



PUBLIC DISCLOSURE

October 16, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Santander Bank, N.A.
Charter Number 25022

824 N Market St, 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 **Satisfactory**.

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	Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- Good lending activity and responsiveness to assessment area (AA) credit needs.
- Excellent geographic distribution of lending.
- Generally, good distribution of lending by borrower income and to businesses of different sizes.
- A positive level of community development (CD) lending which supported the overall Lending Test rating.
- Good level of CD investments.
- Generally, delivery systems are accessible to essentially all portions of the bank’s AAs and;
- Good level of CD services.

Definitions and Common Abbreviations

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

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

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

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development (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; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's AA(s) or outside the AA(s) provided the bank has adequately addressed the community development needs of its AA(s).

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is

further classified into ‘male householder’ (a family with a male householder’ and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/AA.

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. 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 it and half below it.

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

Metropolitan Division (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.

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

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

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

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

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Description of Institution

Santander is an interstate financial institution with its main office in Wilmington, Delaware, and headquarters in Boston, Massachusetts. Previously chartered as Sovereign Bank, N.A., the bank completed a rebranding in October 2013 and changed its name to Santander Bank, N.A. SBNA is a wholly owned subsidiary of Santander Holdings USA, Inc. (SHUSA). SHUSA is a wholly owned subsidiary of Banco Santander, S.A., a worldwide financial institution, headquartered in Madrid, Spain. Affiliates of the bank include Banco Santander International Miami, Banco Santander Puerto Rico, and Santander Consumer USA. Activities of the bank's subsidiaries, Sovereign Community Development Company and Independence Community Commercial Reinvestment Corp. (ICCRC), were considered in this evaluation at the request of bank management. The subsidiary ICCRC was dissolved in April 2017.

As of December 31, 2016, Santander operated 678 retail banking offices, with 157 of these offices located in low- and moderate-income (LMI) geographies, over 2,000 ATMs, and employed approximately 9,800 people. The bank focuses on retail and commercial banking customers. Its mortgage lending business is focused on prime mortgages. Competition is strong in the bank's major markets with numerous local, regional, and multinational banks as well as mortgage companies and non-bank lenders.

SBNA operates in eight states (Connecticut, Delaware, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, and Rhode Island). SBNA has defined 31 AAs. In this evaluation, the metropolitan divisions (MD) within a multistate metropolitan area (MMA) were combined and analyzed as a single area. These are described in Appendix A and in comments on the bank's operations in each of the affected rating areas. In March 2015, the bank exited the Maryland market by consolidating some of its branches and closing others. The limited branch network, inability to grow deposits, and the high operating costs in the market were considered by bank management. SBNA Maryland deposits at June 30, 2014 were \$208 million, or less than one half of one percent of the bank's total deposits. Prior to closing branches, SBNA attempted to sell the branches and accounts, however the bank was unable to identify a purchaser. We concluded that the bank's deposit market share and lending activity in the state of Maryland would have minimally impacted SBNA's overall CRA performance. Therefore, we did not analyze the bank's performance in Maryland.

During the 2014 – 2016 evaluation period, the bank made significant enhancements in its CRA program. SBNA was in a period of transition, with changes in management, strategy, and personnel. Additional personnel were added to the bank's CRA department. In the prior evaluation period, the bank's Corporate Responsibility/CRA (CR/CRA) staff consisted of six individuals. By the end of this evaluation period, 25 new positions were added.

In late 2016, SBNA began the process of adding two new community development lending products: affordable housing construction lending and lending to community development financial institutions (CDFIs). The bank introduced SimplyRight Checking, which provided a good option for LMI consumers as the account only requires one client-initiated transaction to be posted per calendar month to waive the monthly fee. SBNA also continued to offer its Basic Checking account. Additionally, the bank continued its Individual Development Account program and two consumer loan programs for persons with disabilities; one in Massachusetts and one in Pennsylvania.

In 2016, Santander launched a new financial education program for consumers including a new customer facing website, presentation materials based on the Federal Deposit Insurance Corporation

(FDIC) Money Smart program, employee financial education training, and new partnerships with local and national community based organizations. Through this new program, employees provided over 16,000 hours of community development service to LMI people.

The following table provides basic bank financial information as of the end of the first year and third year of the evaluation period:

Loan Mix	12/31/2014		12/31/2016		% Growth / (Decline) in Period
	Balance Sheet \$ Amount (000)	% of Total Loans	Balance Sheet \$ Amount (000)	% of Total Loans	
1-4 Family Residential Loans	13,206,117	26.1	13,004,538	25.0	(1.5)
Multifamily Residential Loans	8,670,282	17.1	8,654,981	16.6	(0.2)
Nonfarm Nonresidential Loans	7,455,167	14.7	6,583,596	12.6	(11.7)
Commercial & Industrial Loans	16,029,092	31.7	16,843,367	32.3	5.1
Farmland and Agricultural Loans	2,691	0.1	2,762	0.1	2.6
Construction and Development	1,176,328	2.3	2,240,225	4.3	90.4
Consumer Loans	1,661,756	3.3	1,415,592	2.7	(14.8)
All Other Loans	2,366,748	4.7	3,346,223	6.4	41.4
Liabilities & Capital (000s)					
Total Assets		80,472,892		83,094,906	3.2
Total Deposits		54,647,463		60,242,671	10.2
Net Income		375,685		151,915	(60.0)
Tier One Capital		8,831,156		10,005,701	13.3

Evolving capital standards as a result of Dodd-Frank legislation and the implementation of Basel III had a significant effect on the bank during the evaluation period. SBNA was required to hold higher capital levels than its peer banks. Additionally, the bank's net income fell from \$376 million in 2014 to \$175 million in 2015 and \$152 million in 2016. At the start of this evaluation period, total assets of \$74 billion grew to \$80 billion by year end 2014 and to \$83 billion at the end of 2016. A new strategic plan was implemented in April 2016. To address financial performance, the bank reduced legacy high cost funding from the Federal Home Loan Bank, which was used to fund low margin commercial loans. The bank also invested resources in attracting talent and making itself more competitive. Other than the financial factors noted previously, there are no legal impediments that would hinder the bank's ability to help meet the credit needs of its AAs.

SBNA was rated by the OCC as "Needs to Improve" at its last CRA evaluation dated December 31, 2013.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation assesses the bank's CRA performance under the large institution Lending, Investment, and Service Tests. The evaluation period is January 1, 2014 to December 31, 2016.

In evaluating the bank's lending performance, the OCC reviewed home mortgage loans reported under the Home Mortgage Disclosure Act (HMDA) and small loans to businesses reported under the CRA. All home mortgage products were reviewed in the aggregate. Loans to farms were not considered because the bank made very few reportable farm loans during the evaluation period. Additionally, multifamily home loans were considered only in the NY and Philadelphia MMA rating areas. In other areas, the bank made either no or too few multifamily loans to permit a meaningful analysis of performance. Variances to this approach due to limited lending volumes is discussed in the Scope of Evaluation section for each state and MMA.

The OCC compared bank loan data for all applicable years in the MMA and state rating areas to: demographic data using the U.S. Census 2006-2010 American Community Survey (ACS); 2016 FFIEC adjusted median family incomes; 2016 Dun and Bradstreet business demographic data; 2016 peer mortgage loan data reported under HMDA; and 2015 peer small business data reported under CRA. Data for these states is based on MSA boundaries updated by the U.S. Office of Management and Budget (OMB) in 2014.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, at least one AA within that state was selected for a full-scope review. In a MMA where the bank has offices within at least two states within the MMA, all applicable MDs were combined for analysis purposes and the MMA received a full-scope review. Refer to the "Scope" section under each State and Multistate Metropolitan Area Rating section (as applicable) for details regarding how the areas were selected.

Ratings

Lending Test

For the various loan products considered under the Lending Test, generally small loans to businesses received slightly greater weight in developing our conclusions due to a higher volume of small loans to businesses during the evaluation period. SBNA originated 30,462 (45 percent) home mortgage loans and 37,316 (55 percent) small loans to businesses in all of the bank's AAs. In rating areas where there was a significant difference in our weighting, it is noted under the Scope of the Evaluation section. Mortgage loan products were combined and analyzed together. None of the bank's markets had a sufficient number of small farm loans to analyze. In markets where the bank did originate these loans, information is provided in the tables in Appendix D.

Throughout all rating areas, as data was available, we gave equal emphasis to the geographic and borrower distribution components of the Lending Test. The volume of CD loans and the degree of responsiveness of those loans to the needs in the community were considered in the lending evaluation.

CD lending in an AA impacted the Lending Test rating either positively, neutrally, or negatively, to the extent of opportunity, responsiveness, and performance context. In situations where the bank's CD lending positively impacted the rating, it is described in the conclusions for the rating area. We compared the dollar amount of CD loans to the Tier One Capital allocated to the AAs to gain a common perspective regarding the volume of CD lending activity. Tier One Capital was allocated to the rating areas and AAs based on the percentage of bank deposits in the AAs.

In our analysis of the distribution of loans to borrowers of different income levels, we considered the impact that poverty levels had on the demand for mortgages from low-income individuals and the affordability or high cost of housing in some markets. The costs associated with financing homeownership has a more significant impact on the opportunity to lend to low-income populations where a larger proportion of the individuals and families fall below the poverty line.

Greater weight was generally given to performance compared to demographic factors than to performance relative to the aggregate share in lending. The aggregate distribution comparison represents only one of the three years of lending data considered during this evaluation while performance to demographic factors represents the entire evaluation period.

We did not draw conclusions on a particular loan product if the bank made less than 50 loans in an AA during the evaluation period as the analysis on fewer than 50 loans did not provide meaningful conclusions.

Investment Test

We considered the volume of qualified investments made during the current evaluation period and qualified investments that were made prior to the current evaluation period and still outstanding. The amount of consideration given to the current and prior period investments is based on the responsiveness of the investments to the needs in the AAs.

We compared the dollar amount of qualified investments made in the current evaluation period and prior evaluation periods to the Tier One Capital allocated to the AAs to gain a common perspective regarding the volume of investment activity. Tier One Capital was allocated to the rating areas and AAs based on the percentage of bank deposits in each AA.

Service Test

Primary consideration is given to the bank's performance in delivering retail products and services to geographies and individuals of different income levels through the bank's distribution of branches. While Santander offers alternate delivery systems including ATMs, mobile, remote, and internet banking, we placed limited weight on these services as there is no data on how these products serve LMI individuals. We focused on branches in LMI geographies, but also considered branches in middle- and upper-income geographies that are in close proximity to LMI geographies.

