	100.0	100.0
<i>Source: Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>								

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

According to mortgage peer data for 2019, the bank had a market share of 0.3 percent based on the number of home mortgage loans originated or purchased. The bank ranked 67th among 351 home mortgage lenders in the AA, which placed it in the top 20 percent of lenders. The top three lenders with a combined market share of 12.8 percent were Citizens Bank, N.A. and Quicken Loans with 4.4 percent each and People's United Bank with 4 percent. According to peer small business data for 2018, the bank had a market share of 0.3 percent based on the number of small loans to businesses originated or purchased. The bank ranked 43rd out of 90 small business lenders, which placed it in the 48th percentile of lenders. The top lender was a nationwide lender that had a significant small business credit card portfolio. The top three lenders with a combined market share of 37.9 percent were American Express National Bank with 16.3 percent, Citibank, N.A. with 11.6 percent, and Chase Bank USA, N.A. with 10 percent.

Distribution of Loans by Income Level of the Geography

The bank exhibits a good geographic distribution of loans in its AA. Poor performance in the limited-scope AA had a negative effect on the overall conclusion.

Home Mortgage Loans

Refer to Table O in the Commonwealth of Massachusetts section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases. Based on the data in the tables and considering the performance context factors discussed above, the overall geographic distribution of home mortgage loans is excellent.

The bank's percentage of home mortgage loans in low- and moderate-income geographies exceeded both the percentages of owner-occupied housing units in those geographies and the aggregate distribution of home mortgage loans by all lenders.

Small Loans to Businesses

Refer to Table Q in the Commonwealth of Massachusetts section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses. Based on the data in the tables and considering the performance context factors discussed above, the overall geographic distribution of small loans to businesses is excellent.

The bank's percentage of small loans to businesses in low- and moderate-income geographies exceeded both the percentages of businesses located in those geographies and the aggregate distribution of small loans to businesses by all lenders.

Lending Gap Analysis

Examiners identified no conspicuous or unexplained gaps in lending in low- and moderate-income geographies. The OCC analyzed geographic lending patterns of home mortgage loans and small loans to businesses by reviewing maps of loan originations and purchases throughout the AA.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an adequate distribution of loans among individuals of different income levels and businesses of different sizes. Poor performance in the limited-scope AA had a negative effect on the overall conclusion.

Home Mortgage Loans

Refer to Table P in the Commonwealth of Massachusetts section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's home mortgage loan originations and purchases. Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of home mortgage loans is good.

Examiners considered the high housing cost, the limited availability of housing that low-income borrowers can afford to acquire, and poverty levels within the AA that constrained the lending

opportunities to low-income borrowers. Considering low-income families make up a larger percentage of the population, lending to low-income borrowers was weighted more heavily.

The bank's percentage of home mortgage loans to low-income borrowers was below the percentage of low-income families within the AA. The bank outperformed and exceeded the aggregate distribution of home mortgage loans by all lenders.

The bank's percentage of home mortgage loans to moderate-income borrowers exceeded both the percentage of moderate-income families and the aggregate distribution of home mortgage loans by all lenders. Despite the high cost of housing and economic considerations that affect large portions of the MSA, the bank achieved excellent borrower distribution.

Small Loans to Businesses

Refer to Table R in the Commonwealth of Massachusetts section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's originations and purchases of small loans to businesses. Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of small loans to businesses is good.

The bank did not collect or consider the gross annual revenues in the underwriting of approximately 10.8 percent of its small loans to businesses. Based on the businesses with known revenues, the bank's percentage of small loans to businesses with revenues of \$1 million or less was below the percentage of small businesses located in the AA. However, the bank outperformed and exceeded the aggregate distribution of small loans to businesses by all lenders.

Community Development Lending

The institution is a leader in making CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The level of CD lending in the Springfield, MA MSA is excellent. CD lending has a significantly positive effect on the Lending Test conclusion. The bank made one CD loan totaling nearly \$4.8 million for affordable housing, which represented 27.5 percent of the allocated tier 1 capital. The loan was for multifamily rental housing with rents affordable at 80 percent of the area median income. Rents for studio apartments start at \$900, which is about 20 percent of the income for a moderate-income individual. The multifamily housing is in a moderate-income census tract.

Product Innovation and Flexibility

The institution uses innovative and/or flexible lending practices in order to serve AA credit needs. During the evaluation period, the bank originated 14 loans totaling over \$1.8 million among the various flexible lending products available throughout the Springfield, MA MSA. Please refer to the "Flexible and Innovative Lending Products" section for descriptions of the flexible lending products.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Lending Test in the Massachusetts Non-MSA is weaker than the bank's overall performance under the Lending Test in the full-scope area. The weaker performance was due to poorer geographic and borrower distributions and the absence of any CD lending. The bank's level of deposits and total loans in the limited-scope AA are greater than those in the full-scope area. Therefore, the lending test performance in the limited-scope AA was a factor in determining the overall lending test rating for the Commonwealth of Massachusetts.

Refer to Tables O through R in the Commonwealth of Massachusetts section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The bank's performance under the Investment Test in the Commonwealth of Massachusetts is rated High Satisfactory. Performance in the limited-scope AA had a negative effect on the overall Investment Test rating.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Springfield, MA MSA is excellent.

The institution has an excellent level of qualified CD investment and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Springfield MSA	9	4,751	22	5,756	31	93.9	10,507	99.8	12	33,475
Massachusetts Non-MSA	0	0	2	20	2	6.1	20	0.2	0	0

* Prior Period Investments means investments made in a previous evaluation 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.

The institution exhibits excellent responsiveness to credit and community economic development needs. The bank made 31 CD investments totaling over \$10.5 million, which represented 60.6 percent of the allocated tier 1 capital. A substantial majority of the dollar volume of these investment transactions were LIHTCs that focused on affordable housing, a primary need in the AA. By dollar volume, 92.3 percent of the bank's current and prior period investments funded affordable housing, 2.3 percent funded community services, 0.3 percent funded revitalization and stabilization efforts, and 5.1 percent funded economic development. Included in the investments are 14 grants totaling \$245,000 to a variety of organizations that primarily supported community services.

The institution occasionally uses innovative and/or complex investments to support CD initiatives. CD investments involved 13 complex LIHTC projects where the bank occasionally acted in a leadership role with participations from federal, state, and local housing agencies, and real estate developers.

The following examples demonstrate the bank’s use of complex and responsive investments:

- The bank invested \$488,000 in a fund established to promote economic development by financing small businesses. The fund collectively benefits the consumer products, financial institution, professional services, and technology industries in the bank’s AA.
- The bank invested \$120,000 towards a \$5 million commitment to a public and private sector financing initiative to provide housing to homeless individuals in Massachusetts. The unique payment approach successfully provides permanent, affordable housing to low- and moderate-income individuals to address a primary need in the AA. During a six-year period, the program will provide housing for 500 to 800 homeless individuals.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank’s performance under the Investment Test in the Massachusetts Non-MSA (Dukes County) is weaker than the bank’s overall performance under the Investment Test in the full-scope area. Performance is weaker due to the significantly lower levels of qualified investments and grants relative to the bank’s capacity in the AA. According to the 2010 Census, the population in Dukes County is just over 16,000 people, making it the second least populous county in Massachusetts. Considering the very limited opportunities for investment, the bank’s performance is adequate. The weaker performance in the limited-scope AA had a negative effect on the Investment Test rating in the Commonwealth of Massachusetts.

SERVICE TEST

The bank’s performance under the Service Test in the Commonwealth of Massachusetts is rated High Satisfactory. Weaker performance in the limited-scope area had a negative effect on the overall Service Test rating in the Commonwealth of Massachusetts.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Springfield, MA MSA is excellent.

Retail Banking Services

Service delivery systems are readily accessible to geographies and individuals of different income levels in the Springfield, MA MSA.

Distribution of Branch Delivery System				As of December 31, 2019	
	Deposits	Branches		Population	
	% of Rated	% of Rated	Location of Branches by Income of Geographies (%)		% of Population within Each Geography

Assessment Area	Area Deposits in AA	# of BANK Branches	Area Branches in AA	Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Springfield MSA	45.9	2	50.0	50.0	50.0	0.0	0.0	14.3	15.3	31.0	36.5
Massachusetts Non-MSA	54.1	2	50.0	0.0	0.0	100.0	0.0	0.0	23.8	76.2	0.0

The bank had two branches in the Springfield, MA MSA. The distribution of branches is excellent in low-income geographies and excellent in moderate-income geographies. The distribution of branches in low-income geographies significantly exceeded the percentage of the population in low-income geographies, while the distribution in moderate-income geographies significantly exceeded the percentage of the population in moderate-income geographies.

The bank provided additional access to its retail banking services through ADS, including ATMs and digital banking platforms (online banking/mobile banking). Over the three-year evaluation period (based on bank data for a six-month proxy in 2018 and 2019), an average of 23.6 percent and 42.3 percent of customer households in low- and moderate-income geographies utilized the online and mobile banking platforms, respectively, to access banking. The bank operated five deposit-taking ATMs in the Springfield, MA MSA. ATM availability is excellent in low- and moderate-income geographies. The percentage of the bank's ATMs in low-income census tracts, 60 percent, significantly exceeded the percentage of the population in low-income census tracts, while the percentage of ATMs in moderate-income census tracts, 40 percent, significantly exceeded the percentage of the population in moderate-income census tracts. Deposit-taking ATMs were generally available 24 hours every day. The bank also had 24 ATMs in the Springfield, MA, MSA that do not accept deposits, but were available for cash withdrawals, transfers, and balance inquiries during the operating hours of the business where the ATM was located. These ATMs were in CVS Pharmacy stores. The additional access provided through ADS was not significant enough to affect the overall service delivery systems conclusion.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Springfield MSA	0	0	0	0	0	0
Massachusetts Non-MSA	0	2	0	-1	-1	0

The bank did not open or close any branches in the Springfield, MA MSA during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences the various portions of its AA, particularly low- and moderate-income geographies and/or individuals. Bank branches offered traditional products and services such as personal and business deposit accounts, deposit and withdrawal services, loan payments, wire transfer and money order sales, and loan applications for mortgage, business, home equity, lines of credit, and personal loans. Branch operating hours were generally consistent throughout the Springfield, MA MSA. The operating hours of branches in low- and moderate-income areas were not more restrictive than the operating hours of branches in middle- and upper-income areas. Branches were generally open 9:00 am to 5:00 pm Monday through Wednesday, 9:00 am to 6:00 pm Thursday and Friday, and 9:00 am to 1:00 pm Saturday.

Community Development Services

The institution provides an adequate level of CD services.

During the evaluation period, bank employees contributed 333 hours with three different organizations to provide CD services primarily targeted to low- and moderate-income individuals. During the evaluation period, bank employees provided CD services to two organizations that provide both affordable housing and essential services to low- and moderate-income individuals and one organization focusing on economic development activities throughout the AA. In collaboration with CD organizations, employees participated in 20 affordable housing workshops and/or financial education seminars for 955 individuals that are primarily low- and moderate-income. Services also included participation on the board of a CD organization in the AA.

The following example demonstrates the bank's responsiveness in providing CD services:

- The bank partnered with an affordable housing organization that facilitates access to housing and homeownership to low- and moderate-income households in Springfield. Bank volunteers led homebuying and financial education programming for 428 clients. This service is responsive as volunteers provided information on closing cost/down payment assistance programs, credit building and foreclosure prevention, and highlighting affordable mortgage products available to low- and moderate-income clients. A bank volunteer serves on the organization's board.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Service Test in the Massachusetts Non-MSA is weaker than the bank's overall performance under the Service Test in the full-scope area. In the Massachusetts Non-MSA, there are no low-income geographies and the bank has no branches in moderate-income geographies. The bank closed two branches that comprised a net closure of one branch in a moderate-income geography and one branch in a middle-income geography. The closed branch in the moderate-income geography was in a seasonal setting and had low customer deposits and activity with flat growth over the past five years. The bank operated four deposit-taking ATMs in the Massachusetts Non-MSA. ATM availability is excellent in moderate-income geographies. The percentage of the bank's ATMs in moderate-income census tracts, 50 percent, significantly exceeded the percentage of the population, 23.8 percent, in moderate-income census tracts. Deposit-taking ATMs were generally available 24 hours every day.

The institution's closing of two branches has adversely affected the accessibility of its delivery systems, particularly in moderate-income geographies and/or to low- and moderate-income individuals. Despite the net closures, the remaining branches remained reasonably accessible to moderate-income geographies and to low- and moderate-income individuals.

As the Massachusetts Non-MSA AA accounted for 54.1 percent of the deposits in the Commonwealth of Massachusetts, the weaker performance in the Massachusetts Non-MSA had a negative effect on the Service Test rating for the Commonwealth of Massachusetts.