Where the bank opened or closed branches within an AA, the overall impact of the changes was evaluated. If no branches were opened or closed in an AA, we did not include that performance element in our analysis.

We evaluated the range of services and products offered by all of the bank's branches. Services and products offered at branches are consistent throughout the branch network. We specifically focused on

differences in branch hours and services in LMI geographies compared to those in middle- or upper-income geographies. We did not note any material differences in any AA, except that some branches in the New York MMA offered Sunday hours.

The bank's record of providing CD services was evaluated in AAs that received full-scope reviews. Our primary consideration was the responsiveness of SBNA to the needs of the community. Services that reflected ongoing relationships and where SBNA provided leadership received the most consideration in our analysis.

The bank's overall rating is a blend of the MMA ratings and state ratings. The state ratings are based primarily on those areas that received full-scope reviews. Refer to the "Scope" section under each State and Multistate Metropolitan Area Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Other Information

AAs – 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 service and did not arbitrarily exclude any low- or moderate-income areas.

Deposit Market Share/Branches – The OCC used summary deposit data reported to the FDIC as of June 30, 2016. This was the most recent public data available to establish SBNA's deposit market share for this evaluation period. For branch distribution, the number of branches (678) as of December 31, 2016 was used.

Inside/Outside Ratio – The OCC analyzed the volume of bank loans made within SBNA's AAs versus those outside the AAs. SBNA originated 90.1 percent (by number of loans) of all home mortgage loans and 84.4 percent of small loans to businesses within their AAs. The OCC considered this performance supportive of the lending rating.

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 any of the areas they reviewed.

Flexible and Innovative Lending Products – The bank continued to offer its CRA Affordable Mortgage products during the entire evaluation period. In January 2015, the bank introduced its CRA Affordable Mortgage Refinance product. This product offers borrowers who are current on their Santander mortgage, the ability to refinance to improve their financial situation. The volume of originations are discussed within the rating areas, where applicable. Lastly, in late October 2016, the bank introduced its CRA Lender Paid Mortgage Insurance (LPMI) product. This product offers LMI borrowers a lower down payment requirement, discounted pricing, gift allowances, and lender paid mortgage insurance. The entire cost of the insurance is paid by Santander. Since this product was launched late in the evaluation period, no loans closed in 2016.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any 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 (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

Multistate Metropolitan Area Rating

Boston-Cambridge-Newton, MA-NH Multistate Metropolitan Area (Boston MMA)

CRA rating for the Boston-Cambridge-Newton, MA-NH¹: Satisfactory

The Lending Test is rated:	High Satisfactory
The Investment Test is rated:	Outstanding
The Service Test is rated:	High Satisfactory

The major factors that support this rating include:

- Lending activity reflects good responsiveness to AA credit needs.
- Excellent geographic distribution of home mortgage and small loans to businesses loans and good distribution of home mortgage loans by borrower income.
- Adequate distribution of loans to businesses of different sizes.
- Adequate level of CD lending.
- Excellent level of CD investments.
- Delivery systems are reasonably accessible to geographies and individuals of different income levels.
- Excellent level of CD services.

Description of Institution's Operations in Boston MMA

Santander conducts operations in the Boston MMA across three MDs: Boston, Cambridge-Newton-Framingham, and Rockingham County-Strafford County, NH. Strafford County is the only county not included in the AA delineation. The bank operated 161 branches in the MMA or 23.7 percent of its total branches as of December 31, 2016.

SBNA had \$15.5 billion in deposits in the MMA representing 26.6 percent of its total deposits. The bank ranked fourth of 138 insured institutions with a five percent market share. The three largest financial institutions by deposit market share are State Street Bank and Trust (30 percent), Bank of America (20 percent), and Citizens Bank (9.9 percent).

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

The Boston MMA poses a number of challenges to home mortgage lenders in the AA, including Santander. The MMA is a high-cost housing area, limiting access to affordable home ownership among LMI borrowers. The median housing value in the Boston MMA is \$411,916. One simplistic method used to determine housing affordability assumes a maximum monthly principal and interest payment of no more than 30 percent of the applicant’s income. Assuming a 30-year mortgage with a four percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$39,750 per year (or less than 50 percent of the FFIEC adjusted median family income in the AA) could afford a \$208,159 mortgage with a payment of \$994 per month; a moderate-income borrower earning \$63,601 per year (or less than 80 percent of the FFIEC adjusted median family income in the AA) could afford a \$333,059 mortgage with a payment of \$1,590 per month.

Refer to the community profile for the Boston MMA in appendix C for detailed demographics and other performance context information for the AA.

Scope of Evaluation in Boston MMA

The Boston MMA received a full-scope review. All MDs were combined in evaluating performance under each test.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN BOSTON MMA

LENDING TEST

Lending Activity

Refer to Table 1 Lending Volume in the “Multistate Metropolitan Areas” section of appendix D for the facts and data used to evaluate the bank’s lending activity.

Lending activity in the AA is good, given the strong competition in the market and responsiveness to AA credit needs. The bank ranked fourth in deposits with five percent market share. In overall HMDA lending, the bank ranked eighth with a 1.9 percent market share. There is strong competition within this market as reflected by the 690 lenders. The top three lenders in home loan market share were Wells Fargo (5.3 percent), JPMorgan Chase (4.6 percent), and Loandepot.com (3.8 percent). For small loans to businesses, the bank ranked ninth with 3.1 percent market share. The lenders with significantly higher market share include American Express (28.2 percent), Bank of America (11.6 percent), and Capital One (9.5 percent).

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the “Multistate Metropolitan Area(s)” section of appendix D and performance context considerations for the facts and data used to evaluate the geographic distribution of the bank’s home mortgage loan originations and purchases.

The overall geographic distribution of aggregated home loans in the Boston MMA is excellent. The bank's portion of loans in both LMI geographies exceeded the percent of owner-occupied units in those geographies. The bank's lending performance also exceeded aggregate lending in both LMI geographies.

Small Loans to Businesses

Refer to Table 6 in the "Multistate Metropolitan Area(s)" section of appendix D and performance context considerations for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of aggregated small loans to businesses is excellent. The portion of small loans to businesses in both LMI geographies exceeded the percentage of businesses in these geographies. The bank's percentage of lending exceeded the aggregate lending in both LMI geographies.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in the "Multistate Metropolitan Area(s)" section of appendix D and performance context considerations for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of aggregated home mortgage loans by borrower income is good, given the high cost of housing.

Considering the performance context factors discussed in the "Description of the Institution's Operations in the MMA" above and appendix C – Community Profiles, the bank's percentage of home loans to low-income borrowers is lower than the percentage of low-income families in the Boston MMA. SBNA's percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families in the Boston MMA. The bank's percentage of lending to both LMI borrowers exceeded the aggregate lending to both LMI borrowers.

Small Loans to Businesses

Refer to Table 11 in the "Multistate Metropolitan Area(s)" section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The bank's aggregated lending to businesses of different sizes is adequate. The percentage of small loans to small businesses was lower than the percentage of small businesses. SBNA's percentage of lending to small businesses exceeded the aggregate lending to small businesses.

Community Development Lending

Refer to Table 1 Lending Volume in the “Multistate Metropolitan Area(s)” section of appendix D for the facts and data used to evaluate the bank’s level of community development lending. This table includes all community development loans, including multifamily loans that also qualify as community development loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as community development loans. Table 5 does not separately list community development loans, however.

SBNA had an adequate level of CD lending which supports the Lending Test rating in the Boston MMA. The bank originated 23 loans totaling \$54.9 million or 2.1 percent of Tier One Capital and which were responsive to area needs. The bank made six CD loans for affordable housing, eight CD loans for community service, and nine loans for economic development.

Product Innovation and Flexibility

Santander’s use of flexible lending programs was given positive consideration for its Lending Test performance. During the evaluation period, the bank made a three-year commitment to the ONE Mortgage Program, a collaboration between the Massachusetts Housing Partnership, the Massachusetts Bankers Association, and a coalition of community organizations led by the Massachusetts Affordable Housing Alliance. The program offers loan-to-value up to 97 percent, no private mortgage insurance, and public funds provide an interest subsidy and a loan loss reserve for participating lenders. SBNA financed 567 mortgages totaling \$139.8 million. The bank’s volume accounted for nearly 25 percent of the total lending in this program.

Additionally, the bank is a participating lender in the Massachusetts Assistive Technology loan program. Although not income restricted, SBNA originated 122 loans totaling \$1.8 million to either a LMI borrower or in a LMI geography in this program.

SBNA originated 359 loans totaling \$77 million under its affordable mortgage programs that are noted earlier in the “Other Information” section of this evaluation.

INVESTMENT TEST

Refer to Table 14 in the “Multistate Metropolitan Area(s)” section of appendix D for the facts and data used to evaluate the bank’s level of qualified investments.

The bank originated 269 investments totaling \$166.6 million. Additionally, the bank had 22 investments totaling \$16.4 million that were originated in prior periods and which remain outstanding and responsive to identified needs. The combined current and prior period investment dollar volume represent 6.9 percent of allocated Tier One Capital.

The investments and grants reflect good responsiveness to the needs identified in the AA, including affordable housing, small business development, and financial literacy for LMI persons. Over 90 percent of the bank’s CD investments focused on affordable housing, which is a key issue in the MMA. The cost of living in the greater Boston area is high and unaffordable for many LMI households. Demand for affordable housing exceeds the supply of available units for both rental and homeownership.

In response to the identified community needs of affordable housing and neighborhood redevelopment, the bank invested approximately \$25 million financing the rehabilitation of the Smith House Residential and new construction of the Dewitt Community Center. Smith House provides housing for seniors with household incomes from 30 percent to 60 percent of the area median income (AMI). Many public subsidies were also part of the financing, including project based vouchers under a contract with the Cambridge Housing Authority. The community center provides many services targeted to LMI residents including healthcare and after-school daycare.

SERVICE TEST

Refer to Table 15 in the “Multistate Metropolitan Area(s)” section of appendix D for the facts and data used to evaluate the distribution of the bank’s branch delivery system and branch openings and closings.

Retail Banking Services

Delivery systems are reasonably accessible to essentially all portions of the AA. The distribution of branches in low-income geographies is excellent. The percentage of branches in low-income geographies exceeds the percentage of the AA’s population residing in those geographies. The distribution of branches in moderate-income geographies is poor. The percentage of branches in moderate-income geographies is well below the percentage of the AA’s population residing in those geographies.