State Rating

State of New Hampshire

CRA rating for the State of New Hampshire⁶: Outstanding

The Lending Test is rated: Outstanding

The Investment Test is rated: Outstanding

The Service Test is rated: Low Satisfactory

The major factors that support this rating include:

- Excellent level of lending activity.
- Adequate geographic distribution of loans.
- Good distribution of loans by borrower income or business revenue.
- Excellent level of CD lending that has a significantly positive effect on the Lending Test.
- Excellent level of qualified CD investment and grants that are responsive to credit and community economic development needs.
- Service delivery systems are reasonably accessible to geographies and individuals of different income levels.
- Adequate level of CD services that are responsive to the needs of the community.

Description of Institution's Operations in New Hampshire

The bank delineated the New Hampshire Non-MSA as its only AA in the state of New Hampshire. Refer to appendix A for a complete description of the AA.

The state of New Hampshire is Santander's eighth largest rating area based on the percentage of the bank's deposits in the state. Based on the June 30, 2019 FDIC Summary of Deposit Market Share report, the bank had nearly \$76 million of deposits in the state, when excluding approximately \$1 billion in deposits allocated to the Boston CSA rating area. The net deposits from the only AA in the state represented 0.1 percent of its total domestic deposits. With a deposit market share of 1.7 percent, the bank ranked 10th out of 15 FDIC-insured depository financial institutions, placing it in the 67th percentile of institutions. The top three banks with a combined deposit market share of 59.2 percent were TD Bank, N.A. with 28.9 percent deposit market share, Bank of America, N.A. with 15.5 percent deposit market share, and Merrimack County Savings Bank with 14.8 percent deposit market share. In comparison to the percentage of deposits relative to the bank's total domestic deposits, the bank originated or purchased 0.2 percent of the number of its home mortgage loans and small loans to businesses and farms during the evaluation period in the state of New Hampshire. Santander operated one branch and three deposit-taking ATMs in the state of New Hampshire representing 0.2 percent of total branches and 0.3 percent of total ATMs.

⁶ The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

Demographic Data

Table A – Demographic Information of the Assessment Area						
Assessment Area: New Hampshire Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	36	0.0	11.1	50.0	38.9	0.0
Population by Geography	147,262	0.0	10.4	48.1	41.5	0.0
Housing Units by Geography	63,653	0.0	11.3	49.6	39.1	0.0
Owner-Occupied Units by Geography	40,881	0.0	8.5	46.0	45.5	0.0
Occupied Rental Units by Geography	15,824	0.0	18.5	55.4	26.1	0.0
Vacant Units by Geography	6,948	0.0	11.5	57.3	31.2	0.0
Businesses by Geography	12,052	0.0	14.0	43.6	42.3	0.0
Farms by Geography	495	0.0	7.5	50.9	41.6	0.0
Family Distribution by Income Level	37,926	16.6	14.4	22.1	46.9	0.0
Household Distribution by Income Level	56,705	20.3	15.0	17.1	47.7	0.0
Median Family Income Non-MSAs - NH		\$71,699	Median Housing Value			\$225,697
			Median Gross Rent			\$944
			Families Below Poverty Level			6.1%
<i>Source: 2015 ACS and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Demographic Data

Table A shows that the percentages of owner-occupied housing units and businesses located in moderate-income geographies are low, and 31 percent of families in the AA are low- and moderate-income. The AA has no low-income geographies.

Based on the information in Table A, low-income families earned \$35,850 and moderate-income families earned \$57,359. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment is \$896 for low-income borrowers and \$1,434 for moderate-income borrowers. Assuming a 30-year mortgage with a 5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the AA's median housing value would be \$1,212. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the state poverty rate are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with

income above poverty. Median rents and the high percentage of families below the poverty level suggest rental housing is also unaffordable for many low-income residents.

Economic Data

According to Moody's Analytics May 2020 report, New Hampshire's strengths include low taxes with stable property tax base, a highly skilled work force, improving migration patterns, high per capita income and low poverty rate, and below average employment volatility. However, the area does have high energy costs, below average worker productivity, and a weak public sector. Concord, the state capital and county seat of Merrimack County, is a major distribution, industrial, and transportation hub. Concord is headquarters to numerous state, county, local, and federal agencies. It is also the site of several major law firms and professional agencies. The fastest growing segment of the economic base is the service industry, comprising education, finance, and medical services. More than 5,000 people are employed in the delivery of healthcare services in Concord, making it one of the largest concentrations of healthcare providers in the state. Tourism is important to the city and the region. The New Hampshire International Speedway in nearby Loudon brings approximately \$50 million in tourism dollars to Concord annually. Major employers in the area include University System of New Hampshire, Fidelity Investments, and Concord Hospital.

Community Contacts

A review was conducted of community contacts completed during the examination review period with organizations serving the Merrimack County area. The organizations contacted focused on affordable housing and community services. Contacts noted that applicants for many area services are increasingly of younger ages. Many area residents are employed in retail, food service, healthcare, municipal government, manufacturing (although diminishing), and nonprofit organizations. The economy is strong with increased construction. However, the gap between wealthy and poor households is widening and the high cost of living is a significant factor. There is a relatively low inventory of homes for sale, particularly in the entry level market and prices for homes that are for sale have increased. The rental market throughout the state reflects low vacancy rates and increasing rents. Needs identified for the community include affordable mortgages, small business loans, small dollar loans, and access to affordable rental property.

Scope of Evaluation in New Hampshire

The bank's only AA in the state of New Hampshire received a full-scope review. Home mortgage lending received slightly greater weight based on the volume of loan originations and purchases in the AA. The state of New Hampshire does not represent one of the bank's more significant rating areas in terms of lending, deposits, and branch distribution. Therefore, the performance in the state of New Hampshire was weighted less heavily in determining the bank's overall CRA rating.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW HAMPSHIRE

LENDING TEST

The bank's performance under the Lending Test in the state of New Hampshire is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the New Hampshire Non-MSA is excellent.

Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Lending Activity							2017-2019	
Number of Loans*								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits
New Hampshire Non-MSA	87	81	0	1	--	169	100.0	100.0
TOTAL	87	81	0	1	--	169	100.0	100.0
Dollar Volume of Loans*								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits
New Hampshire Non-MSA	13,050	6,089	0	1,776	--	20,915	100.0	100.0
TOTAL	13,050	6,089	0	1,776	--	20,915	100.0	100.0
<i>Source: Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>								

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

According to mortgage peer data for 2019, the bank had a market share of 0.6 percent based on the number of home mortgage loans originated or purchased. The bank ranked 43rd among 254 home mortgage lenders in the AA, which placed it in the top 17 percent of lenders. The top three lenders with a combined market share of 19.4 percent were CMG Mortgage with 7 percent, Residential Mortgage Services with 6.3 percent, and Quicken Loans with 6.1 percent. According to peer small business data for 2018, the bank had a market share of 0.8 percent based on the number of small loans to businesses originated or purchased. The bank ranked 19th out of 65 small business lenders, which placed it in the 30th percentile of lenders. The top lender was a nationwide lender that had a significant small business credit card portfolio. The top three lenders with a combined market share of 38.8 percent were American Express National Bank with 15.1 percent, Chase Bank USA, N.A. with 12.9 percent, and Citibank, N.A. with 10.8 percent.

Distribution of Loans by Income Level of the Geography

The bank exhibits an adequate geographic distribution of loans in its AA.

Home Mortgage Loans

Refer to Table O in the state of New Hampshire 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. Based on the data in the tables and considering the performance context factors discussed above, the overall geographic distribution of home mortgage loans is adequate.

There are no low-income geographies in the AA. The bank's percentage of home mortgage loans in moderate-income geographies was below both the percentage of owner-occupied homes in moderate-income geographies and the aggregate distribution of home mortgage loans by all lenders.

Small Loans to Businesses

Refer to Table Q in the state of New Hampshire section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses. Based on the data in the tables and considering the performance context factors discussed above, the overall geographic distribution of small loans to businesses is good.

There are no low-income geographies in the AA. The bank's percentage of small loans to businesses in moderate-income geographies substantially met the percentage of businesses located in those geographies. However, the bank outperformed and exceeded the aggregate distribution of small loans to businesses by all lenders.

Lending Gap Analysis

Examiners identified no conspicuous or unexplained gaps in lending in low- and moderate-income geographies. The OCC analyzed geographic lending patterns of home mortgage loans and small loans to businesses by reviewing maps of loan originations and purchases throughout the AA.

Distribution of Loans by Income Level of the Borrower

The bank exhibits good distribution of loans among individuals of different income levels and businesses of different sizes.

Home Mortgage Loans

Refer to Table P in the state of New Hampshire section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's home mortgage loan originations and purchases. Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of home mortgage loans is good.

Examiners considered the high housing cost, the limited availability of housing that low-income borrowers can afford to acquire, and poverty levels within the AA that constrained the lending opportunities to low-income borrowers. Examiners weighted lending to low-income borrowers more heavily.

The bank's percentage of home mortgage loans to low-income borrowers was below the percentage of low-income families within the AA. However, the bank outperformed and exceeded the aggregate distribution of home mortgage loans by all lenders.

The bank's percentage of home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families and substantially met the aggregate distribution of home mortgage loans by all lenders.

Small Loans to Businesses

Refer to Table R in the state of New Hampshire section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's originations and purchases of small loans to businesses. Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of small loans to businesses is good.

The bank did not collect or consider the gross annual revenues in the underwriting of approximately 6.2 percent of its small loans to businesses. Based on the businesses with known revenues, the bank's percentage of small loans to businesses with revenues of \$1 million or less was below the percentage of small businesses located in the AA. However, the bank outperformed and exceeded the aggregate distribution of small loans to businesses by all lenders.

Community Development Lending

The institution is a leader in making CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The level of CD lending in the New Hampshire Non-MSA AA is excellent. CD lending has a significantly positive effect on the Lending Test conclusion. The bank made one CD loan totaling nearly \$1.8 million, which represented 13.2 percent of the allocated tier 1 capital. The CD loan funded economic development.

The following example demonstrates the bank's use of complex and responsive CD loans:

- The bank made a \$5 million loan to a CDFI, of which nearly \$1.8 million benefitted organizations within the AA. The CDFI provided financing and training to other nonprofit organizations with the purpose of CD. The organization promotes CD by providing small businesses with affordable financing options for working capital purposes.

Product Innovation and Flexibility

The institution makes no use of innovative and/or flexible lending practices in order to serve AA credit needs.

INVESTMENT TEST

The bank's performance under the Investment Test in the state of New Hampshire is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the New Hampshire Non-MSA is excellent.

The institution has an excellent level of qualified CD investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
New Hampshire Non-MSA	2	4,422	7	190	9	100.0	4,612	100.0	1	2,417

* Prior Period Investments means investments made in a previous evaluation 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.

The institution exhibits excellent responsiveness to credit and community economic development needs. The bank made nine CD investments totaling over \$4.6 million, which represented 34.2 percent of the bank's allocated tier 1 capital. A substantial majority of the dollar volume of the bank's current and prior period investment transactions were LIHTCs that focused on affordable housing, a primary credit need in the AA. By dollar volume, 98 percent of the bank's current and prior period investments funded affordable housing, 1.8 percent funded economic development, and 0.2 percent funded community services. Included in the investments are seven grants totaling \$190,000 to a variety of organizations that primarily supported affordable housing, economic development, and community services.

The institution occasionally uses innovative and/or complex grants to support CD initiatives. CD grants involved three complex and innovative grants where the bank acted in a leadership role by supporting programs that provide low- and moderate-income New Hampshire residents with workforce and economic development support.

The following examples demonstrate the bank's use of complex and responsive investments:

- The bank made \$4.3 million investment in a LIHTC to fund a 45-unit affordable housing development in Franklin, NH. Rents are affordable for renters with incomes at or below 60 percent of the area median income.
- The bank made a \$150,000 grant to a community loan fund. The grant helped fund a CDFI Initiative that provides loans, capital, and technical assistance to help low- and moderate-income individuals acquire housing, start businesses, and improve childcare centers. The most recent grant funded 107 loans to low- and moderate-income families.
- The bank provided a \$30,000 grant to a local community service organization. The proceeds from the grant helped the organization provide programs and services that provide workforce and economic development support through training programs and microloans to low- and moderate-income immigrants.

SERVICE TEST

The bank's performance under the Service Test in the state of New Hampshire is rated Low Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the New Hampshire Non-MSA is adequate.

Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the New Hampshire Non-MSA.

Distribution of Branch Delivery System								As of December 31, 2019			
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
New Hampshire Non-MSA	100.0	1	100.0	0.0	0.0	0.0	100.0	0.0	10.4	48.1	41.5

The bank had one branch in the AA. There are no low-income census tracts within the boundaries of the AA. While the branch is in an upper-income geography, the branch is within 120 feet of a moderate-income geography. The OCC reviewed bank-provided customer data for the branch to demonstrate the extent that the branch serves individuals in moderate-income geographies. The OCC confirmed that 12.9 percent of the retail customers with accounts at the branch live in moderate-income geographies where 10.4 percent of the population lives. The additional accessibility of the branch was not significant enough to affect the overall service delivery systems conclusion.

The bank provided additional access to its retail banking services through ADS, including ATMs and digital banking platforms (online banking/mobile banking). Over the three-year evaluation period (based on bank data for a six-month proxy in 2018 and 2019), an average of 37.7 percent and 39.7 percent of customer households in low- and moderate-income geographies utilized the online and mobile banking platforms, respectively, to access banking. The bank operated three deposit-taking ATMs in the New Hampshire Non-MSA. One ATM was in a middle-income geography and the other two ATMs were located in upper-income geographies. The ATMs in upper-income geographies were also located within 120 feet of a moderate-income geography, which provided reasonable access to individuals in moderate-income geographies. Deposit-taking ATMs were generally available 24 hours every day. The bank also had five ATMs in the New Hampshire Non-MSA that do not accept deposits, but were available for cash withdrawals, transfers, and balance inquiries during the operating hours of the business where the ATM was located. These ATMs were generally located in CVS Pharmacy stores. Three of these ATMs were in moderate-income geographies. The additional access provided through ADS was not significant enough to affect the overall service delivery systems conclusion.

Distribution of Branch Openings/Closings						
	Branch Openings/Closings					
Assessment Area	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
New Hampshire Non-MSA	0	1	0	0	-1	0

The bank closed one branch in a middle-income census tract during March 2017. Considering the bank closed one of its two branches in the AA, the closure has adversely affected the accessibility of its delivery systems, particularly in moderate-income geographies and to low- and moderate-income individuals. With the closure, the remaining branch remained reasonably accessible to moderate-income geographies and to low- and moderate-income individuals.

The bank branch offered traditional products and services such as personal and business deposit accounts, deposit and withdrawal services, loan payments, wire transfer and money order sales, and loan applications for mortgage, business, home equity, lines of credit, and personal loans. The branch operating hours were 9:00 am to 5:00 pm Monday through Wednesday, 9:00 am to 6:00 pm Thursday and Friday, and 9:00 am to 1:00 pm Saturday.

Community Development Services

The institution provides an adequate level of CD services.

During the evaluation period, bank employees contributed 47 hours with two different organizations to provide CD services primarily targeted to low- and moderate-income individuals. In collaboration with a CD organization, employees participated in two affordable housing workshops for 23 individuals and 11 financial education seminars for 126 individuals that are primarily low- and moderate-income. Services also included participation on the Advisory Board and Steering Committee of a CD organization.

State Rating

Commonwealth of Pennsylvania

CRA rating for the Commonwealth of Pennsylvania⁷: Outstanding

The Lending Test is rated: Outstanding

The Investment Test is rated: Outstanding

The Service Test is rated: Low Satisfactory

The major factors that support this rating include:

- Excellent level of lending activity.
- Excellent geographic distribution of loans.
- Good distribution of loans by borrower income or business revenue.
- Excellent level of CD lending that has a significantly positive effect on the Lending Test.
- Excellent level of qualified CD investment and grants that are responsive to credit and community economic development needs.
- Service delivery systems are reasonably accessible to geographies and individuals of different income levels.
- Adequate level of CD services that are responsive to the needs of the community.

Description of Institution's Operations in Pennsylvania

The bank delineated nine AAs in Pennsylvania comprising the Allentown-Bethlehem-Easton, PA-NJ MSA, Harrisburg-Carlisle, PA MSA, Lebanon, PA MSA, York-Hanover, PA MSA, Bloomsburg-Berwick, PA MSA, State College, PA MSA, Williamsport, PA MSA, Lancaster, PA MSA, and the Pennsylvania Non-MSA. Examiners combined, analyzed, and presented the Harrisburg-Carlisle, PA MSA, Lebanon, PA MSA, and York-Hanover, PA MSA as the Harrisburg-York-Lebanon, PA CSA for purposes of this evaluation and in evaluating performance under each test. During September 2019, Santander exited the Bloomsburg-Berwick, PA MSA, State College, PA MSA, and Williamsport, PA MSA markets with the sale of 14 branches in central Pennsylvania to First Commonwealth Bank. Refer to appendix A for a complete description of the AAs.

Pennsylvania is Santander's fourth largest rating area based on the percentage of the bank's deposits in the state. Based on the June 30, 2019 FDIC Summary of Deposit Market Share report, the bank had more than \$2.1 billion of deposits in the state, when excluding approximately \$10.6 billion in deposits allocated to the Philadelphia CSA rating area. The net deposits in the state represented nearly 4.7 percent of its total domestic deposits. With a deposit market share of 0.8 percent, the bank ranked 17th out of 123 FDIC-insured depository financial institutions, placing it in the top 14 percent of institutions. The top three banks with a combined deposit market share of 45.2 percent were PNC Bank, N.A. with 30.7 percent deposit market share, BNY Mellon, N.A. with 8 percent deposit market share, and The Bank of New York Mellon with 6.5 percent deposit market share. In comparison to the percentage of deposits relative to the bank's total domestic deposits, the bank originated or purchased 6 percent of the number of its home mortgage loans and small loans to businesses and farms during the evaluation period in

⁷ The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

Pennsylvania. As of December 31, 2019, Santander operated 44 branches and 46 deposit-taking ATMs in Pennsylvania representing 7.5 percent of total branches and 5.1 percent of total ATMs.

Demographic Data

Allentown-Bethlehem-Easton, PA-NJ MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Allentown-Bethlehem-Easton, PA-NJ MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	167	9.0	18.6	41.9	30.5	0.0
Population by Geography	763,598	7.8	18.5	38.2	35.6	0.0
Housing Units by Geography	309,576	7.4	18.3	40.1	34.2	0.0
Owner-Occupied Units by Geography	200,363	2.8	12.9	41.5	42.7	0.0
Occupied Rental Units by Geography	88,191	15.7	29.2	38.1	17.0	0.0
Vacant Units by Geography	21,022	16.0	24.7	34.6	24.6	0.0
Businesses by Geography	57,607	6.2	15.5	38.4	39.9	0.0
Farms by Geography	1,826	1.9	6.0	42.2	50.0	0.0
Family Distribution by Income Level	197,132	20.1	17.6	20.9	41.3	0.0
Household Distribution by Income Level	288,554	23.1	15.9	18.6	42.4	0.0
Median Family Income MSA - 10900 Allentown-Bethlehem-Easton, PA-NJ MSA		\$71,539	Median Housing Value			\$200,424
			Median Gross Rent			\$956
			Families Below Poverty Level			8.0%
<i>Source: 2015 ACS and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Table A for the Allentown-Bethlehem-Easton, PA-NJ MSA shows that the percentages of owner-occupied housing units and businesses located in low-income geographies are low, and 37.7 percent of families in the AA are low- and moderate-income.

Based on the information in Table A, low-income families earned \$35,770 and moderate-income families earned \$57,231. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment is \$894 for low-income borrowers and \$1,431 for moderate-income borrowers. Assuming a 30-year mortgage with a 5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be \$1,076. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the state poverty rate are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with

income above poverty. Median rents and the high percentage of families below the poverty level suggest rental housing is also unaffordable for many low-income residents.

Economic Data

According to the November 2019 Moody's Analytics report, the Allentown-Bethlehem-Easton, PA-NJ MSA experienced a downtown revitalization which stimulated investment and hiring. The area has below average employment volatility and strong migration patterns with people coming from surrounding high-cost areas. There is a high concentration of jobs in manufacturing. Aging infrastructure exists. The rate of appreciation of home prices is slower than elsewhere in the state. Local government finances are weak. Major industries include education and health services, professional and business services, retail trade, government, and manufacturing. Major employers in the area include Lehigh Valley Health Network, St. Luke's University Health Network, Air Products and Chemicals, Sands Bethworks Gaming LLC, and Dorney Park & Wildwater Kingdom.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the Allentown-Bethlehem-Easton, PA-NJ MSA was 4.6 percent compared to the national unemployment rate of 4.9 percent as of January 1, 2017. The unemployment rate declined to 4.5 percent compared to the national unemployment rate of 3.7 percent as of December 31, 2019.

Community Contacts

A review was conducted of community contacts completed during the examination period. The primary source of information was an examiner listening session conducted with representatives of multiple community-based and nonprofit organizations serving the area. The mission of the organizations participating in the listening session focused on several areas including affordable housing, economic development, and community services. Contacts identified low wages, low credit scores, aging housing stock, a lack of longer-term transitional housing, and increasing demand within the rental market as factors affecting affordable housing in the region, especially for low- to moderate-income people living in urban centers. Contacts noted the more urban areas such as Easton and Bethlehem, PA have blight issues due to a high number of foreclosures. Needs identified include:

- Technical assistance and funding resources for entrepreneurs.
- Workforce development training.
- Access to transportation.
- Access to affordable housing.
- Credit counseling and financial literacy programs.

Demographic Data

Harrisburg-York-Lebanon, PA CSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Harrisburg-York-Lebanon, PA CSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	245	10.2	16.3	55.5	17.1	0.8
Population by Geography	1,133,634	6.5	12.7	60.4	19.9	0.5
Housing Units by Geography	480,359	6.9	14.0	60.4	18.8	0.0
Owner-Occupied Units by Geography	312,758	2.8	9.8	64.5	22.9	0.0
Occupied Rental Units by Geography	130,583	14.3	22.0	52.6	11.0	0.0
Vacant Units by Geography	37,018	15.4	20.6	52.6	11.5	0.0
Businesses by Geography	79,525	6.1	14.4	59.0	20.5	0.0
Farms by Geography	3,013	1.0	5.9	72.9	20.2	0.0
Family Distribution by Income Level	296,772	19.4	18.4	22.5	39.7	0.0
Household Distribution by Income Level	443,341	22.3	17.0	19.7	41.1	0.0
Median Family Income MSA - 25420 Harrisburg-Carlisle, PA MSA		\$71,723	Median Housing Value			\$166,181
Median Family Income MSA - 30140 Lebanon, PA MSA		\$65,676	Median Gross Rent			\$846
Median Family Income MSA - 49620 York-Hanover, PA MSA		\$69,846	Families Below Poverty Level			7.7%
<i>Source: 2015 ACS and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Table A for the Harrisburg-York-Lebanon, PA CSA shows that the percentages of owner-occupied housing units and businesses located in low-income geographies are low, and 37.8 percent of families in the AA are low- and moderate-income.

Based on the information in Table A, low-income families earned between \$32,838 and \$35,862 and moderate-income families earned between \$52,541 and \$57,378, depending on the CSA. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30 percent of the applicant's income. Depending on the CSA, the calculated maximum affordable monthly mortgage payment ranged between \$821 and \$897 for low-income borrowers and between \$1,314 and \$1,434 for moderate-income borrowers. Assuming a 30-year mortgage with a 5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the CSA median housing value would be \$892. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the state poverty rate are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above poverty. Median rents and the high percentage of families below the poverty level suggest rental housing is also unaffordable for many low-income residents.

Economic Data

York-Hanover, PA MSA

According to Moody's Analytics May 2020 report, the economy in the York-Hanover, PA MSA was struggling to grow before the COVID-19 pandemic hit. The area has a per capita income that is below the state and U.S. averages, low educational attainment, and a low concentration of prime-age workers. However, the area does contain large well-established firms, strong transportation linkages, reliable work for military contractors and manufacturing, and positive net migration. The area is the second most factory-dependent area in the state. Defense contractors and food processors makeup a significant portion of the manufacturing sector. Healthcare is also a major employment sector and a vital source of middle and high wage jobs. The top employers in the area include Wellspan Medical Group, Utz Quality Foods, Inc., Rutter's Holdings, Spiritrust Lutheran, Stewart Group, and Hanover Hospital.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the York-Hanover, PA MSA was 4 percent compared to the national unemployment rate of 4.9 percent as of January 1, 2017. The unemployment rate declined to 3.8 percent compared to the national unemployment rate of 3.7 percent as of December 31, 2019.