SBNA’s record of opening and closing branch offices in the Boston MMA has generally not adversely affected the accessibility of its delivery systems in the AA, particularly for LMI geographies or LMI individuals. During the evaluation period, SBNA closed four branches and opened two branches in the AA. The branches were closed as they were no longer economically viable or were located in an oversized facility that no longer aligned with the bank’s operational strategy. One branch in a low-income geography was closed and one branch was opened in a moderate-income geography. The low-income branch that was closed had a significant service area overlap with a nearby branch.

Community Development Services

SBNA provided an excellent level of CD services in the Boston MMA. Participation in local organizations includes leadership positions within those organizations. Twenty-two employees in the MMA served as board or committee members for thirty CD organizations. These organizations focused on economic development, affordable housing, and providing qualified CD services. Additionally, SBNA employees provided 5,138 hours of service to 75 CD entities in the AA. Through eight events, SBNA employees provided 1,084 hours of financial literacy training to LMI students through Junior Achievement – Northern New England. Employees provided 281 hours of counseling for first-time homebuyers. All services were responsive to the credit needs of the area, which include affordable housing, community services, and economic development.

Multistate Metropolitan Area Rating

New York-Newark-Jersey City, NY-NJ-PA Multistate Metropolitan Area (New York MMA)

CRA rating for the New York-Newark-Jersey City, NY-NJ-PA MMA²: Outstanding

The Lending Test is rated:	Outstanding
The Investment Test is rated:	High Satisfactory
The Service Test is rated:	High Satisfactory

The major factors that support this rating include:

- Good lending activity and responsiveness to AA credit needs.
- Excellent geographic distribution of home mortgage loans and small loans to businesses and good distribution of home mortgage loans by borrower income.
- Adequate distribution of loans to businesses of different sizes.
- Significantly positive impact of CD lending elevated the overall good lending performance to excellent, resulting in an Outstanding Lending Test rating.
- Good level of CD investments.
- Delivery systems are reasonably accessible to geographies and individuals of different income levels.
- Excellent level of CD services.

Description of Institution's Operations in New York MMA

Santander's AA in the New York-Northern New Jersey-Long Island NY-NJ-PA MMA (New York MMA) is comprised of geographies in New York and New Jersey. The bank conducts operations within three MDs: New York-Jersey City-White Plains, NY-NJ MD consisting of Bergen, Hudson, Middlesex, Monmouth, Ocean, and Passaic counties in NJ and Bronx, Kings, New York, Queens, Richmond, Rockland, and Westchester counties in NY; Nassau County-Suffolk County, NY MD in its entirety; and the Newark, NJ MD consisting of Essex, Hunterdon, Morris, Somerset, Sussex, and Union counties in NJ.

SBNA had \$22.1 billion in deposits in the MMA representing 38 percent of its total deposits. The local banking environment is highly competitive with 214 FDIC-insured institutions operating over 5,700

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

branches. SBNA ranked 13th in deposit market share with 1.3 percent. The top three banks by deposit market share are JPMorgan Chase (33.3 percent), Bank of America (7.4 percent), and BNY Mellon (7.3 percent). In addition to FDIC-insured institutions, this area is served by a number of credit unions, mortgage lenders and brokers, and money service businesses. The bank operated 200 branches in the MMA, representing 29.5 percent of the bank's total branches.

The New York MMA poses a number of challenges to home mortgage lenders in the AA, including Santander. The MMA is a high-cost housing area, limiting access to affordable home ownership among LMI borrowers. The median housing value in the New York MMA is \$482,873. One simplistic method used to determine housing affordability assumes a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. Assuming a 30-year mortgage with a four percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$39,883 per year (or less than 50 percent of the FFIEC adjusted median family income in the AA) could afford a \$192,084 mortgage with a payment of \$997 per month; a moderate-income borrower earning \$63,813 per year (or less than 80 percent of the FFIEC adjusted median family income in the AA) could afford a \$307,336 mortgage with a payment of \$1,595 per month.

The family poverty rate in the New York MMA improved slightly in 2016 to 10.2 percent compared to 11.3 percent in 2013. The family poverty rate in the AA was in line with the national rate of 10 percent. Families living below the stated 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. In both LMI geographies, the poverty rate is substantially higher.

Refer to the community profile for the New York MMA in appendix C for detailed demographics and other performance context information for the AA.

Scope of Evaluation in New York MMA

The New York MMA received a full-scope review.

Performance related to small business loans was weighted more heavily than performance related to home mortgage loans reported under HMDA. The volume of small business loan originations (61 percent) was significantly larger than the volume of home mortgage loans (39 percent). All MDs within the MMA were combined in evaluating performance for each test.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW YORK MMA

LENDING TEST

Lending Activity

Refer to Table 1 Lending Volume in the "Multistate Metropolitan Area(s)" section of appendix D for the facts and data used to evaluate the bank's lending activity.

Lending activity is good in the New York MMA, given the strong competition in the market and good responsiveness to the AA credit needs. The bank ranked 13th in total deposit market share capturing 1.3 percent of deposits. The bank ranked 24th of 891 home mortgage lenders in this market, capturing a 0.9 percent market share. The top three lenders included Wells Fargo (11.1 percent), Citigroup (6.3 percent), and JPMorgan Chase (6.1 percent).

The bank ranked 13th with 0.9 percent market share for small loans to businesses. The banks with significantly higher market share than SBNA include American Express (35.8 percent), JPMorgan Chase (15.7 percent), and Capital One (12.1 percent). The loan size for these three banks averaged \$17 thousand compared to SBNA at \$100 thousand.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the “Multistate Metropolitan Area(s)” section of appendix D and performance context considerations for the facts and data used to evaluate the geographic distribution of the bank’s home mortgage loan originations and purchases.

The geographic distribution of aggregated home loans in the New York MMA is excellent. The bank’s percentage of home loans exceeded the percentage of owner-occupied units in both LMI geographies. The bank’s lending performance also exceeded the aggregate lending in LMI geographies.

Small Loans to Businesses

Refer to Table 6 in the “Multistate Metropolitan Area(s)” section of appendix D and performance context considerations for the facts and data used to evaluate the geographic distribution of the bank’s origination/purchase of small loans to businesses.

The geographic distribution of aggregated small loans to businesses is excellent. The percentage of small loans to businesses in LMI geographies exceeded the percentage of businesses within these geographies. The bank’s lending performance also exceeded the aggregate lending in these geographies.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in the “Multistate Metropolitan Area(s)” section of appendix D and performance considerations for the facts and data used to evaluate the borrower distribution of the bank’s home mortgage loan originations and purchases.

The bank’s aggregated home mortgage lending performance to borrowers of different income levels in the New York MMA is good after considering performance context issues discussed earlier in the “Description of Operations in the MMA” and in appendix C-Community Profiles.

The distribution of the bank’s aggregated home mortgage loans to both LMI borrowers was weaker than the percentage of those families, but approximated the aggregate lending to those borrowers. The high home values and poverty levels within the MMA constrain lending opportunities to LMI borrowers.

Small Loans to Businesses

Refer to Table 11 in the “Multistate Metropolitan Area(s)” section of appendix D and performance considerations for the facts and data used to evaluate the borrower distribution of the bank’s origination/purchase of small loans to businesses.

The distribution of aggregated small loans to businesses is adequate. The percentage of small loans to small businesses was weaker than the percentage of small businesses. The bank’s percentage of lending to small businesses exceeded the aggregate lending.

Community Development Lending

Refer to Table 1 Lending Volume in the “Multistate Metropolitan Area(s)” section of appendix D for the facts and data used to evaluate the bank’s level of community development lending. This table includes all community development loans, including multifamily loans that also qualify as community development loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as community development loans. Table 5 does not separately list community development loans, however.

CD lending had a significantly positive impact on the Lending Test in the New York MMA. SBNA originated 115 loans totaling \$539 million, or 14.2 percent of allocated Tier One Capital. The loans primarily targeted affordable housing and economic development, two identified credit needs within the New York MMA.

SBNA provided a \$36 million mortgage that was especially responsive as it served to preserve more than 700 affordable rental units in Brooklyn, NY. The loan refinanced debt with the NYC Housing Preservation and Development (NYCHPD). The property operates under Article XI of NYCHPD, which requires projects financed be for low-income housing.

Product Innovation and Flexibility

Santander’s use of flexible lending programs was given positive consideration for its Lending Test performance. The bank originated 718 loans totaling \$162.5 million under its affordable mortgage products programs that are noted earlier in the “Other Information” section of this evaluation.

INVESTMENT TEST

SBNA originated 250 investments totaling \$198.4 million. Additionally, the bank had 17 investments totaling \$16.1 million that were originated in prior periods and which remain outstanding and responsive to identified needs. The combined current and prior period investment dollar volume represent 5.6 percent of allocated Tier One Capital.

The investments and grants reflect good responsiveness to AA needs. Housing affordability is a significant issue, with prohibitively high rent and home ownership costs for many LMI households. In recognition of the significant need for affordable housing, Santander invested \$147.8 million, most of which were LIHTCs and real estate funds. Grants were primarily issued to local community organizations providing CD qualified services to LMI persons.

In response to the identified community needs, the bank allocated approximately \$15.8 million to Boston Financial Institutional Tax Credits XLVI, LP, a multi-investor LIHTC Fund, to build a 68-unit building in Brooklyn NY. The residence will offer supportive housing, with preference given to veterans.

Refer to Table 14 in the “Multistate Metropolitan Area(s)” section of appendix D for the facts and data used to evaluate the bank’s level of qualified investments.

SERVICE TEST

Refer to Table 15 in the “Multistate Metropolitan Area(s)” section of appendix D for the facts and data used to evaluate the distribution of the bank’s branch delivery system and branch openings and closings.

Retail Banking Services

Delivery systems are reasonably accessible to essentially all portions of the AA. The distribution of branches in low-income geographies is poor. The percentage of branches in low-income geographies is below the percentage of the AA’s population residing in those geographies. The distribution of branches in moderate-income geographies is adequate. The percentage of branches in moderate-income areas is below the percentage of the AA’s population residing in those geographies.

SBNA’s record of opening and closing branch offices in the New York MMA has improved the accessibility of its delivery systems in the AA, particularly for LMI geographies or individuals. During the evaluation period, SBNA opened seven branches and closed six branches in the AA. Two branches were opened in low-income geographies and three were opened in moderate-income geographies. One branch in a moderate-income geography was closed after it was determined by bank management not to be economically viable.

SBNA’s branch hours and services do not vary in a way that inconveniences portions of the AA, particularly LMI geographies or LMI individuals. Branch hours were comparable across geographic areas. The majority of branches are open Monday to Friday with hours from 9:00 am to 5:00 pm and Saturday hours from 9:00 am to 2:00 pm. A few branches offer limited hours on Sunday.