Harrisburg-Carlisle, PA MSA

According to Moody's Analytics May 2020 report, the Harrisburg-Carlisle, PA MSA economy was an over-achiever before the COVID-19 pandemic hit. Job growth was ahead of most areas of the state. The area has little to no exposure to tourism and trade, and the area's poverty rate is among the lowest nationally. The area's strengths include a central location in the state with strong transportation and distribution assets, low living costs compared to other northeastern areas, and favorable migration trends. Weaknesses include a small industrial base and large presence of state government and an aging infrastructure. Major employment sectors in the area include government, education and health services, and professional and business services. The largest employers in the area include Penn State-Hershey Medical Center, Giant Food Stores, Hershey Entertainment and Resorts, and the Hershey Company.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the Harrisburg-Carlisle, PA MSA was 3.9 percent compared to the national unemployment rate of 4.9 percent as of January 1, 2017. The unemployment rate declined to 3.7 percent compared to the national unemployment rate of 3.7 percent as of December 31, 2019.

Lebanon, PA MSA

According to Moody's Analytics January 2020 report, the Lebanon, PA MSA is among the top performers in the Northeast. The area's strengths include proximity to the large southeastern Pennsylvania market, good transportation infrastructure, affordable housing and a low cost of living, and positive and increasing net migration. Job growth is at 2.4 percent, ahead of the Pennsylvania average and fourth among areas in the Northeast. Service providers remain the standout with leisure/hospitality, office-using industries, and logistics leading the pack with growth that is well ahead of the Pennsylvania average. The large public sector, which has strong ties to the federal government due to Fort Indiantown Gap, is holding its own, while local government is expanding with the population and tax revenue base. On the downside, manufacturing employment has ground to a halt. For the first time in over three years, the labor force, which is climbing at its fastest rate since 2008, is outpacing employment and causing the

jobless rate to increase to a multi-month high of 3.8 percent. As a result, wage pressures have retreated somewhat and hourly earnings are also under pressure from a less favorable mix as high wage jobs are lost. Major employment sectors include manufacturing, education and health services, and government. Major employers in the area include Sechler Family Foods, The Good Samaritan Hospital, Fort Indiantown Gap, and Veterans Medical Center.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the Lebanon, PA MSA was 3.8 percent compared to the national unemployment rate of 4.9 percent as of January 1, 2017. The unemployment rate increased to 4.1 percent compared to the national unemployment rate of 3.7 percent as of December 31, 2019.

Community Contacts

A review was conducted of community contacts completed during the examination review period with organizations serving the rating area. The organizations contacted focused on affordable housing, community and economic development, and community services. Contacts noted that the city of Harrisburg is experiencing growth and gentrification of its neighborhoods. Contacts also noted that several homeowners and renters in the area are significantly cost-burdened in terms of covering their housing costs, that is, they are spending more than 30 percent of their gross monthly income on housing costs. Contacts indicated that access to transportation is another issue facing the area. In many communities, public transportation options are limited. Workers in Perry County are traveling further, earning less and have more limited access to public transportation than their counterparts in Cumberland and Dauphin Counties. Contacts noted that more than half of Perry County residents have a high school diploma or less, which restricts most of them to low wage jobs that do not allow them to meet basic day-to-day living expenses. There is a need to bridge the gap between job training opportunities and transportation options as many low-income individuals do not have access to transportation to get them where the better paying jobs are. Other needs identified in the area include:

- Livable wage jobs.
- Affordable housing.
- Funding to rehabilitate substandard housing.
- Affordable quality childcare services.
- Support for programs that help families reach self-sufficiency.
- Flexible mortgage programs.
- Funding for programs that assist small businesses.

Scope of Evaluation in Pennsylvania

The Allentown-Bethlehem-Easton, PA-NJ MSA and the Harrisburg-York-Lebanon, PA CSA AAs received full-scope reviews. Home mortgage lending received slightly greater weight based on the volume of loan originations and purchases in the AA. The Commonwealth of Pennsylvania does not represent one of the bank's more significant rating areas in terms of lending, deposits, and branch distribution. Therefore, the performance in Pennsylvania was weighted less in determining the bank's overall CRA rating.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PENNSYLVANIA

LENDING TEST

The bank's performance under the Lending Test in the Commonwealth of Pennsylvania is rated Outstanding.

Conclusions for Areas Receiving Full-Scope Reviews

Based on a full-scope review, the bank's performance in the Allentown-Bethlehem-Easton, PA-NJ MSA and Harrisburg-York-Lebanon, PA CSA is excellent.

Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Table Z: Lending Activity							2017-2019	
Number of Loans*								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits
Allentown-Bethlehem-Easton, PA-NJ MSA	624	466	0	3	--	1,093	22.7	21.8
Harrisburg-York-Lebanon CSA	1,060	540	1	4	--	1,605	33.3	37.7
Bloomsburg-Berwick MSA	28	13	0	0	--	41	0.9	1.7
State College MSA	61	51	2	0	--	114	2.4	2.5
Williamsport MSA	273	108	0	0	--	381	7.9	7.4
Lancaster MSA	456	256	0	1	--	713	14.8	11.2
Pennsylvania Non-MSA	507	358	1	0	--	866	18.0	17.9
TOTAL	3,009	1,792	4	8	--	4,813	100.0	100.0
Dollar Volume of Loans*								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits
Allentown-Bethlehem-Easton, PA-NJ MSA	97,751	41,488	0	18,986	--	158,225	25.7	21.8
Harrisburg-York-Lebanon CSA	127,245	46,060	18	23,271	--	196,594	31.9	37.7
Bloomsburg-Berwick MSA	3,461	870	0	0	--	4,331	0.7	1.7
State College MSA	9,737	3,018	200	0	--	12,955	2.1	2.5
Williamsport MSA	39,344	13,027	0	0	--	52,371	8.5	7.4

Lancaster MSA	82,719	20,857	0	7,000	--	110,576	17.9	11.2
Pennsylvania Non-MSA	48,942	31,799	50	0	--	80,791	13.1	17.9
TOTAL	409,199	157,119	268	49,257	--	615,843	100.0	100.0

Source: Bank Data; "--" data not available.
Due to rounding, totals may not equal 100.0%

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Allentown-Bethlehem-Easton, PA-NJ MSA

According to mortgage peer data for 2019, the bank had a market share of 1 percent based on the number of home mortgage loans originated or purchased. The bank ranked 27th among 499 home mortgage lenders in the AA, which placed it in the top 6 percent of lenders. The top three lenders with a combined market share of 17.9 percent were Wells Fargo Bank, N.A. with 9.9 percent, Quicken Loans with 4.4 percent, and Caliber Home Loans with 3.6 percent. According to peer small business data for 2018, the bank had a market share of 1 percent based on the number of small loans to businesses originated or purchased. The bank ranked 17th out of 112 small business lenders, which placed it in the top 16 percent of lenders. The top lender was a nationwide lender that had a significant small business credit card portfolio. The top three lenders with a combined market share of 37.3 percent were American Express National Bank with 18.7 percent, Chase Bank USA, N.A. with 9.5 percent, and Wells Fargo Bank, N.A. with 9.1 percent.

Harrisburg-York-Lebanon, PA CSA

According to mortgage peer data for 2019, the bank had a market share of 0.9 percent based on the number of home mortgage loans originated or purchased. The bank ranked 30th among 515 home mortgage lenders in the AA, which placed it in the top 6 percent of lenders. The top three lenders with a combined market share of 22.4 percent were Members 1st Credit Union with 11.7 percent, Wells Fargo Bank, N.A. with 6.7 percent, and PA State Employees Credit Union with 4 percent. According to peer small business data for 2018, the bank had a market share of 1.1 percent based on the number of small loans to businesses originated or purchased. The bank ranked 19th out of 107 small business lenders, which placed it in the 18th percentile of lenders. The top lender was a nationwide lender that had a significant small business credit card portfolio. The top three lenders with a combined market share of 35.7 percent were American Express National Bank with 15.3 percent, Chase Bank USA, N.A. with 11.2 percent, and US Bank, N.A. with 9.2 percent.

Distribution of Loans by Income Level of the Geography

The bank exhibits an excellent geographic distribution of loans in its AAs. Examiners placed more emphasis on the bank's performance in moderate-income geographies as these areas had a higher percentage of owner-occupied housing units and small businesses.

Allentown-Bethlehem-Easton, PA-NJ MSA

Home Mortgage Loans

Refer to Table O in the Commonwealth of Pennsylvania 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. Based on the data in the tables and considering the performance context factors discussed above, the overall geographic distribution of home mortgage loans is excellent.

The bank's percentage of home mortgage loans in low-income geographies exceeded the percentage of owner-occupied housing units in low-income geographies. However, the bank underperformed and was below the aggregate distribution of home mortgage loans by all lenders.

The bank's percentage of home mortgage loans in moderate-income geographies exceeded both the percentage of owner-occupied housing units in moderate-income geographies and the aggregate distribution of home mortgage loans by all lenders.

Small Loans to Businesses

Refer to Table Q in the Commonwealth of Pennsylvania section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses. Based on the data in the tables and considering the performance context factors discussed above, the overall geographic distribution of small loans to businesses is excellent.

The bank's percentage of small loans to businesses in low- and moderate-income geographies exceeded both the percentages of businesses located in those geographies and the aggregate distribution of small loans to businesses by all lenders. Despite the economic considerations and competition that affect a large portion of the MSA, the bank achieved excellent geographic penetration.

Lending Gap Analysis

Examiners identified no conspicuous or unexplained gaps in lending in low- and moderate-income geographies. The OCC analyzed geographic lending patterns of home mortgage loans and small loans to businesses by reviewing maps of loan originations and purchases throughout the AA.

Harrisburg-York-Lebanon, PA CSA

Home Mortgage Loans

Refer to Table O in the Commonwealth of Pennsylvania 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. Based on the data in the tables and considering the performance context factors discussed above, the overall geographic distribution of home mortgage loans is good.

The bank's percentage of home mortgage loans in low-income geographies was below both the percentage of owner-occupied housing units in low-income geographies and the aggregate distribution of home mortgage loans by all lenders.

The bank's percentage of loans in moderate-income geographies exceeded both the percentage of owner-occupied housing units in moderate-income geographies and the aggregate distribution of home mortgage loans by all lenders.

Small Loans to Businesses

Refer to Table Q in the Commonwealth of Pennsylvania section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses. Based on the data in the tables and considering the performance context factors discussed above, the overall geographic distribution of small loans to businesses is excellent.

The bank's percentage of small loans to businesses in low-income geographies substantially met the percentage of businesses located in low-income geographies and the bank outperformed and exceeded the aggregate distribution of small loans to businesses by all lenders.

The bank's percentage of small loans to businesses in moderate-income geographies exceeded both the percentage of businesses located in moderate-income geographies and the aggregate distribution of small loans to businesses by all lenders. Despite the economic considerations and competition that affect large portions of the MSA, the bank achieved excellent geographic penetration.

Lending Gap Analysis

Examiners identified no conspicuous or unexplained gaps in lending in low- and moderate-income geographies. The OCC analyzed geographic lending patterns of home mortgage loans and small loans to businesses by reviewing maps of loan originations and purchases throughout the AA.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a good distribution of loans among individuals of different income levels and businesses of different sizes.

Allentown-Bethlehem-Easton, PA-NJ MSA

Home Mortgage Loans

Refer to Table P in the Commonwealth of Pennsylvania section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's home mortgage loan originations and purchases. Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of home mortgage loans is good.

Examiners considered the high housing cost, the limited availability of housing that low-income borrowers can afford to acquire, and poverty levels within the AA that constrained the lending opportunities to low-income borrowers. In addition, examiners considered the higher percentage of low-income families compared to moderate-income families. Considering low-income families make up a larger percentage of the population, lending to low-income borrowers was weighted more heavily.

The bank's percentage of home mortgage loans to low-income borrowers was well below percentage of low-income families within the AA. However, the bank outperformed and exceeded the aggregate distribution of home mortgage loans by all lenders.

The bank's percentage of loans to moderate-income borrowers exceeded both the percentage of moderate-income families and the aggregate distribution of home mortgage loans by all lenders.

Small Loans to Businesses

Refer to Table R in the Commonwealth of Pennsylvania section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's originations and purchases of small loans to businesses. Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of small loans to businesses is good.

The bank did not collect or consider the gross annual revenues in the underwriting of approximately 7.9 percent of its small loans to businesses. Based on the businesses with known revenues, the bank's percentage of small loans to businesses with revenues of \$1 million or less was below the percentage of small businesses located in the AA. However, the bank outperformed and exceeded the aggregate distribution of small loans to businesses by all lenders.

Harrisburg-York-Lebanon, PA CSA***Home Mortgage Loans***

Refer to Table P in the Commonwealth of Pennsylvania section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's home mortgage loan originations and purchases. Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of home mortgage loans is good.

Examiners considered the high housing cost, the limited availability of housing that low-income borrowers can afford to acquire, and poverty levels within the AA that constrained the lending opportunities to low-income borrowers. In addition, examiners considered the higher percentage of low-income families compared to moderate-income families. Considering low-income families make up a larger percentage of the population, lending to low-income borrowers was weighted more heavily.

The bank's percentage of home mortgage loans to low-income borrowers was well below the percentage of low-income families within the AA. However, the bank outperformed and exceeded the aggregate distribution of home mortgage loans by all lenders.

The bank's percentage of loans to moderate-income borrowers exceeded both the percentage of moderate-income families and the aggregate distribution of home mortgage loans by all lenders.

Small Loans to Businesses

Refer to Table R in the Commonwealth of Pennsylvania section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's originations and purchases of small loans to businesses. Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of small loans to businesses is good.

The bank did not collect or consider the gross annual revenues in the underwriting of approximately 5.4 percent of its small loans to businesses. Based on the businesses with known revenues, the bank's percentage of small loans to businesses with revenues of \$1 million or less substantially met the percentage of small businesses located in the AA. However, the bank outperformed and exceeded the aggregate distribution of small loans to businesses by all lenders.

Community Development Lending

The institution is a leader in making CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Allentown-Bethlehem-Easton, PA-NJ MSA

The level of CD lending in the Allentown-Bethlehem-Easton, PA-NJ AA is excellent. CD lending has a significantly positive effect on the Lending Test conclusion. The bank made three CD loans totaling over \$18.9 million, which represented 18.4 percent of the bank's allocated tier 1 capital. By dollar volume, 83.7 percent of these loans funded affordable housing and 16.3 percent funded economic development.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- The bank made a \$1.0 million loan to finance a retail business that meets the size eligibility standards of SBA programs and promotes job creation or retention in low- and moderate-income geographies.
- The bank made a \$2.1 million loan to finance a business that meets the size eligibility standards of SBA programs and promotes job creation or retention in low- and moderate-income geographies.
- The bank made a \$15.9 million loan to support a multifamily rental property that provides rents considered affordable when compared to 80 percent of the median family income. In addition, the property is in a moderate-income geography and the average rental rate for the property is \$1,116 per month while the market rate is \$1,272 per month.

Harrisburg-York-Lebanon, PA CSA

The level of CD lending in the Harrisburg-York-Lebanon, PA AA is excellent. CD lending has a significantly positive effect on the Lending Test conclusion. The bank made four CD loans totaling over \$23.2 million, which represented 12.9 percent of the bank's allocated tier 1 capital. By dollar volume, 73.9 percent of these loans funded affordable housing, 6.4 percent funded community services, and 19.7 percent funded economic development.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- The bank made a \$1.5 million loan to support short-term working capital of a nonprofit that provides critical support services including housing, rehabilitation, education, and vocational training along with workforce development for individuals with development disabilities in the CSA.
- The bank made a \$9.6 million loan to finance the new construction of residential buildings consisting of 42 affordable units in the CSA. All units will qualify for LIHTC and the property will reserve units for households with incomes at or below 60 percent of the area median income. Additionally, the property will reserve 11 units for homeless veterans with disabilities. Supportive

services which promote housing stability, economic security, and quality of life enhancements will be provided for the units reserved for veterans.

- The bank made a \$7.6 million loan to finance the new construction of two residential buildings in the CSA. Each building will have 17 units, all units will be eligible for LIHTC, and are reserved for families with incomes at or below 60 percent of the area median income. Additionally, supportive services will be provided at the property to give the residents access to critical healthcare and educational programs.

Product Innovation and Flexibility

The institution uses innovative and/or flexible lending practices in order to serve AA credit needs. During the evaluation period, the bank originated 70 loans totaling over \$8.7 million among the various flexible lending products available throughout the full-scope AAs. Please refer to the “Flexible and Innovative Lending Products” section for descriptions of the flexible lending products.

Conclusions for Areas Receiving a Limited-Scope Reviews

Based on limited-scope reviews, the bank’s performance under the Lending Test in the Lancaster, PA MSA is consistent with the bank’s overall performance under the Lending Test in the full-scope areas while the performance in the Bloomsburg-Berwick, PA MSA, State College, PA MSA, Williamsport, PA MSA, and Pennsylvania Non-MSA is weaker. Weaker performance in the limited-scope AAs was due largely to lower percentages of home mortgages and small loans to businesses, and lack of CD lending. Performance in limited-scope reviews had no effect on the Lending Test rating for Pennsylvania.

Refer to Tables O through R in the Commonwealth of Pennsylvania section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The bank’s performance under the Investment Test in the Commonwealth of Pennsylvania is rated Outstanding.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank’s performance in the Allentown-Bethlehem-Easton, PA-NJ MSA is adequate and performance in the Harrisburg-York-Lebanon, PA CSA is excellent.

The institution has an excellent level of qualified CD investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Allentown-Bethlehem-Easton, PA-NJ MSA	2	221	20	275	22	25.9	496	0.7	0	0
Harrisburg-York-Lebanon CSA	3	3,881	25	25,167	28	32.9	29,048	43.6	4	79,693
Bloomsburg-Berwick MSA	0	0	1	15	1	1.2	15	0.0	0	0
Lancaster MSA	2	1,434	20	21,467	22	25.9	22,901	34.3	4	30,860
State College MSA	0	0	4	730	4	4.7	730	1.1	0	0
Williamsport MSA	1	9,931	3	30	4	4.7	9,961	14.9	1	2,417
Pennsylvania Non-MSA	0	0	4	3,640	4	4.7	3,640	5.4	1	7,662

* Prior Period Investments means investments made in a previous evaluation 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.

Allentown-Bethlehem-Easton, PA-NJ MSA

The institution exhibits adequate responsiveness to credit and community economic development needs. The bank made 22 CD investments totaling \$496,000, which represented 0.5 percent of the bank's allocated tier 1 capital. Most of the dollar volume of these investment transactions were LIHTCs and grants that focused on affordable housing and economic development, both primary needs in the AA. By dollar volume, 59.7 percent of the bank's current and prior period investments funded affordable housing, 26.2 percent funded economic development, and 14.1 percent community services. Included in the investments are 20 grants totaling \$275,000 to a variety of organizations that primarily supported affordable housing, economic development, and community services.

The institution rarely uses innovative and/or complex investments to support CD initiatives. CD investments involved one innovative grant where the bank provided funds to support the Salvation Army's financial education programs.

The following examples demonstrate the bank's use of complex and responsive investments:

- The bank invested \$151,000 in a LIHTC for developing affordable rental housing units for low- and moderate-income households with incomes at or below 60 percent of the area median income. The investment helped develop a housing project in Bethlehem, PA containing 23 furnished single rooms with shared bath areas and 10 furnished apartments with full kitchens and baths.
- The bank provided \$45,000 in grants to a local organization to help fund emergency shelter and services to homeless families with children. The organization also provided homeownership seminars, pre-purchase housing counseling, and foreclosure prevention assistance to low- and moderate-income first-time homebuyers.

- The bank provided \$30,000 in grants to a local CD organization to help fund business start-up education workshops for low- and moderate-income entrepreneurs. Workshops consisted of financial planning, marketing and promotion, accounting, tax preparation, and networking for small business owners.

Harrisburg-York-Lebanon, PA CSA

The institution exhibits excellent responsiveness to credit and community economic development needs. The bank made 28 CD investments totaling over \$29 million, which represented 16.1 percent of the bank's allocated tier 1 capital. A substantial majority of the dollar volume of these investment transactions were LIHTCs that focused on affordable housing, a primary need in the AA. By dollar volume, 98.8 percent of the bank's current and prior period investments funded affordable housing and 1.2 percent funded economic development. Included in the investments are 21 grants totaling \$310,000 to a variety of organizations that supported affordable housing, financial education, community services, small business development, and workforce development.

The institution makes significant use of innovative and complex investments to support CD initiatives. CD investments involved four complex LIHTC projects where the bank often acted in a leadership role with participations from federal, state, and local housing agencies, and real estate developers.

The following examples demonstrate the bank's use of complex and responsive investments:

- The bank provided three \$25,000 grants to an organization that provides financial education to low- and moderate-income students in kindergarten through grade 12 to help them gain financial literacy skills and soft skills needed for future careers. A bank employee sits on the board of this organization.
- The bank invested \$9.7 million in a LIHTC investment that financed the new construction of 34 affordable housing units in York, PA. All units are restricted to households with incomes at or below 60 percent of the area median income.
- The bank invested \$11 million in a LIHTC investment that financed a 42-unit housing complex in Carlisle, PA. The project plans to set aside 11 units for homeless veterans with disabilities who will receive support services that promote housing stability, economic security, and quality of life enhancements. All units in the complex are restricted to households with incomes at or below 60 percent of the area median income.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Lancaster, PA MSA, Williamsport, PA MSA, and Pennsylvania Non-MSA is consistent with the bank's overall performance under the Investment Test in the full-scope area. The bank's performance under the Investment Test in the Bloomsburg-Berwick, PA MSA and State College, PA MSA is weaker than the bank's overall performance under the Investment Test in the full-scope area. Performance is weaker due to lower levels of qualified investments, grants, or donations relative to the bank's capacity and opportunities for investment. Weaker performance in the limited-scope areas had no adverse effect on the Investment Test rating for the Commonwealth of Pennsylvania.

SERVICE TEST

The bank's performance under the Service Test in the Commonwealth of Pennsylvania is rated Low Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Allentown-Bethlehem-Easton, PA-NJ MSA is poor and performance in the Harrisburg-York-Lebanon, PA CSA is excellent.

Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the bank's AAs. Service delivery systems are unreasonably accessible to geographies and individuals of different income levels in the Allentown-Bethlehem-Easton, PA-NJ MSA and readily accessible to geographies and individuals of different income levels in the Harrisburg-York-Lebanon, PA CSA.

Distribution of Branch Delivery System								As of December 31, 2019			
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Allentown-Bethlehem-Easton, PA-NJ MSA	21.5	11	25.0	0.0	9.1	81.8	9.1	7.8	18.5	38.2	35.6
Harrisburg-York-Lebanon CSA	37.7	21	47.7	9.5	14.3	52.4	23.8	6.5	12.7	60.4	19.9
Bloomsburg-Berwick MSA	1.7	0	0.0	0.0	0.0	0.0	0.0	0.0	25.3	21.5	53.2
Lancaster MSA	11.2	7	15.9	14.3	0.0	57.1	28.6	4.3	10.6	73.6	11.6
State College MSA	2.5	0	0.0	0.0	0.0	0.0	0.0	3.3	20.9	40.6	22.9
Williamsport MSA	7.4	0	0.0	0.0	0.0	0.0	0.0	5.8	11.7	75.9	6.6
Pennsylvania Non-MSA	17.9	5	11.4	0.0	40.0	40.0	20.0	0.7	13.5	68.5	14.6

Allentown-Bethlehem-Easton, PA-NJ MSA

Service delivery systems are unreasonably accessible to geographies and individuals of different income levels in the Allentown-Bethlehem-Easton, PA-NJ MSA. The bank had 11 branches in the AA. The distribution of branches is very poor in low-income geographies and poor in moderate-income geographies. The bank had no branches in low-income geographies, where 7.8 percent of the population

resided. The distribution in moderate-income geographies was well below the percentage of the population in moderate-income geographies.

The OCC reviewed bank-provided customer data for branches located in middle- and upper-income geographies that are adjacent to low- and moderate-income geographies to demonstrate the extent that those branches serve low- and moderate-income individuals and geographies. Within the Allentown-Bethlehem-Easton, PA-NJ MSA, the OCC confirmed that five of these adjacent branches have a percentage of customers from low- and moderate-income geographies that met or exceeded the percentage of the population in low- and moderate-income geographies. These adjacent branches provided low- and moderate-income individuals and individuals in low- and moderate-income census tracts additional access to the bank's retail banking services. The additional accessibility of these branches was not significant enough to affect the overall service delivery systems conclusion.

The bank provided additional access to its retail banking services through ADS, including ATMs and digital banking platforms (online banking/mobile banking). Over the three-year evaluation period (based on bank data for a six-month proxy in 2018 and 2019), an average of 31.9 percent and 43.2 percent of customer households in low- and moderate-income geographies utilized the online and mobile banking platforms, respectively, to access banking. The bank operated 11 deposit-taking ATMs in the Allentown-Bethlehem-Easton, PA-NJ MSA. ATM availability is very poor in low- and moderate-income geographies. The bank had no ATMs in low-income geographies and one ATM (9.1 percent of its ATMs) in moderate-income geographies where 18.5 percent of the population resided. Deposit-taking ATMs were generally available 24 hours every day. The bank also had seven ATMs in the Allentown-Bethlehem-Easton, PA-NJ MSA that do not accept deposits, but were available for cash withdrawals, transfers, and balance inquiries during the operating hours of the business where the ATM was located. These ATMs were generally located in CVS Pharmacy stores. The additional access provided through ADS was not significant enough to affect the overall service delivery systems conclusion.