Community Development Services

SBNA provided an excellent level of CD services in the New York MMA. Participation in local organizations includes leadership positions within those organizations with 13 employees in the MMA serving as board or committee members for 14 different organizations. These organizations focused on economic development, community service, and affordable housing. SBNA employees were involved in 387 events and provided 4,541 hours of service to 105 different organizations.

Multistate Metropolitan Area Rating

Philadelphia-Camden-Wilmington, PA-NJ-DE-MD (Philadelphia MMA)

CRA rating for the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD³: 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:

- Good lending activity and responsiveness to AA credit needs.
- The geographic distribution of loans is good based on adequate distribution of home mortgage lending and excellent distribution of small loans to businesses.
- The distribution of home mortgage loans by borrower income is good.
- CD lending had a significantly positive impact on the Lending Test, which elevated the good performance to excellent, resulting in the Outstanding Lending Test rating for the Philadelphia MMA.
- Excellent level of CD investments.
- Delivery systems are reasonably accessible to geographies and individuals of different income levels.
- Excellent level of CD services.

Description of Institution's Operations in Philadelphia MMA

Santander's AA in the Philadelphia MMA is comprised of geographies in Pennsylvania, New Jersey, and Delaware. The bank conducts operations among four MDs within this MMA: Philadelphia, consisting of Delaware and Philadelphia counties in Pennsylvania; Montgomery County-Bucks County-Chester County in its entirety; Camden, consisting of Burlington and Camden counties in New Jersey, and Wilmington, consisting of New Castle County in Delaware. Santander's main office is located in Wilmington, Delaware.

Santander had \$4.2 billion of deposits representing 7.2 percent of the bank's total deposits. Within the MMA, the bank ranked 12th with a 0.9 percent market share. Banks with substantially larger branch networks and deposit market share include TD Bank (21.7 percent), Wells Fargo (7.0 percent), and PNC

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

Bank (4.6 percent). SBNA operated 72 branches within the MMA, representing 10.7 percent of total branches.

Refer to the community profile for the Philadelphia MMA in appendix C for detailed demographics and other performance context information for the AA.

Scope of Evaluation in Philadelphia MMA

A full-scope review of the Philadelphia MMA was performed. All MDs within the MMA were combined for the evaluation of performance for each test.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PHILADELPHIA MMA

LENDING TEST

Lending Activity

Refer to Table 1 Lending Volume in the “Multistate Metropolitan Area(s)” section of appendix D for the facts and data used to evaluate the bank’s lending activity.

Lending activity is good in the Philadelphia MMA. Within the MMA, the bank ranked 12th with 0.9 percent deposit market share. In overall home mortgage lending, SBNA ranked 35th with 0.7 percent market share. The top three home mortgage lenders include Wells Fargo (12.6 percent), Quicken Loans (3.8 percent), and Freedom Mortgage Corporation (3.5 percent).

The bank ranked 15th with a 1.4 percent market share for small loans to businesses. The banks with significantly higher market share than SBNA include American Express (24.2 percent), Wells Fargo (9.9 percent), and Capital One (9 percent).

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the “Multistate Metropolitan Area(s)” section of appendix D and performance considerations for the facts and data used to evaluate the geographic distribution of the bank’s home mortgage loan originations and purchases.

The overall geographic distribution of aggregated home loans in the Philadelphia MMA is adequate. The percentage of the bank’s lending was below the percentage of owner-occupied units in both LMI geographies. SBNA’s lending performance exceeded the aggregate lending in low-income geographies and was below the aggregate lending in moderate-income geographies.

Small Loans to Businesses

Refer to Table 6 in the "Multistate Metropolitan Area(s)" section of appendix D and performance considerations for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of aggregated small loans to businesses is excellent. The portion of small loans to businesses in low-income geographies met the percentage of businesses within these geographies. The bank's lending performance also exceeded the aggregate lending in these geographies. The portion of small loans to businesses in moderate-income geographies substantially met the percentage of businesses within these geographies and the aggregate lending.

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

Refer to Tables 8, 9, and 10 in the "Multistate Metropolitan Area(s)" section of appendix D and performance considerations for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The bank's aggregated home mortgage lending performance to borrowers of different income levels in the Philadelphia MMA is good.

The percentage of home mortgage loans to low-income borrowers was below the percentage of such families in the Philadelphia MMA. The percentage of home mortgage loans to moderate-income borrowers met the percentage of such families. The bank exceeded the aggregate lending to low-income borrowers and was comparable to the aggregate lending to moderate-income borrowers.

Small Loans to Businesses

Refer to Table 11 in the "Multistate Metropolitan Area(s)" section of appendix D and performance considerations for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The distribution of aggregated small loans to businesses is adequate. The percentage of small loans to small businesses was below the percentage of small businesses. The bank's percentage of lending to small businesses exceeded the aggregate lending to those businesses.

Community Development Lending

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

CD lending had a significantly positive impact on the Lending Test in the Philadelphia MMA. SBNA originated 28 loans totaling \$136.4 million, or 18.8 percent of allocated Tier One Capital. The loans primarily targeted affordable housing credit needs within the MMA.

An example of one loan was \$14.2 million in Clementon, NJ to support multifamily affordable housing. The complex consists of 28 buildings and 376 units. Significant improvements have been made to the property over time, which has increased the occupancy rate from 70 percent in 2010 to over 94 percent in 2016.

Product Innovation and Flexibility

Santander's use of flexible lending programs was given positive consideration for its Lending Test performance. The bank originated 148 loans totaling \$17.3 million under its affordable mortgage products programs that are noted earlier in the "Other Information" section of this evaluation.

Additionally, the bank is a participating lender in the Pennsylvania Assistive Technology Loan Program. The program provides subsidized loans to Pennsylvania residents with a disability or an older person that needs assistive technology. Although the program does not have income limits, SBNA originated 156 loans to either a LMI borrower or in a LMI geography totaling \$3.1 million in this program.

INVESTMENT TEST

Refer to Table 14 in the "Multistate Metropolitan Area(s)" section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Santander originated 138 investments totaling \$43.9 million, reflecting good responsiveness to identified needs in the AA. Additionally, the bank had 15 investments totaling \$12.2 million that were originated in prior periods and which remain outstanding and responsive to identified needs. Total investments and grants represent 7.6 percent of allocated Tier One Capital to the AA.

Over 85 percent of the bank's CD investments focused on affordable housing, which is a primary need in the MMA. Affordable housing investments included \$32 million in LIHTCs and multi-investor real estate funds. One example includes \$12.8 million to fund Roberto Clemente Homes, a redevelopment of a vacant school in North Philadelphia into 38 rental units for persons earning less than 60 percent of the area median income.

SERVICE TEST

Refer to Table 15 in the "Multistate Metropolitan Area(s)" section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Retail Banking Services

Delivery systems are reasonably accessible to essentially all portions of the AA. The distribution of branches in low-income geographies is poor and in moderate-income areas is adequate. The percentage of branches in low-income geographies is well below the percentage of the population residing in those geographies and below the percentage of population in moderate-income geographies.

SBNA's record of opening and closing branch offices in the Philadelphia MMA has generally not affected the accessibility of its delivery systems in the AA, particularly for LMI geographies or individuals. SBNA opened two branches in upper-income geographies and one in a census tract designated as "unknown."

Community Development Services

SBNA provided an excellent level of CD services in the Philadelphia MMA. SBNA employees participated in 337 events and provided 2,305 hours of service. Additionally, eight employees served as board or committee members for 12 different organizations. These organizations focused on community services, economic and small business development, and neighborhood revitalization.

Multistate Metropolitan Area Rating

Providence-Warwick, RI-MA (Providence MMA)

CRA rating for the Providence-Warwick, RI-MA MMA⁴: 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 lending activity and responsiveness to AA credit needs.
- Excellent geographic distribution of both home mortgage and small loans to businesses.
- Excellent distribution of home mortgage loans by borrower income and good distribution of small loans to businesses.
- CD lending had a neutral impact to support the overall Lending Test rating in the MMA.
- Excellent level of CD investments.
- Delivery systems are readily accessible to geographies and individuals of different income levels.
- Excellent level of CD services.

Description of Institution's Operations in Providence-Warwick, RI-MA MMA

Santander's AA consists of the entire Providence-Warwick, RI-MA MMA which is comprised of Bristol County in Massachusetts and Bristol, Kent, Newport, Providence, and Washington counties in Rhode Island. SBNA had \$3.6 billion in deposits representing 6.2 percent of its total deposits and ranked third with 9.3 percent market share. The two banks ahead of SBNA were Citizens Bank (28.7 percent) and Bank of America (24.3 percent). SBNA operated 54 branches in the MMA, accounting for eight percent of the bank's total branches.

The Providence MMA was severely impacted by the sharp decline in economic activity from 2007-2010. Recovery from high unemployment and declining property values has been slow. Additionally, the MMA's overall household poverty rate of 13 percent and the housing stock was considered in the bank's home mortgage lending performance. The household poverty rate increases to 32 percent in low-income geographies and 21 percent in moderate-income geographies. Additionally, much of the

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

housing stock available in the city of Providence consists of higher priced three and four family homes that are out of reach for many LMI borrowers.

Refer to the community profile for the Providence MMA in appendix C for detailed demographics and other performance context information for the AA.

Scope of Evaluation in Providence MMA

The Providence MMA received a full-scope review.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PROVIDENCE MMA

LENDING TEST

Lending Activity

Refer to Table 1 Lending Volume in the “Multistate Metropolitan Area(s)” section of appendix D for the facts and data used to evaluate the bank’s lending activity.

Lending activity in the AA is good, given strong competition in the market and responsiveness to AA credit needs. The bank ranked third in deposits with 9.3 percent market share. In overall HMDA lending, the bank ranked eighth with a 2.3 percent market share. The top three lenders by market share were Wells Fargo (4.8 percent), Quicken Loans (3.5 percent), and Residential Mortgage Services (3.2 percent). There are 472 home mortgage lenders within the MMA. For small loans to businesses, SBNA ranked eighth of 104 lenders in the MMA with a 4.2 percent market share. The top three lenders were American Express (20.2 percent), Bank of America (10.9 percent), and Capital One (10.4 percent).

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the “Multistate Metropolitan Area(s)” section of appendix D and performance considerations for the facts and data used to evaluate the geographic distribution of the bank’s home mortgage loan originations and purchases.