The institution's opening and closing of branches has adversely affected the accessibility of its delivery systems, particularly in moderate-income geographies and/or to low- and moderate-income individuals. Despite the net closures in moderate-income geographies, the remaining branches remained unreasonably inaccessible to low- and moderate-income geographies and to low- and moderate-income individuals.

Services, including where appropriate, business hours do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and/or individuals. Bank branches offered traditional products and services such as personal and business deposit accounts, deposit and withdrawal services, loan payments, wire transfer and money order sales, and loan applications for mortgage, business, home equity, lines of credit, and personal loans. Branch operating hours were generally consistent throughout the Allentown-Bethlehem-Easton, PA-NJ MSA. The operating hours of branches in moderate-income areas were not more restrictive than the operating hours of branches in middle- and upper-income areas. Branches were typically open 9:00 am to 5:00 pm Monday through Wednesday, 9:00 am to 6:00 pm Thursday and Friday, and 9:00 am to 1:00 pm Saturday.

Harrisburg-York-Lebanon, PA CSA

Service delivery systems are readily accessible to geographies and individuals of different income levels in the Harrisburg-York-Lebanon, PA CSA. The bank had 21 branches in the AA. The distribution of branches is excellent in low- and moderate-income geographies. The distribution of branches in low-

income geographies significantly exceeded the percentage of the population in low-income geographies, while the distribution in moderate-income geographies exceeded the percentage of the population in moderate-income geographies.

The OCC reviewed bank-provided customer data for branches located in middle- and upper-income geographies that are adjacent to low- and moderate-income geographies to demonstrate the extent that those branches serve low- and moderate-income individuals and geographies. Within the Harrisburg-York-Lebanon, PA CSA, the bank identified one of these adjacent branches with a percentage of customers from low- and moderate-income geographies that met or exceeded the percentage of the population in low- and moderate-income geographies. These adjacent branches provided low- and moderate-income individuals and individuals in low- and moderate-income census tracts additional access to the bank's retail banking services. The additional accessibility of these branches was not significant enough to affect the overall service delivery systems conclusion.

The bank provided additional access to its retail banking services through ADS, including ATMs and digital banking platforms (online banking/mobile banking). Over the three-year evaluation period (based on bank data for a six-month proxy in 2018 and 2019), an average of 29.1 percent and 38.7 percent of customer households in low- and moderate-income geographies utilized the online and mobile banking platforms, respectively, to access banking. The bank operated 21 deposit-taking ATMs in the Harrisburg-York-Lebanon, PA CSA. ATM availability is excellent in low- and moderate-income geographies. The percentage of the bank's ATMs in the low- and moderate-income census tracts significantly exceeded the percentage of the population in low- and moderate-income census tracts. Deposit-taking ATMs were generally available 24 hours every day. The bank also had seven ATMs in the Harrisburg-York-Lebanon, PA CSA that do not accept deposits, but were available for cash withdrawals, transfers, and balance inquiries during the operating hours of the business where the ATM was located. These ATMs were generally located in CVS Pharmacy stores. The additional access provided through ADS was not significant enough to affect the overall service delivery systems conclusion.

The institution's opening and closing of branches has not affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The bank closed 10 branches, of which nine branches were in middle-income geographies and one branch was in an upper-income geography. No branches were closed in low- or moderate-income geographies.

Services, including where appropriate, business hours do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and/or individuals. Bank branches offered traditional products and services such as personal and business deposit accounts, deposit and withdrawal services, loan payments, wire transfer and money order sales, and loan applications for mortgage, business, home equity, lines of credit, and personal loans. Branch operating hours were generally consistent throughout the Harrisburg-York-Lebanon, PA CSA. The operating hours of branches in low- and moderate-income areas were not more restrictive than the operating hours of branches in middle- and upper-income areas. Branches were generally open 9:00 am to 5:00 pm Monday through Wednesday, 9:00 am to 6:00 pm Thursday and Friday, and 9:00 am to 1:00 pm Saturday.

Distribution of Branch Openings/Closings						
Assessment Area	Branch Openings/Closings					
	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Allentown-Bethlehem-Easton, PA-NJ MSA	0	3	0	-2	-1	0
Harrisburg-York-Lebanon CSA	0	10	0	0	-9	-1
Bloomsburg-Berwick MSA	0	0	0	0	0	0
Lancaster MSA	0	4	0	-2	-2	0
State College MSA	0	1	0	0	0	-1
Williamsport MSA	0	2	0	-1	-1	0
Pennsylvania Non-MSA	0	6	0	0	-4	-2

Community Development Services

The institution provides an adequate level of CD services.

Allentown-Bethlehem-Easton, PA-NJ MSA

During the evaluation period, bank employees contributed 732 hours with two different organizations to provide CD services primarily targeted to low- and moderate-income individuals. Bank employees provided CD services to one organization that provides essential services to low- and moderate-income individuals and one organization that provides affordable housing throughout the AA. In collaboration with CD organizations, employees participated in 11 affordable housing workshops and financial education seminars for 318 individuals that are primarily low- and moderate-income. No bank employees served on the committees or boards of any CD organizations during the evaluation period.

The following example demonstrates the bank's responsiveness in providing CD services:

- Bank employees provided volunteer service to a leading nonprofit organization throughout the evaluation period focusing on financial education in classroom settings to 1,225 individuals, which primarily included economically disadvantaged youth. Volunteers brought their professional experience to deliver lesson plans that promoted work readiness, entrepreneurship, and financial literacy skills to students who may otherwise have lacked exposure to this workforce development content.

Harrisburg-York-Lebanon, PA CSA

During the evaluation period, bank employees contributed 1,144 hours with 15 different organizations to provide CD services primarily targeted to low- and moderate-income individuals. Bank employees provided CD services to 11 organizations that provide essential services to low- and moderate-income individuals, three organizations that provide affordable housing, and one organization focusing on economic development activities throughout the AA. In collaboration with CD organizations, employees participated in four affordable housing workshops for 69 individuals and 39 financial education seminars for 3,630 individuals that are primarily low- and moderate-income. Services also included participation on three boards of CD organizations and committee memberships for CD organizations in the AA.

The following examples demonstrate the bank's responsiveness in providing CD services:

- Bank employees provided volunteer service to a leading nonprofit organization focusing on financial education to 60 low- and moderate-income clients during the evaluation period. The program targeted members of the nonprofit which aims to give families the resources needed to break the cycles of poverty. The workshops focused on the FDIC's Money Smart program that covered topics from credit access/building, identity theft protection, and budgeting. Volunteers executed the initiative to ensure individuals maintain best practices to utilize credit responsibly, build equity, and attain a healthy personal financial situation.
- During 2017, six bank employees volunteered for a day of teaching financial education to 150 participants. The education consisted of teaching financial modules to low- and moderate-income students in a moderate-income geography in the Lebanon, PA MSA.
- During 2017, several bank employees volunteered to conduct first time homebuyer seminars in Spanish in the York-Hanover, PA MSA. The employees led six separate seminars to 38 participants. These sessions were responsive to an identified need in the community.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Bloomsburg-Berwick, PA MSA, Lancaster, PA MSA, State College, PA MSA, Williamsport, PA MSA, and Pennsylvania Non-MSA is weaker than the bank's overall performance under the Service Test in the full-scope areas. This weaker performance in the limited-scope areas did not adversely affect the Service Test rating for the Commonwealth of Pennsylvania due to the bank's limited presence in these limited-scope areas.

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 MSAs and Non-MSAs 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.”

Time Period Reviewed:	January 1, 2017 to December 31, 2019	
Bank Products Reviewed:	Home mortgage, small business Community development loans, qualified investments, community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
No affiliates considered.		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Multistate MSAs		
Boston-Worcester-Providence, MA-RI-NH-CT CSA	Full-Scope	<u>Boston, MA MD</u> (Norfolk County, MA; Plymouth County, MA; and Suffolk County, MA) <u>Cambridge-Newton-Framingham, MA MD</u> (Essex County, MA; Middlesex County, MA) <u>Rockingham County-Strafford County, NH MD</u> (Rockingham County, NH; Excludes Strafford County, NH) <u>Providence-Warwick, RI-MA MSA</u> (Bristol County, MA; Bristol County, RI; Kent County, RI; Newport County, RI; Providence County, RI; and Washington County, RI) <u>Worcester, MA-CT MSA</u> (Worcester County, MA; Excludes Windham County, CT) <u>Barnstable Town, MA MSA</u> (Barnstable County, MA) <u>Manchester-Nashua, NH MSA</u> (Hillsborough County, NH)
New York-Newark, NY-NJ-CT-PA CSA	Full-Scope	<u>New York-Jersey City-White Plains, NY-NJ MD</u> (Bergen County, NJ; Bronx County, NY; Hudson County, NJ; Kings County, NY; New York County, NY; Passaic County, NJ; Queens County, NY; Richmond County, NY; and Westchester County, NY; Excludes Putnam County, NY and Rockland County, NY) <u>Nassau County-Suffolk County, NY MD</u> (Nassau County, NY and Suffolk County, NY) <u>Newark, NJ-PA MD</u> (Essex County, NJ; Hunterdon County, NJ; Morris County, NJ; Sussex County, NJ; and Union County, NJ; Excludes Pike County, PA) <u>New Brunswick-Lakewood, NJ MD</u> (Middlesex County, NJ; Monmouth County, NJ; Ocean County, NJ; and Somerset County, NJ) <u>New Haven-Milford, CT MSA</u> (New Haven County, CT)

		<u>Trenton-Princeton, NJ MSA</u> (Mercer County, NJ)
Philadelphia-Reading-Camden, PA-NJ-DE-MD CSA	Full-Scope	<u>Camden, NJ MSA</u> (Burlington County, NJ; Camden County, NJ; and Gloucester County, NJ) <u>Montgomery County-Bucks County-Chester County, PA MSA</u> (Bucks County, PA; Chester County, PA; and Montgomery County, PA) <u>Philadelphia, PA MSA</u> (Delaware County, PA and Philadelphia County, PA) <u>Wilmington, DE-MD-NJ MMSA</u> (New Castle County, DE; Excludes Cecil County, MD and Salem County, NJ) <u>Reading, PA MSA</u> (Berks County, PA)
Connecticut		
Hartford-East Hartford-Middletown, CT MSA	Full-Scope	Hartford County, CT; Middlesex County, CT; and Tolland County, CT
Connecticut Non-MSA	Limited-Scope	Litchfield County, CT
Massachusetts		
Springfield, MA MSA	Full-Scope	Hampden County, MA and Hampshire County, MA; Excludes Franklin County, MA
Massachusetts Non-MSA	Limited-Scope	Dukes County, MA
New Hampshire		
New Hampshire Non-MSA	Full-Scope	Merrimack County, NH
Pennsylvania		
Allentown-Bethlehem-Easton, PA-NJ MSA	Full-Scope	Lehigh County, PA; Northampton County, PA; Warren County, NJ; Excludes Carbon County, PA
Harrisburg-York-Lebanon, PA CSA	Full-Scope	<u>Harrisburg-Carlisle, PA MSA</u> (Cumberland County, PA; Dauphin County, PA; and Perry County, PA) <u>Lebanon, PA MSA</u> (Lebanon County, PA) <u>York-Hanover, PA MSA</u> (York County, PA)
Bloomsburg-Berwick, PA MSA	Limited-Scope	Montour County, PA; Excludes Columbia County, PA
State College, PA MSA	Limited-Scope	Centre County, PA
Williamsport, PA MSA	Limited-Scope	Lycoming County, PA
Lancaster, PA MSA	Limited-Scope	Lancaster County, PA
Pennsylvania Non-MSA	Limited-Scope	Clinton County, PA; Northumberland County, PA; Schuylkill County, PA; and Union County, PA

Appendix B: Summary of MMSA and State Ratings

RATINGS SANTANDER BANK, N.A.				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
	Outstanding	Outstanding	High Satisfactory	Outstanding
MMSA or State:				
Boston CSA	Outstanding	Outstanding	Outstanding	Outstanding
New York CSA	Outstanding	Outstanding	High Satisfactory	Outstanding
Philadelphia CSA	Outstanding	Outstanding	High Satisfactory	Outstanding
Connecticut	Outstanding	Outstanding	High Satisfactory	Outstanding
Massachusetts	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
New Hampshire	Outstanding	Outstanding	Low Satisfactory	Outstanding
Pennsylvania	Outstanding	Outstanding	Low Satisfactory	Outstanding

(*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in 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. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances. Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): 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; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including low- and moderate-income areas, 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, 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-Scope 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), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

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-Scope 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: Individual income that is less than 50 percent of the area median income.

Low-Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

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

Metropolitan Statistical Area (MSA): An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties 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.

MMSA (state): Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

Owner-Occupied Units (OOU): 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.

Rating Area: A rated area is a state or multistate metropolitan statistical 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 multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan statistical 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) 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 1 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.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, 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 the same as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - 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 aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - 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 MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were 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) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - 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. Because aggregate 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 T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues -
Compares the percentage distribution of the number of small loans (loans less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.

Boston CSA

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Boston CSA	17,914	4,893,707	100.0	320,780	3.3	6.8	4.2	13.2	15.1	13.9	45.7	39.3	44.4	37.7	38.7	37.4	0.1	0.1	0.1	
Total	17,914	4,893,707	100.0	320,780	3.3	6.8	4.2	13.2	15.1	13.9	45.7	39.3	44.4	37.7	38.7	37.4	0.1	0.1	0.1	

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																				2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Boston CSA	17,914	4,893,707	100.0	320,780	22.8	9.6	5.6	16.5	22.9	18.7	19.8	23.5	23.2	40.8	41.2	39.0	0.0	2.7	13.6	
Total	17,914	4,893,707	100.0	320,780	22.8	9.6	5.6	16.5	22.9	18.7	19.8	23.5	23.2	40.8	41.2	39.0	0.0	2.7	13.6	

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2017-19**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Boston CSA	12,477	1,138,949	100.0	187,191	7.4	10.4	7.1	14.9	16.6	14.8	38.7	38.6	40.0	38.2	33.7	37.7	0.7	0.6	0.5
Total	12,477	1,138,949	100.0	187,191	7.4	10.4	7.1	14.9	16.6	14.8	38.7	38.6	40.0	38.2	33.7	37.7	0.7	0.6	0.5

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2017-19**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Boston CSA	12,477	1,138,949	100.0	187,191	85.2	63.8	40.0	5.9	30.8	8.9	5.5
Total	12,477	1,138,949	100.0	187,191	85.2	63.8	40.0	5.9	30.8	8.9	5.5

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table S: Assessment Area Distribution of Loans to Farms by Income Category of the Geography **2017-19**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Boston CSA	3	440	100.0	499	3.0	0.0	2.4	10.1	66.7	6.2	44.6	33.3	41.7	42.2	0.0	49.7	0.1	0.0	0.0
Total	3	440	100.0	499	3.0	0.0	2.4	10.1	66.7	6.2	44.6	33.3	41.7	42.2	0.0	49.7	0.1	0.0	0.0

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues **2017-19**

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Boston CSA	3	440	100.0	499	95.8	33.3	55.9	2.4	66.7	1.8	0.0
Total	3	440	100.0	499	95.8	33.3	55.9	2.4	66.7	1.8	0.0

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

New York CSA

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2017-19	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
New York CSA	15,775	7,329,136	100.0	424,761	3.1	4.9	3.9	13.9	15.9	14.2	37.6	30.8	37.0	45.3	48.2	44.8	0.1	0.1	0.1		
Total	15,775	7,329,136	100.0	424,761	3.1	4.9	3.9	13.9	15.9	14.2	37.6	30.8	37.0	45.3	48.2	44.8	0.1	0.1	0.1		

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																				2017-19	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
New York CSA	15,775	7,329,136	100.0	424,761	25.2	6.0	4.4	15.6	16.2	13.4	17.3	20.8	20.2	41.8	53.5	46.1	0.0	3.5	15.9		
Total	15,775	7,329,136	100.0	424,761	25.2	6.0	4.4	15.6	16.2	13.4	17.3	20.8	20.2	41.8	53.5	46.1	0.0	3.5	15.9		

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2017-19**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
New York CSA	14,878	1,760,265	100.0	633,868	7.0	10.4	7.1	16.3	19.4	16.1	30.5	29.1	28.0	45.1	40.0	47.8	1.1	1.2	1.0
Total	14,878	1,760,265	100.0	633,868	7.0	10.4	7.1	16.3	19.4	16.1	30.5	29.1	28.0	45.1	40.0	47.8	1.1	1.2	1.0

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2017-19**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
New York CSA	14,878	1,760,265	100.0	633,868	87.5	51.0	41.0	5.8	41.5	6.7	7.5
Total	14,878	1,760,265	100.0	633,868	87.5	51.0	41.0	5.8	41.5	6.7	7.5

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table S: Assessment Area Distribution of Loans to Farms by Income Category of the Geography **2017-19**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
New York CSA	0	0	0.0	814	3.5	0.0	2.2	13.7	0.0	9.3	35.6	0.0	29.1	46.9	0.0	59.3	0.2	0.0	0.0
Total	0	0	0.0	814	3.5	0.0	2.2	13.7	0.0	9.3	35.6	0.0	29.1	46.9	0.0	59.3	0.2	0.0	0.0

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues **2017-19**

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
New York CSA	--	--	--	814	96.1	--	44.8	2.4	--	1.5	--
Total	--	--	--	814	96.1	--	44.8	2.4	--	1.5	--

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Philadelphia CSA

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Philadelphia CSA	6,874	1,993,633	100.0	216,891	3.9	5.1	2.6	17.4	19.1	16.6	42.8	37.8	42.5	35.9	37.9	38.3	0.0	0.0	0.0	
Total	6,874	1,993,633	100.0	216,891	3.9	5.1	2.6	17.4	19.1	16.6	42.8	37.8	42.5	35.9	37.9	38.3	0.0	0.0	0.0	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																				2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Philadelphia CSA	6,874	1,993,633	100.0	216,891	21.9	14.2	8.3	17.2	24.2	18.4	20.0	19.7	21.5	40.8	39.4	35.8	0.0	2.5	16.1	
Total	6,874	1,993,633	100.0	216,891	21.9	14.2	8.3	17.2	24.2	18.4	20.0	19.7	21.5	40.8	39.4	35.8	0.0	2.5	16.1	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				2017-19	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate		
Philadelphia CSA	4,987	561,382	100.0	135,243	4.2	4.2	3.4	17.3	16.5	15.9	39.1	39.8	40.1	39.0	39.0	40.2	0.5	0.5	0.3		
Total	4,987	561,382	100.0	135,243	4.2	4.2	3.4	17.3	16.5	15.9	39.1	39.8	40.1	39.0	39.0	40.2	0.5	0.5	0.3		

*Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2017-19	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans		
Philadelphia CSA	4,987	561,382	100.0	135,243	86.4	55.6	45.0	5.3	37.0	8.3	7.5		
Total	4,987	561,382	100.0	135,243	86.4	55.6	45.0	5.3	37.0	8.3	7.5		

*Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table S: Assessment Area Distribution of Loans to Farms by Income Category of the Geography 2017-19

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Philadelphia CSA	1	32	100.0	979	1.5	0.0	0.3	12.6	0.0	16.3	48.4	0.0	59.9	37.3	100.0	23.5	0.2	0.0	0.0
Total	1	32	100.0	979	1.5	0.0	0.3	12.6	0.0	16.3	48.4	0.0	59.9	37.3	100.0	23.5	0.2	0.0	0.0

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues 2017-19

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Philadelphia CSA	1	32	100.0	979	94.9	100.0	59.6	3.3	0.0	1.8	0.0
Total	1	32	100.0	979	94.9	100.0	59.6	3.3	0.0	1.8	0.0

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

State of Connecticut

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2017-19	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
Connecticut Non-MSA	66	11,406	6.2	5,317	0.4	0.0	0.5	15.9	19.7	15.8	61.3	57.6	61.0	22.5	22.7	22.7	0.0	0.0	0.0		
Hartford-East Hartford-Middletown MSA	992	216,811	93.8	34,548	3.7	5.2	4.2	10.9	12.5	10.0	42.5	39.6	41.6	42.8	42.6	44.1	0.0	0.0	0.0		
Total	1,058	228,217	100.0	39,865	3.2	4.9	3.7	11.7	12.9	10.8	45.4	40.7	44.2	39.7	41.4	41.3	0.0	0.0	0.0		

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2017-19**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Connecticut Non-MSA	66	11,406	6.2	5,317	18.2	15.2	13.3	19.4	21.2	23.6	23.1	22.7	23.3	39.3	37.9	26.5	0.0	3.0	13.2
Hartford-East Hartford-Middletown MSA	992	216,811	93.8	34,548	22.3	15.6	10.7	16.5	28.1	23.4	20.7	23.7	22.4	40.5	29.4	29.9	0.0	3.1	13.6
Total	1,058	228,217	100.0	39,865	21.7	15.6	11.0	16.9	27.7	23.4	21.0	23.6	22.5	40.3	30.0	29.5	0.0	3.1	13.5

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2017-19**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Connecticut Non-MSA	42	3,299	4.6	5,293	1.3	2.4	1.0	17.9	31.0	16.2	57.3	59.5	60.6	23.5	7.1	22.2	0.0	0.0	0.0
Hartford-East Hartford-Middletown-MSA	880	82,906	95.4	28,655	9.6	11.6	9.0	12.1	18.3	12.4	40.7	41.5	40.7	37.2	28.6	37.7	0.4	0.0	0.2
Total	922	86,205	100.0	33,948	8.4	11.2	7.7	13.0	18.9	13.0	43.1	42.3	43.8	35.2	27.7	35.3	0.3	0.0	0.2

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2017-19**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Connecticut Non-MSA	42	3,299	4.6	5,293	88.5	45.2	51.1	4.6	28.6	7.0	26.2
Hartford-East Hartford-Middletown MSA	880	82,906	95.4	28,655	86.1	60.6	44.5	5.2	32.5	8.7	6.9
Total	922	86,205	100.0	33,948	86.4	59.9	45.6	5.1	32.3	8.5	7.8

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table S: Assessment Area Distribution of Loans to Farms by Income Category of the Geography **2017-19**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Connecticut Non-MSA	0	0	0.0	52	0.2	0.0	0.0	10.0	0.0	5.8	65.3	0.0	61.5	24.5	0.0	32.7	0.0	0.0	0.0
Hartford-East Hartford-Middletown MSA	0	0	0.0	134	2.9	0.0	0.0	8.2	0.0	3.7	41.2	0.0	42.5	47.7	0.0	53.7	0.1	0.0	0.0
Total	0	0	0.0	186	2.2	0.0	0.0	8.6	0.0	4.3	47.0	0.0	47.8	42.1	0.0	47.8	0.0	0.0	0.0

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues **2017-19**

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Connecticut Non-MSA	--	--	--	52	98.4	--	57.7	1.3	--	0.4	--
Hartford-East Hartford-Middletown MSA	--	--	--	134	96.2	--	67.2	2.2	--	1.7	--
Total	--	--	--	186	96.7	--	64.5	2.0	--	1.4	--

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Commonwealth of Massachusetts

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Massachusetts Non-MSA	201	96,714	58.8	1,182	0.0	0.0	0.0	18.1	10.4	18.1	81.9	73.1	81.9	0.0	16.4	0.0	0.0	0.0	0.0	
Springfield MSA	141	28,599	41.2	16,523	4.7	10.6	6.1	12.4	18.4	14.6	35.2	29.1	35.0	47.6	41.8	44.3	0.0	0.0	0.0	
Total	342	125,313	100.0	17,705	4.6	4.4	5.7	12.6	13.7	14.8	36.7	55.0	38.1	46.1	26.9	41.3	0.0	0.0	0.0	

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																				2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Massachusetts Non-MSA	201	96,714	58.8	1,182	23.7	2.5	3.1	12.4	4.5	7.8	17.1	17.4	15.2	46.9	73.6	57.6	0.0	2.0	16.2	
Springfield MSA	141	28,599	41.2	16,523	24.7	15.6	7.1	15.7	25.5	22.1	17.9	21.3	23.6	41.8	36.2	30.6	0.0	1.4	16.5	
Total	342	125,313	100.0	17,705	24.6	7.9	6.9	15.6	13.2	21.2	17.9	19.0	23.1	41.9	58.2	32.4	0.0	1.8	16.4	

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2017-19**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Massachusetts Non-MSA	99	8,327	49.3	826	0.0	0.0	0.0	31.5	22.2	27.8	68.5	58.6	47.5	0.0	19.2	24.7	0.0	0.0	0.0
Springfield MSA	102	11,787	50.7	12,341	14.0	20.6	12.8	15.1	20.6	15.1	28.8	25.5	30.2	41.3	33.3	41.7	0.9	0.0	0.2
Total	201	20,114	100.0	13,167	13.3	10.4	12.0	15.8	21.4	15.9	30.6	41.8	31.3	39.4	26.4	40.6	0.8	0.0	0.2