The overall geographic distribution of aggregated home loans in the Providence MMA is excellent. The percentage of bank lending in both LMI geographies exceeded the percentage of owner-occupied units in those geographies. The bank’s lending performance was near the aggregate lending in low-income geographies and exceeded aggregate lending in moderate-income geographies.

Small Loans to Businesses

Refer to Table 6 in the “Multistate Metropolitan Area(s)” section of appendix D and performance considerations for the facts and data used to evaluate the geographic distribution of the bank’s origination/purchase of small loans to businesses.

The geographic distribution of aggregated small loans to businesses reflects excellent distribution. The bank's percentage of small loans to businesses in both LMI geographies exceeded the percentage of businesses in those geographies. SBNA significantly exceeded the aggregate lending in low-income and exceeded the aggregate in moderate-income geographies.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in the "Multistate Metropolitan Area(s)" section of appendix D and performance considerations for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall borrower distribution of aggregated home mortgage loans was excellent, when taking into account the performance context issues noted earlier in the "Description of Operations in the Providence MMA" and appendix C – Community Profiles. The bank's lending to low-income borrowers was below the percentage of such families in the AA; however, the percentage of lending exceeded the aggregate lending. The bank's lending to moderate-income borrowers significantly exceeded the percentage of such families and exceeded the aggregate lending.

Small Loans to Businesses

Refer to Table 11 in the "Multistate Metropolitan Area(s)" section of appendix D and performance considerations for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The distribution of aggregated small loans to businesses is good. The bank's percentage of loans to small businesses was near to the percentage of small businesses. The bank's percentage of lending to small businesses significantly exceeded the aggregate lending.

Community Development Lending

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

CD lending had a neutral impact to support the overall Lending Test in the Providence MMA. The bank originated eight loans totaling \$29.3 million and representing 4.8 percent of allocated Tier One Capital. One example is a \$10.5 million loan to a community service organization, which provides CD services to LMI individuals and is located in a low-income geography.

Product Innovation and Flexibility

Product flexibility was given positive consideration in the overall Lending Test rating for the MMA. The flexible lending program specific to this AA includes participation in the State of Rhode Island

Housing Program, which provides below market rate financing to first time home buyers. SBNA made 76 totaling \$7.8 million during the evaluation period. Also, SBNA offers an affordable mortgage product within the city of Providence to LMI borrowers. The bank originated 44 loans totaling \$5.3 million. Lastly, an additional 124 loans totaling \$17.6 million were originated under the bank's other affordable mortgage loan products program that is noted earlier in the "Other Information" section of this evaluation.

INVESTMENT TEST

Refer to Table 14 in the "Multistate Metropolitan Area(s)" section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Santander originated 72 investments totaling \$17.9 million, reflecting good responsiveness to the needs identified in the AA. Additionally, the bank had 10 investments totaling \$21.1 million that were originated in prior periods and which remain outstanding and responsive to identified needs. Total investments and grants represent 6.3 percent of allocated Tier One Capital for the AA. The volume of new investments, both in number and dollars, represents a significant increase from the prior evaluation period.

Affordable housing is an identified need of the AA. One of the bank's LIHTC investment assisted in the development of Jewel Crossing Apartments, a 66 unit development in North Attleborough. The bank partnered with the Massachusetts Housing Partnership, which provided permanent financing and the Massachusetts Department of Housing and Community, which provided subsidies and other mortgages.

SERVICE TEST

Retail Banking Services

Refer to Table 15 in the "Multistate Metropolitan Area(s)" section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Delivery systems are readily accessible to essentially all portions of the AA. The distribution of branches in both LMI geographies is excellent. The percentage of branches in both LMI geographies exceeds the percentage of the AA's population residing in those geographies.

SBNA's record of opening and closing branch offices in the Providence MMA has generally not affected the accessibility of its delivery systems in the AA, particularly for LMI geographies or individuals. SBNA closed/consolidated one branch in a low-income geography into one nearby. The bank is better able to serve customers with specialist staffing. The closed branch was not economically viable and was not expected to be economically viable in the future.

Community Development Services

SBNA provided an excellent level of CD services in the Providence MMA. Ten employees served on the board or committees of 10 organizations that focused on financial literacy, affordable housing, and small business development services. SBNA employees provided 1,413 hours of service to 20 organizations in the AA including 788 hours of financial literacy training through Junior Achievement Rhode Island and Connecting for Children and Families.

State of Connecticut

CRA Rating for State of Connecticut⁵: Satisfactory

The Lending Test is rated:	High Satisfactory
The Investment Test is rated:	High Satisfactory
The Service Test is rated:	Low Satisfactory

The major factors that support this rating include:

- Adequate lending activity and responsiveness to AA credit needs.
- Excellent geographic distribution of home mortgage and small loans to businesses.
- Good distribution of mortgage loans by borrower income.
- CD lending had a positive impact that supported the Lending Test rating in the state.
- Good level of CD investments.
- Delivery systems are reasonably accessible to essentially all portions of the AA.
- Good level of CD services.

Description of Institution's Operations in Connecticut

Santander has defined three AAs in the state of Connecticut; the Hartford-East Hartford MSA and New Haven-Milford MSA in their entirety, and the non-MSA area consisting of Litchfield County. SBNA had \$1.9 billion of deposits in the state, representing 3.2 percent of total bank deposits and a 1.5 percent market share in the state. The top three banks within the state were Bank of America (23.2 percent), Webster Bank (12.8 percent), and Peoples United Bank (12.7 percent), each with substantially larger branch networks. SBNA operated 28 branches within its AAs, representing 4.1 percent of the bank's total branches.

The poverty rate within the AA was taken into account for the bank's lending performance. Within the AA, the poverty rate in low-income geographies rises to 32 percent and in moderate-income tracts to 14 percent. In middle- and upper-income geographies combined, the overall poverty rate is just five percent.

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

⁵ For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Scope of Evaluation in Connecticut

The Hartford-East Hartford MSA received a full-scope review. This AA accounted for 72 percent of the bank's lending and 90 percent of deposits in the state. The New Haven MSA and Non-MSA AA (Litchfield County) received limited-scope reviews.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CONNECTICUT

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

Lending Activity

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

Lending activity in the AA is adequate, given strong competition in this market. The bank ranks ninth in deposits with a 4.0 percent market share. For home mortgage lending, the bank ranked 43rd overall with 0.7 percent market share. There were 30 depository institutions in the AA and over 450 lenders. The top three lenders in this market were Wells Fargo (7.5 percent), Quicken Loans (4.1 percent), and American Eagle Federal Credit Union (4.0 percent). The bank ranked 16th with 1.3 percent market share of small loans to businesses. There were 122 small business lenders in the AA. The top three lenders and their individual market shares were American Express (19.7 percent), US Bank (12.5 percent), and Bank of America (10.0 percent).

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

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

The geographic distribution of the bank's aggregated home mortgage loan originations and purchases is excellent. The percentage of the bank's lending in low-income geographies exceeded the percentage of owner-occupied housing units in those geographies and exceeded aggregate lending. The bank's percentage of lending in moderate-income geographies was near to the percentage of owner-occupied housing and exceeded aggregate lending.

Small Loans to Businesses

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

The geographic distribution of the bank's origination/purchase of small loans to businesses is excellent. The percentage of bank lending in low-income geographies was near to the percentage of businesses located in low-income geographies and exceeded aggregate lending. The percentage of lending in moderate-income geographies exceeded both the percentage of businesses located in moderate-income geographies and aggregate lending.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

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

The bank's aggregated home mortgage lending to borrowers of different incomes is good, given the performance context noted earlier in the "Description of the Operations" section and in appendix C - Community Profiles. The percentage of lending to low-income borrowers was lower than the percentage of such families in the AA. The percentage of lending to moderate-income borrowers significantly exceeded both the percentage of moderate-income families and aggregate lending data.

Small Loans to Businesses

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

The distribution of aggregated small loans to businesses is adequate. The percentage of small loans to small businesses was below the percentage of small businesses. The bank's percentage of lending to small businesses exceeded the aggregate market.

Community Development Lending

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

CD lending had a positive impact on the overall Lending Test rating in Connecticut. Santander originated 11 loans amounting to \$19.7 million, which represented 6.7 percent of allocated Tier One Capital. SBNA made a \$7.3 million loan to an apartment complex to consolidate debt and reduce monthly interest expense. The complex contains 167 units of affordable housing and is located in a low-income geography.

Product Innovation and Flexibility

Product flexibility was given positive consideration in the overall Lending Test rating for Connecticut. SBNA originated 75 loans totaling \$9.8 million under its affordable mortgage product programs that are described earlier in the "Other Information" section of this evaluation.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the New Haven-Milford, CT MSA and in the CT Non-MSA is consistent with the bank's overall High Satisfactory rating performance under the Lending Test in Connecticut. Performance in the limited-scope AAs did not impact the overall Community Development Lending rating.

Refer to the Tables 1 through 12 in the state of Connecticut section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

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

Santander originated 30 investments totaling \$10.9 million, and reflect an adequate responsiveness to identified needs in the AA. Additionally, the bank had six investments totaling \$1.2 million that were originated in prior periods and which remain outstanding and responsive to identified needs. Total investments and grants represent 4.1 percent of allocated Tier One Capital for the AA. To address the need of affordable housing, the bank invested \$1.3 million in a LIHTC fund that created 149 units of housing for individuals earning 25 to 60 percent of the area median income.

Conclusions for Area Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank's performance under the Investment Test in the New Haven AA is stronger than the bank's overall High Satisfactory performance in Connecticut. This is a result of a greater amount of qualified investments. The bank's performance under the Investment Test in the Non-MSA area is weaker than the bank's overall performance in the state. This is primarily due to the lack of investments within the AA. Performance in the limited-scope AAs did not impact the overall Investment Test rating.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

Retail Banking Services

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

Delivery systems are reasonably accessible to essentially all portions of the AA. The distribution of branches in low-income geographies is very poor, but the distribution of branches in moderate-income geographies is excellent. There are no branches located in low-income geographies. The percentage of branches in moderate-income areas exceeds the percentage of the AA's population residing in those geographies.

SBNA's record of opening and closing branch offices in the Hartford AA has generally not affected the accessibility of its delivery systems in the AA, particularly for LMI geographies or individuals. SBNA closed two branches in middle-income geographies.

Community Development Services

SBNA provided a good level of CD services in the Hartford AA. The bank provided 306 hours of service over 18 events focusing on financial literacy and first time homebuyer seminars for LMI persons. Two employees served as board or committee members for two organizations focused on community development. These services focused primarily on financial literacy education for youth and first-time homebuyer seminars.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited scope review, the bank's overall performance under the Service Test in the New Haven MSA is stronger than the bank's overall performance under the Service Test in the state of Connecticut. This is a result of stronger distribution of branches in LMI geographies in the AA. The bank operates one branch in the Non-MSA CT AA, which does not provide for a meaningful analysis. Performance in the limited-scope AAs did not impact the overall Service Test rating.

Commonwealth of Massachusetts

CRA Rating for Massachusetts⁶: 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:

- Good lending activity and responsiveness to AA credit needs.
- Geographic distribution of home mortgage loans is good and the distribution of small loans to businesses is excellent.
- Good distribution of loans by borrower income.
- CD lending had a neutral impact on the overall rating on the Lending Test in the commonwealth.
- Good level of CD investments.
- Branches are readily accessible to geographies and individuals of different income levels.
- Adequate level of CD services.

Description of Institution's Operations in Massachusetts

Santander has defined four AAs in Massachusetts as follows: Barnstable Town and Springfield MSAs in their entirety, the Massachusetts portion of the Worcester MSA, and the non-MSA area of Dukes County. Operations in other parts of Massachusetts within the Boston and Providence multistate metropolitan areas are evaluated separately based on statutory requirements.

SBNA had \$2 billion in deposits in Massachusetts representing 3.4 percent of its total deposits. Overall, the bank ranked fifth of 63 insured institutions with percent market share. The four larger financial institutions ahead of SBNA are Bank of America (11.8 percent), TD Bank (10.9 percent), Berkshire Bank (7.5 percent), and Cape Cod Five Cents Savings Bank (5.5 percent). The bank operated 44 branches in Massachusetts, representing 6.5 percent of the bank's total branches.

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

Scope of Evaluation in Massachusetts

⁶ For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

The Barnstable Town and Worcester AAs received full-scope reviews. The Springfield and Non-metro (Dukes County) AAs received limited-scope reviews. The Barnstable and Worcester MSAs accounted for the substantial majority of the lending, deposits, and branches in Massachusetts. Greater weight was placed on performance in the Worcester MSA given the volume of lending and deposits.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MASSACHUSETTS

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

Lending Activity

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

Worcester MSA

Lending activity in the AA is good, given the strong competition and responsiveness to AA credit needs. The bank ranked fifth with 7.5 percent deposit market share. In overall HMDA lending, the bank ranked 13th with a 1.5 percent market share. There are 42 depository institutions in the AA and 444 home mortgage lenders. The leading lenders by market share include Wells Fargo (4.8 percent), Quicken Loans (3.6 percent), and Digital Federal Credit Union (3.1 percent).

In small loans to businesses, SBNA ranked 10th out of 87 lenders with 3.3 percent market share. Leading lenders by market share in this AA include American Express (20.6 percent), Capital One (12.1 percent), and Citibank (11.0 percent).

Barnstable MSA

The bank's lending activity reflects good levels of lending in the AA. The bank ranks seventh in total deposits with a 5.7 percent market share. In overall HMDA lending, the bank ranks seventh in home mortgage loans capturing a 2.7 percent market share. There is strong competition for home loans as represented by the 415 lenders compared to the 11 depository institutions serving this AA. The top three lenders by market share include Cape Cod Five Cents Savings (16.4 percent), Cape Cod Cooperative Bank (4.5 percent), and Wells Fargo (4.1 percent)

In small loans to businesses, SBNA ranked 17th out of 58 lenders with a 2.0 percent market share. Leading lenders by market share in this AA include American Express (21.0 percent), Capital One (12.0 percent), and Citibank (10.2 percent).

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

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

Worcester MSA

The bank's geographic distribution of aggregated home mortgage loans is adequate. In LMI geographies, the bank's percentage of lending was below both the percentage of owner-occupied housing and aggregate lending.

Barnstable MSA

The bank's geographic distribution of aggregated home mortgage loans is good. The bank's percentage of lending in low-income geographies met the percentage of owner-occupied housing in these geographies and aggregate lending. The bank's percentage of lending in moderate-income geographies exceeded both the percentage of owner-occupied housing and aggregate lending.

Small Loans to Businesses

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

Worcester MSA

The bank's geographic distribution of aggregated small loans to businesses is excellent. The bank's percentage of lending in low-income geographies was near to the percentage of businesses located in those geographies and exceeded aggregate lending. The bank's percentage of lending in moderate-income geographies exceeded both the percentage of businesses in those geographies and aggregate lending.

Barnstable MSA

The bank's distribution of aggregated small loans to businesses is good. The bank's percentage of lending in low-income geographies significantly exceeded both the percentage of businesses and aggregate lending. The bank's percentage of lending in moderate-income tracts was significantly lower than the percentage of businesses and aggregate lending.

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

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

Worcester MSA

The bank's aggregated home lending to LMI borrowers is good. The bank's percentage of lending to low-income borrowers was below the percentage of low-income families and exceeded aggregate lending. The bank's percentage of lending to moderate-income borrowers exceeded both the percentage of moderate-income families and aggregate lending.

Barnstable MSA

The bank's aggregated home lending to LMI borrowers is good, given the high cost of housing. The bank's percentage of lending to low-income borrowers was well below the percentage of low-income families and exceeded aggregate lending. The bank's percentage of lending to moderate-income borrowers was below both the percentage of moderate-income families and the aggregate lending. The median housing value of \$436 thousand makes lending to low-income borrowers challenging.

Small Loans to Businesses

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

Worcester MSA

The bank's aggregated lending to businesses of different sizes is adequate. The bank's performance was below the percentage of businesses with revenue of \$1 million or less, but exceeded the aggregate lending.

Barnstable MSA

The bank's aggregated lending to businesses of different sizes is adequate. The bank's performance was below the percentage of businesses with revenue of \$1 million or less, but exceeded the aggregate lending.

Community Development Lending

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

Worcester MSA

CD lending had a neutral impact on the Lending Test which supported the rating. SBNA originated three CD loans in the AA totaling \$9.1 million, or four percent of allocated Tier One Capital. All the loans addressed economic development, an identified credit need in the AA.

Barnstable MSA

CD lending had a neutral impact on the Lending Test. The bank did not originate any CD loans in the AA. The bank's lending was constrained by the lack of a dedicated CD loan team and by the limited CD opportunities in this area. The bank's CD loan, investment and outreach staff was very limited until 2016 when a Community Partnership Manager was added to cover southern MA.

Product Innovation and Flexibility

Product flexibility was given positive consideration in the overall Lending Test rating for Massachusetts. SBNA originated 46 loans totaling \$7.3 million under its affordable mortgage products program that are noted earlier in the "Other Information" section of this evaluation.

Additionally, the bank is a participating lender in the Massachusetts Assistive Technology Fund. The program, in partnership with the Easter Seals Society, offers discounted loans for disabled individuals in the purchase of assistive technology. Although there are no income limits for the program, SBNA originated 85 loans to LMI borrowers or in a LMI geography totaling \$1 million under this program.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Springfield and MA Non-MSA AAs is consistent with the bank's overall High Satisfactory rating performance under the lending test in Massachusetts. Refer to the Tables 1 through 12 in the commonwealth of Massachusetts section of appendix D for the facts and data that support these conclusions. Performance in the limited-scope AAs did not impact the overall Community Development Lending rating.

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

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

Worcester MSA

SBNA originated 29 investments totaling \$8.5 million and reflects adequate responsiveness to identified needs in the AA. Additionally, the bank had four investments totaling \$1.8 million that were originated in prior periods and which remain outstanding and responsive to identified needs. The combined current and prior period investments represent 4.7 percent of allocated Tier One Capital. The largest investment of \$6.1 million was made to a multi-investor LIHTC fund that assisted in the creation of 41 housing units affordable to families earning less than 60 percent of the area median income. This project involved multi-layer financing, with both public and private investors.

Barnstable MSA

SBNA originated nine investments totaling \$8.7 million and reflects excellent responsiveness to identified needs in the AA. Additionally, the bank had two investments totaling \$546 thousand that

were originated in prior periods and which remain outstanding and responsive to identified needs. The combined current and prior period investment dollar volume represent 12.2 percent of allocated Tier One Capital.

In response to the identified community need of affordable housing, the bank invested in a multi-investor LIHTC fund that assisted in the construction of 35 housing units affordable for families earning less than 60 percent of the area median income.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope review, the bank's performance under the Investment Test in the Springfield MSA is stronger than the bank's overall high satisfactory performance in the commonwealth of Massachusetts. This is a result of higher level of investments in the AA during the current period. The bank's performance under the Investment Test in the Non-MSA area is weaker than the bank's overall performance in Massachusetts. This is primarily due to the low level of investments within the AA. Refer to the Table 14 in the Massachusetts section of appendix D for the facts and data that support these conclusions. Performance in the limited-scope AAs did not impact the overall Investment Test rating.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

Retail Banking Services

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

Worcester MSA

Delivery systems are readily accessible to all portions of the AA. The percentage of branches in both LMI geographies exceeds the percentage of the AA population residing in those geographies. No branches were open or closed in the AA.

Barnstable MSA

Delivery systems are readily accessible to all portions of the AA. The percentage of branches in LMI geographies exceeds the percentage of the AA population residing in those geographies. No branches were open or closed in the AA.

Community Development Services

Worcester MSA

SBNA provided a good level of CD services in the AA. Eighty-three employees provided 581 hours of service to nine CD entities in the AA through 15 separate events. Services were targeted to affordable housing counseling and financial literacy.

Barnstable MSA

SBNA provided a poor level of CD services. Two SBNA employees provided 13 hours of service to two CD entities and included affordable homeownership counseling and technical assistance.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Springfield and Non-MSA AAs is consistent with the bank's overall outstanding performance under the Service Test in Massachusetts. Refer to Table 15 in the Massachusetts section of appendix D for the facts and data that support these conclusions. Performance in the limited-scope AAs did not impact the overall Service Test rating.

State of New Hampshire

CRA Rating for New Hampshire⁷:	Satisfactory
The Lending Test is rated:	Outstanding
The Investment Test is rated:	Low Satisfactory
The Service Test is rated:	High Satisfactory

The major factors that support this rating:

- Good lending activity and responsiveness to AA credit needs.
- Geographic distribution of home mortgage loans is good and the distribution of small loans to businesses is excellent.
- Good distribution of home loans and small loans to businesses by borrower income.
- CD lending had a significantly positive impact on the Lending Test, which elevated the overall good performance to excellent, resulting in the Outstanding rating for the Lending Test in the state.
- Adequate level of CD investments.
- Branches are readily accessible to geographies and individuals of different income levels.
- Adequate level of CD services.