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2017-19**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Massachusetts Non-MSA	99	8,327	49.3	826	83.9	62.6	38.1	6.7	35.4	9.4	2.0
Springfield MSA	102	11,787	50.7	12,341	83.0	72.5	40.1	5.7	16.7	11.2	10.8
Total	201	20,114	100.0	13,167	83.1	67.7	40.0	5.8	25.9	11.2	6.5

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table S: Assessment Area Distribution of Loans to Farms by Income Category of the Geography **2017-19**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Massachusetts Non-MSA	0	0	0.0	3	0.0	0.0	0.0	22.0	0.0	0.0	78.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0
Springfield MSA	0	0	0.0	42	2.8	0.0	4.8	6.3	0.0	4.8	32.7	0.0	33.3	58.0	0.0	57.1	0.2	0.0	0.0
Total	0	0	0.0	45	2.6	0.0	4.4	7.5	0.0	4.4	36.1	0.0	37.8	53.6	0.0	53.3	0.2	0.0	0.0

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues **2017-19**

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Massachusetts Non-MSA	--	--	--	3	95.0	--	66.7	3.0	--	2.0	--
Springfield MSA	--	--	--	42	96.4	--	47.6	1.9	--	1.7	--
Total	--	--	--	45	96.3	--	48.9	2.0	--	1.7	--

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

State of New Hampshire

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-19	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
New Hampshire Non-MSA	87	13,050	100.0	5,486	0.0	0.0	0.0	8.5	6.9	8.2	46.0	42.5	43.3	45.5	50.6	48.4	0.0	0.0	0.0	
Total	87	13,050	100.0	5,486	0.0	0.0	0.0	8.5	6.9	8.2	46.0	42.5	43.3	45.5	50.6	48.4	0.0	0.0	0.0	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-19	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
New Hampshire Non-MSA	87	13,050	202.3	5,486	16.6	10.3	4.0	14.4	17.2	17.5	22.1	18.4	24.6	46.9	52.9	40.2	0.0	1.1	13.7	
Total	87	13,050	202.3	5,486	16.6	10.3	4.0	14.4	17.2	17.5	22.1	18.4	24.6	46.9	52.9	40.2	0.0	1.1	13.7	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2017-19**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
New Hampshire Non-MSA	81	6,089	100.0	3,068	0.0	0.0	0.0	14.0	12.3	12.1	43.6	32.1	40.5	42.3	55.6	47.4	0.0	0.0	0.0
Total	81	6,089	100.0	3,068	0.0	0.0	0.0	14.0	12.3	12.1	43.6	32.1	40.5	42.3	55.6	47.4	0.0	0.0	0.0

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2017-19**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
New Hampshire Non-MSA	81	6,089	100.0	3,068	81.5	69.1	44.5	6.2	24.7	12.3	6.2
Total	81	6,089	100.0	3,068	81.5	69.1	44.5	6.2	24.7	12.3	6.2

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table S: Assessment Area Distribution of Loans to Farms by Income Category of the Geography **2017-19**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
New Hampshire Non-MSA	0	0	0.0	24	0.0	0.0	0.0	7.5	0.0	4.2	50.9	0.0	62.5	41.6	0.0	33.3	0.0	0.0	0.0
Total	0	0	0.0	24	0.0	0.0	0.0	7.5	0.0	4.2	50.9	0.0	62.5	41.6	0.0	33.3	0.0	0.0	0.0

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues **2017-19**

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
New Hampshire Non-MSA	--	--	--	24	95.4	--	50.0	2.4	--	2.2	--
Total	--	--	--	24	95.4	--	50.0	2.4	--	2.2	--

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Commonwealth of Pennsylvania

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Allentown-Bethlehem-Easton, PA-NJ MSA	624	97,751	20.7	26,005	2.8	3.0	3.9	12.9	17.1	13.9	41.5	41.7	39.4	42.7	38.1	42.8	0.0	0.0	0.0	
Bloomsburg-Berwick MSA	28	3,461	0.9	441	0.0	0.0	0.0	19.4	21.4	30.2	23.3	28.6	13.6	57.3	50.0	56.2	0.0	0.0	0.0	
Harrisburg-York-Lebanon CSA	1,060	127,245	35.2	40,914	2.8	1.9	2.3	9.8	10.2	9.3	64.5	61.7	62.6	22.9	26.2	25.8	0.0	0.0	0.0	
Lancaster MSA	456	82,719	15.2	17,193	1.6	2.4	2.2	8.8	10.3	10.5	76.1	73.0	73.0	13.5	14.3	14.3	0.0	0.0	0.0	
Pennsylvania Non-MSA	507	48,942	16.8	6,384	0.2	0.2	0.2	11.6	8.7	8.1	70.7	59.8	69.8	17.4	31.4	21.9	0.0	0.0	0.0	
State College MSA	61	9,737	2.0	4,054	0.0	0.0	0.0	16.0	11.5	16.7	51.7	63.9	46.3	31.5	24.6	36.1	0.8	0.0	0.9	
Williamsport MSA	273	39,344	9.1	3,163	1.4	0.7	1.5	7.2	5.9	7.1	84.3	84.2	83.8	7.0	9.2	7.7	0.0	0.0	0.0	
Total	3,009	409,199	100.0	98,154	2.1	1.8	2.4	10.8	11.1	11.0	61.4	60.7	58.5	25.6	26.4	28.0	0.0	0.0	0.0	

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2017-19**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Allentown-Bethlehem-Easton, PA-NJ MSA	624	97,751	20.7	26,005	20.1	13.9	8.0	17.6	24.5	19.5	20.9	22.6	21.8	41.3	36.7	34.6	0.0	2.2	16.2
Bloomsburg-Berwick MSA	28	3,461	0.9	441	14.5	7.1	4.8	17.8	7.1	12.7	21.3	21.4	20.4	46.4	64.3	50.8	0.0	0.0	11.3
Harrisburg-York-Lebanon CSA	1,060	127,245	35.2	40,914	19.4	13.3	8.6	18.4	30.1	21.2	22.5	25.9	23.0	39.7	29.6	33.4	0.0	1.0	13.7
Lancaster MSA	456	82,719	15.2	17,193	18.3	11.6	6.8	19.2	21.9	20.9	23.1	26.1	25.3	39.4	37.7	35.5	0.0	2.6	11.4
Pennsylvania Non-MSA	507	48,942	16.8	6,384	18.9	10.1	7.4	18.8	24.5	20.3	20.8	25.0	21.6	41.5	38.9	36.3	0.0	1.6	14.4
State College MSA	61	9,737	2.0	4,054	19.6	14.8	10.6	18.5	32.8	19.4	21.5	18.0	24.0	40.3	34.4	35.8	0.0	0.0	10.2
Williamsport MSA	273	39,344	9.1	3,163	20.0	10.6	6.2	18.7	22.7	17.3	22.1	25.6	22.7	39.2	40.3	40.1	0.0	0.7	13.8
Total	3,009	409,199	100.0	98,154	19.3	12.4	8.0	18.4	25.9	20.4	21.9	24.9	23.0	40.3	35.3	34.7	0.0	1.6	13.9

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2017-19**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Allentown-Bethlehem-Easton, PA-NJ MSA	466	41,488	26.0	15,106	6.2	6.9	5.3	15.5	22.5	14.6	38.4	38.2	37.7	39.9	32.4	42.4	0.0	0.0	0.0
Bloomsburg-Berwick MSA	13	870	0.7	218	0.0	0.0	0.0	32.5	46.2	24.8	12.9	23.1	17.9	54.6	30.8	57.3	0.0	0.0	0.0
Harrisburg-York-Lebanon CSA	540	46,060	30.1	16,228	6.1	5.6	5.0	14.4	15.4	11.9	59.0	56.9	61.1	20.5	22.2	22.0	0.0	0.0	0.0
Lancaster MSA	256	20,857	14.3	11,030	4.1	3.9	3.1	11.3	11.7	9.3	72.5	71.1	75.3	12.2	13.3	12.3	0.0	0.0	0.0
Pennsylvania Non-MSA	358	31,799	20.0	3,948	1.3	0.0	1.4	14.8	15.9	11.6	64.8	54.2	65.0	19.0	29.9	21.9	0.2	0.0	0.2
State College MSA	51	3,018	2.8	2,085	2.2	0.0	0.0	18.6	25.5	19.2	38.5	49.0	42.4	30.9	21.6	30.7	9.9	3.9	7.6
Williamsport MSA	108	13,027	6.0	1,633	5.3	7.4	4.1	16.4	13.0	14.4	71.7	79.6	74.1	6.6	0.0	7.4	0.0	0.0	0.0
Total	1,792	157,119	100.0	50,248	5.1	4.5	4.1	14.5	17.2	12.6	55.6	54.4	56.9	24.3	23.8	26.0	0.5	0.1	0.3

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2017-19**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Allentown-Bethlehem-Easton, PA-NJ MSA	466	41,488	26.0	15,106	85.4	63.3	47.5	4.9	28.8	9.7	7.9
Bloomsburg-Berwick MSA	13	870	0.7	218	81.9	69.2	49.1	3.8	30.8	14.3	0.0
Harrisburg-York-Lebanon CSA	540	46,060	30.1	16,228	82.8	70.7	47.0	5.3	23.9	11.9	5.4
Lancaster MSA	256	20,857	14.3	11,030	85.2	72.7	50.0	6.0	24.2	8.8	3.1
Pennsylvania Non-MSA	358	31,799	20.0	3,948	82.1	66.8	43.3	5.2	27.7	12.7	5.6
State College MSA	51	3,018	2.8	2,085	81.5	66.7	46.0	5.0	23.5	13.5	9.8
Williamsport MSA	108	13,027	6.0	1,633	81.5	60.2	40.2	5.4	35.2	13.2	4.6
Total	1,792	157,119	100.0	50,248	83.7	67.5	47.2	5.3	26.7	11.0	5.8

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table S: Assessment Area Distribution of Loans to Farms by Income Category of the Geography **2017-19**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Allentown-Bethlehem-Easton, PA-NJ MSA	0	0	0.0	120	1.9	0.0	0.0	6.0	0.0	3.3	42.2	0.0	52.5	50.0	0.0	44.2	0.0	0.0	0.0
Bloomsburg-Berwick MSA	0	0	0.0	17	0.0	0.0	0.0	2.8	0.0	0.0	35.2	0.0	70.6	62.0	0.0	29.4	0.0	0.0	0.0
Harrisburg-York-Lebanon CSA	1	18	25.0	672	1.0	0.0	0.1	5.9	0.0	3.0	72.9	0.0	86.2	20.2	100.0	10.7	0.0	0.0	0.0
Lancaster MSA	0	0	0.0	1,306	0.6	0.0	0.0	3.0	0.0	0.1	85.8	0.0	94.9	10.6	0.0	5.1	0.0	0.0	0.0
Pennsylvania Non-MSA	1	50	25.0	249	0.1	0.0	0.0	2.4	0.0	0.0	71.0	0.0	88.8	26.3	100.0	11.2	0.1	0.0	0.0
State College MSA	2	200	50.0	146	0.2	0.0	0.0	15.4	0.0	47.9	55.8	0.0	37.7	27.8	100.0	14.4	0.7	0.0	0.0
Williamsport MSA	0	0	0.0	63	0.6	0.0	0.0	2.9	0.0	0.0	92.7	0.0	98.4	3.8	0.0	1.6	0.0	0.0	0.0
Total	4	268	100.0	2,573	1.0	0.0	0.0	5.2	0.0	3.7	68.8	0.0	86.7	25.1	100.0	9.6	0.0	0.0	0.0

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues **2017-19**

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Allentown-Bethlehem-Easton, PA-NJ MSA	--	--	--	120	96.7	--	52.5	1.8	--	1.5	--
Bloomsburg-Berwick MSA	--	--	--	17	97.2	--	41.2	1.4	--	1.4	--
Harrisburg-York-Lebanon CSA	1	18	25.0	672	97.1	100.0	67.0	1.6	0.0	1.4	0.0
Lancaster MSA	--	--	--	1,306	95.9	--	85.1	3.1	--	1.0	--
Pennsylvania Non-MSA	1	50	25.0	249	96.2	100.0	68.3	2.6	0.0	1.2	0.0
State College MSA	2	200	50.0	146	96.8	0.0	78.8	1.7	100.0	1.5	0.0
Williamsport MSA	--	--	--	63	97.7	--	58.7	1.5	--	0.9	--
Total	4	268	100.0	2,573	96.6	50.0	75.9	2.1	50.0	1.3	0.0

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%