Description of Institution's Operations in New Hampshire

Santander has defined two AAs in New Hampshire; the Manchester-Nashua MSA in its entirety and the Non-MSA county of Merrimack. The bank operated 11 branches in the state representing 1.6 percent of its total branches as of December 31, 2016.

SBNA had \$512 million in deposits in the state representing 0.87 percent of its total deposits. Overall, the bank ranked 11th of 34 insured institutions with 2.1 percent market share. The three largest financial institutions are Citizens Bank (26.5 percent), TD Bank (19.5 percent), and Bank of America (15.0 percent).

Very high poverty rates in the LMI geographies in the towns of Manchester and Nashua were considered in evaluating lending performance. The poverty rate in Manchester was 21 percent in LMI tracts and only 6.9 percent in non-LMI tracts. The poverty rate for LMI tracts in Nashua is 21.5 percent compared to 5.1 percent in non-LMI tracts.

⁷ For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Refer to the community profile for the state of New Hampshire in appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

Scope of Evaluation in New Hampshire

We performed a full-scope review of the Manchester-Nashua AA. This area accounted for a substantial majority of the deposits, loans, and banking offices in New Hampshire. Greater weight was placed on small loans to businesses as this volume of lending accounted for 64 percent, while home mortgage lending accounted for 36 percent. We performed a limited-scope review of the Non-MSA AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW HAMPSHIRE

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

Lending Activity

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

Lending activity in the AA is good, given the strong market competition for loans in the market. The bank ranks fourth with 3.9 percent deposit market share. The three banks with significantly higher deposit market share and branch network are Citizens Bank (42.1 percent), Bank of America (22.8 percent), and TD Bank (18.5 percent). In overall home mortgage lending, the bank ranked 36th with a 0.6 percent market share. There are 341 home mortgage lenders and 21 insured institutions. The three leading mortgage lenders include Wells Fargo (8.9 percent), Residential Mortgage Services (8.5 percent), and Merrimack Mortgage Company (6.0 percent).

In small loans to businesses, SBNA ranked 16th out of 26 lenders with 1.8 percent market share. Leading lenders by market share in this AA include American Express (19.6 percent), Capital One (10.3 percent), and Citibank (9.7 percent).

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the state of New Hampshire section of appendix D and performance considerations for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases. Very high poverty rates, especially in the towns of Manchester and Nashua, were considered in our evaluation.

The bank's geographic distribution of aggregated home mortgage loans is good. The percentage of the bank's aggregated home mortgage lending in low-income geographies was below the percentage of owner-occupied housing in those geographies and the aggregate lending. The percentage of the bank's

aggregated home mortgage lending in moderate-income geographies exceeded both the percentage of owner-occupied housing in those geographies and aggregate lending.

Small Loans to Businesses

Refer to Table 6 in the state of New Hampshire section of appendix D and performance considerations for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The bank's geographic distribution of aggregated small loans to businesses is excellent. The percentage of the bank's aggregated small business loans in low-income geographies substantially met the percentage of businesses located within those geographies and exceeded aggregate lending. The percentage of bank lending in moderate-income geographies substantially exceeded both the percentage of businesses located within those geographies and aggregate lending.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

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

The overall distribution of aggregated home mortgage loans by borrower income level is good. The percentage of bank lending to low-income borrowers was below the percentage of low-income families and aggregate lending. The percentage of lending to moderate-income borrowers exceeded both the percentage of such families and the aggregate lending.

Small Loans to Businesses

Refer to Table 11 in the state of New Hampshire section of appendix D and performance considerations for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The bank's aggregated lending performance to businesses of different income levels is good. The percentage of bank lending was near to the percentage of businesses with revenue of \$1 million or less and significantly exceeded aggregate lending.

Community Development Lending

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

CD lending had a significantly positive impact on the Lending Test in New Hampshire. Sixty percent of the city's workforce is employed by small businesses with fewer than 10 employees. There is a need to

support business development and to retain these businesses. SBNA originated two loans amounting to \$6 million, or eight percent of allocated Tier One Capital, targeting economic development. Both loans helped to finance a business that created and retained jobs for LMI persons.

Product Innovation and Flexibility

SBNA's use of flexible lending programs had a neutral impact for the Lending Test performance in the state. The bank originated one loan totaling \$107 thousand under its affordable products program that is noted earlier in the "Other Information" section of this evaluation.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope review, the bank's performance under the Lending Test in the NH Non-MSA AA is weaker than the bank's overall Outstanding performance under the Lending Test in the state of New Hampshire because of the level of CD lending in the AA. As indicated earlier, the level of CD lending in the Manchester-Nashua MSA elevated the bank's Lending Test rating to Outstanding. Refer to the Tables 1 through 11 in the state of New Hampshire section of appendix D for the facts and data that support these conclusions. Performance in the limited-scope AA did not impact the overall Community Development Lending rating.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

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

SBNA originated nine investments totaling \$816 thousand, and reflects good responsiveness to identified needs in the AA. Additionally, there are four prior period investments totaling \$199 thousand that were originated in prior periods and which remain outstanding and responsive to identified needs. The bank responded to economic development needs through a \$768 thousand investment to MB Capital Fund IV, which aims to encourage development in economically distressed areas by providing loans and investments.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope review, the bank's performance under the Investment Test in the NH Non-MSA AA is stronger than the bank's overall Low Satisfactory performance in the state of New Hampshire. A higher level of investments were provided in the NH Non-MSA AA. Performance in the limited-scope AA did not significantly impact the Investment Test rating for the state of New Hampshire. Refer to Table 14 in the state of New Hampshire section of appendix D for the facts and data that support these conclusions. Performance in the limited-scope AA did not impact the overall Investment Test rating.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

Retail Banking Services

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

Delivery systems are readily accessible to essentially all portions of the AA. The percentage of branches in both LMI geographies exceeds the percentage of the AA population residing in those geographies. No branches were open or closed in the AA during the evaluation period.

Community Development Services

SBNA provided an adequate level of CD services in the Manchester-Nashua MSA. The bank provided 103 hours of service in 12 events to five organizations. These organizations focused on providing affordable housing, financial literacy, and other social services. Additionally, one SBNA employee provided 48 hours of service on the board of Anne Marie House, serving as treasurer. Anne Marie House provides housing for homeless families in the Nashua area until they become self-sustaining.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope review, the bank's overall performance under the Service Test in the NH Non-Metropolitan area is weaker than the bank's overall outstanding performance under the Service Test in the state of New Hampshire. This is due to weaker branch distribution in LMI geographies. Refer to Table 15 in the state of New Hampshire section of appendix D for the facts and data that support these conclusions. Performance in the limited-scope AA did not impact the overall Service Test rating.

State of New Jersey

CRA Rating for New Jersey⁸:	Satisfactory
The Lending Test is rated:	High Satisfactory
The Investment Test is rated:	Low Satisfactory
The Service Test is rated:	Low Satisfactory

The major factors that support this rating include:

- Good lending activity and responsiveness to AA credit needs.
- Adequate geographic distribution of home loans and excellent distribution of small loans to businesses.
- Good distribution of loans by borrower income.
- CD lending had a positive impact on the Lending Test, which supported the overall Lending Test rating in the state.
- Adequate level of CD investments.
- Delivery systems are accessible to essentially all portions of the AA.
- Poor level of CD services.

Description of Institution's Operations in New Jersey

The bank has designated the entire Trenton NJ MSA consisting of Mercer County as its AA. Operations in other parts of New Jersey within the multistate metropolitan areas are evaluated separately based on statutory requirements.

SBNA had \$710 million in deposits representing 1.2 percent of its total deposits. The local banking environment is competitive with 27 FDIC-insured institutions operating 144 branches. SBNA ranked seventh in deposit market share with 4.6 percent. The three largest financial institutions by deposit market share are Bank of America (22.1 percent) Wells Fargo (14.0 percent), and PNC Bank (13.9 percent). SBNA operated 12 branches, representing 1.8 percent of the branch network.

Despite a relative level of affordability, the increasing number of vacant properties in Trenton is a major impediment to economic growth. This situation is compounded by high crime rates, and a shortage of quality market rate housing and vibrant livable neighborhoods in the city's urban core. A recent study by the Trenton Neighborhood Restoration Campaign found 6,300 vacant lots and 3,800 vacant buildings in the city, accounting for 23 percent of all properties. The survey also found that of

⁸ For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

the vacant properties, 948 lots and 340 buildings are city-owned.

While the 2016 adjusted median family income of the MSA was \$93,000, the MFI in the city of Trenton was just \$41,833. Poverty rates in the city are also much higher with approximately 25 percent of households in poverty in Trenton compared to 10 percent for Mercer County overall. Housing stock in the city of Trenton is older than in the rest of Mercer County. Homeowner cost burdens for families making under \$50,000 are comparable in Trenton and Mercer County, despite markedly lower housing costs in Trenton. As a result, home ownership opportunities in Trenton are limited, despite lower cost housing stock in LMI geographies.

Refer to the community profile for the state of New Jersey in appendix C for detailed demographics and other performance context information for the AA that received a full-scope review.

Scope of Evaluation in New Jersey

The Trenton NJ MSA received a full-scope review. Small loans to businesses received greater weighting based on the volume of lending. Home mortgage lending accounted for 36 percent of lending and small loans to businesses accounted for 64 percent.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW JERSEY

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

Lending Activity

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

Lending activity in the AA is good considering the high level of competition for loans. The bank ranked seventh in deposits with a 4.6 percent market share. In overall home mortgage lending, the bank ranked 19th with 1.2 percent market share. There are 27 depository institutions and 395 home mortgage lenders. The top three lenders by market share are Wells Fargo (12.1 percent), Quicken Loans (6.0 percent), and Finance of America Mortgage (5.2 percent).

In small business lending, the bank ranked 11th of 81 lenders with 2.1 percent market share. The three top lenders for business loans were American Express (24.8 percent), Wells Fargo (10.6 percent), and PNC Bank (10.0 percent).

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

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

The bank's geographic distribution of aggregated home mortgage loans is adequate. The percentages of bank lending in both LMI geographies are below the percentages of owner-occupied housing in those geographies, but met aggregate lending. As noted earlier in the "Description of the Bank's Operations" and in appendix C – Community Profiles, the very high poverty rates in the city of Trenton, where most of the LMI geographies are located, were taken into consideration in our evaluation.

Small Loans to Businesses

Refer to Table 6 in the state of New Jersey section of appendix D and performance considerations for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The bank's geographic distribution of aggregated small loans to businesses is excellent. The percentage of the bank's lending in low-income geographies was near to the percentage of businesses in those geographies and exceeded the aggregate lending in those geographies. The percentage of lending in moderate-income geographies exceeded both the percentage of businesses in those geographies and the aggregate lending.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

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

The bank's aggregated home mortgage lending to borrowers of different incomes in the AA is good. The percentage of bank lending to low-income borrowers was lower than the percentage of low-income families, but exceeded the aggregate lending. The percentage of lending to moderate-income borrowers exceeded both the percentage of moderate-income families and the aggregate lending.

Small Loans to Businesses

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

The bank's distribution of aggregated small loans to businesses by revenue is good. The percentage of lending was near to the percentage of small businesses and exceeded the aggregate lending to those businesses.

Community Development Lending

Refer to Table 1 Lending Volume in the state of New Jersey section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic

lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

CD lending had a positive impact on the overall Lending Test rating in the state of New Jersey. The bank originated five loans totaling \$8.3 million, representing 6.8 percent of allocated Tier One Capital. One example is a \$3.5 million loan to a CDFI that promotes economic development and revitalization.

Product Innovation and Flexibility

Product flexibility had a positive impact and supports the bank's overall Lending Test rating. SBNA originated 13 loans totaling \$1.8 million under its affordable mortgage products program that is noted earlier in the "Other Information" section of this evaluation.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

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

SBNA originated 14 investments totaling \$762 thousand. Additionally, the bank had four investments totaling \$697 thousand that were originated in prior periods and which remain outstanding and responsive to identified needs. One example in the current period includes a \$577 thousand investment into a Small Business Investment Company (SBIC).

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

Retail Banking Services

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

Delivery systems are accessible to essentially all portions of the AA. The percentage of branches in low-income geographies exceeds the percentage of the AA population residing in those geographies. The percentage of branches in moderate-income geographies is below the percentage of the AA population residing in those geographies.

SBNA's record of opening and closing branch offices in the Trenton MSA has generally not affected the accessibility of its delivery systems in the AA, particularly for LMI geographies or individuals. SBNA closed two branches in the AA, both of which were located in upper-income geographies.

Community Development Services

SBNA provided a poor level of CD services in the Trenton MSA. One employee served on the board of a CD organization that provides social services to LMI persons. Four events and 52 hours that included affordable mortgage counseling and financial literacy were provided.

Commonwealth of Pennsylvania

CRA Rating for Pennsylvania⁹:	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

- Good lending activity and responsiveness to AA credit needs.
- Good geographic distribution of home loans and good distribution of small loans to businesses.
- Good distribution by borrower income for home mortgage loans and adequate distribution of small loans to businesses.
- CD lending had a positive impact on the Lending Test, which supported the overall Lending Test rating in the commonwealth.
- Good level of CD investments.
- Delivery systems are accessible to essentially all portions of the AA.
- Good level of CD services.

Description of Institution's Operations in Pennsylvania

Santander has defined 10 AAs within Pennsylvania. They include the following MSAs: Allentown-Bethlehem-Easton (Lehigh and Northampton counties), Bloomsburg-Berwick (Mountour county), Harrisburg-Carlisle, Lancaster, Lebanon, Reading, State College, Williamsport, York-Hanover, and Non-MSA counties of Clinton, Northumberland, Schuylkill, and Union. Operations in other parts of Pennsylvania within the multistate metropolitan areas are evaluated separately based on statutory requirements.

SBNA had \$7.6 billion of deposits in Pennsylvania accounting for 13.1 percent of the bank's total deposits. The bank had a 3.1 percent deposit market share. SBNA operated 96 branches, representing 14.2 percent of the bank's total branches.

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

⁹ For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Scope of Evaluation in Pennsylvania

The Harrisburg-Carlisle and Reading AAs received full-scope reviews. These two areas accounted for the largest portion of lending and deposits among the AAs in Pennsylvania. The Reading AA was given more weight based on the volume of loans and deposits in each of the AAs. The remaining eight AAs received limited-scope reviews.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PENNSYLVANIA

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

Lending Activity

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

Reading MSA

Lending activity in the AA is good, given the strong competition among lenders. There are 18 depository institutions and 352 home mortgage lenders. SBNA ranked first in deposits with 37.2 percent market share. In overall HMDA lending, the bank ranks ninth with 2.7 percent market share. The top three lenders are Wells Fargo (12.6 percent), Mortgage America, Inc. (6.9 percent), and Quicken Loans (3.6 percent).

In small loans to businesses, SBNA ranked 13th of 76 lenders with 2.5 percent market share. The market leaders include US Bank (13.0 percent), American Express (12.0 percent), and Capital One (9.5 percent). Santander tends to make larger size business loans, whereas the market leaders' loans averaged \$8 thousand.

Harrisburg-Carlisle MSA

Lending activity in the AA is good, given the strong competition among lenders. There are 26 depository institutions in the AA and 380 home mortgage lenders. The bank ranks 10th in deposits with a 3.4 percent market share. In overall HMDA lending, the bank ranks 56th with a 0.5 percent market share. The market leaders include Wells Fargo (9.5 percent), Members 1st Federal Credit Union (7.7 percent), and Quicken Loans (3.6 percent).

In small loans to businesses, SBNA ranked 16th of 75 lenders with 1.5 percent market share. The market leaders include American Express (18.1 percent), US Bank (11.6 percent), and Capital One (9.5 percent). Santander tends to make larger size business loans, whereas the market leaders' loans averaged \$10 thousand.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

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

Reading MSA

The bank's geographic distribution of aggregated home mortgage loans is good. The bank's percentage of lending in low-income geographies was below the percentage of owner-occupied units in those geographies, but exceeded aggregate lending. The bank's percentage of lending in moderate-income geographies met the percentage of owner-occupied housing and exceeded aggregate lending.

Harrisburg-Carlisle MSA

The bank's geographic distribution of aggregated home mortgage loans is adequate. The percentage of lending in low-income geographies was below the percentage of owner-occupied units in those geographies, but exceeded the aggregate lending.

In moderate-income geographies, the bank's aggregated lending performance was excellent. The percentage of lending in moderate-income geographies equaled the percentage of owner-occupied housing in those geographies and exceeded the aggregate lending.

Small Loans to Businesses

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

Reading MSA

The bank's geographic distribution of aggregated small loans to businesses is good. The bank's percentage of lending in low-income geographies was below the percentage of businesses in those geographies and exceeded the aggregate lending. The bank's percentage of lending in moderate-income geographies exceeded both the percentage of businesses in those geographies and aggregate lending.

Harrisburg-Carlisle MSA

The bank's geographic distribution of aggregated small loans to businesses is good. The bank's percentage of lending in low-income geographies was below the percentage of businesses in those geographies and the aggregate lending. The bank's percentage of lending in moderate-income geographies was below the percentage of businesses in those geographies, but exceeded the aggregate lending.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

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

Reading MSA

The bank's borrower distribution of aggregated home loans is good. The percentage of lending to low-income borrowers was below percent of low-income families and exceeded aggregate lending. The percentage of lending to moderate-income borrowers exceeded the percentage of moderate-income families and was near to the aggregate lending.

Harrisburg-Carlisle MSA

The bank's borrower distribution of aggregated home loans is good. The percentage of lending to low-income borrowers was below percent of low-income families and exceeded the aggregate lending. The percentage of lending to moderate-income borrowers exceeded both the percentage of moderate-income families and the aggregate lending.

Small Loans to Businesses

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

Reading MSA

The bank's lending to businesses of different sizes is adequate. The bank's performance was below the percentage of businesses with revenue of \$1 million or less, but exceeded the aggregate lending.

Harrisburg-Carlisle MSA

The bank's lending to businesses of different sizes is adequate. The bank's performance was below the percentage of businesses with revenue of \$1 million or less, but exceeded the aggregate lending.

Community Development Lending

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

Reading MSA

CD lending had a positive impact on the Lending Test in Pennsylvania. The bank originated nine CD loans totaling \$25.7 million, or 3.1 percent of allocated Tier One Capital. The most significant loan was

\$20 million to assist in the redevelopment of several school facilities within Reading that serve a substantial majority of LMI students.

Harrisburg-Carlisle MSA

CD lending had a significantly positive impact on the Lending Test in Pennsylvania. The bank originated two CD loans totaling \$7.6 million, or 8.7 percent of allocated Tier One Capital. The largest loan totaling \$7.5 million was to a business that helped retain jobs for LMI individuals, directly benefiting the AA.

Product Innovation and Flexibility

Product flexibility was given positive consideration in the overall Lending Test rating for Pennsylvania. SBNA originated 42 loans totaling \$3.7 million under its affordable mortgage product programs that are noted earlier in the “Other Information” section of this evaluation.

Additionally, SBNA is a participating lender in the Pennsylvania Assistive Technology Foundation loan program. While the program does not have income limits, the bank originated 200 loans totaling \$1.7 million to LMI borrowers or in an LMI geography.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank’s performance under the Lending Test in the Allentown-Bethlehem-Easton, Bloomburg-Berwick, Lebanon, Williamsport, and PA Non-MSA AAs is consistent with the bank’s overall High Satisfactory performance under the Lending Test in the commonwealth of Pennsylvania. In the Lancaster and York-Hanover AAs, the bank’s performance is stronger than the overall Lending Test rating. Stronger performance is a result of stronger geographic distribution of loans. In the State College AA, the bank’s performance is weaker than the overall Lending Test rating. Weaker performance is a result of weaker distribution of loans by geography and borrower income. Refer to Tables 1 through 12 in the commonwealth of Pennsylvania section of appendix D for the facts and data that support these conclusions. Performance in the limited-scope AAs did not impact the overall Community Development Lending rating.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

Refer to Table 14 in the commonwealth of Pennsylvania section of appendix D for the facts and data used to evaluate the bank’s level of qualified investments.

Reading MSA

SBNA originated 20 investments totaling \$11.6 million. Additionally, the bank had two prior period investments totaling \$1.8 million that were originated in prior periods and which remain outstanding and responsive to identified needs. The bank allocated \$11.3 million of its investment into a LIHTC fund for River Run Meadow Apartments, an affordable multifamily housing development eight miles southeast of Reading, PA.

Harrisburg-Carlisle MSA

SBNA originated seven investments totaling \$5.3 million. Additionally, the bank had three prior period investments totaling \$35 thousand that were originated in prior periods and which remain outstanding. An example is \$4.9 million in a LIHTC fund for acquisition and rehabilitation of Hershey Plaza, a 215 unit affordable housing development. The development provides 107 units for families that are earning less than 60 percent of the AMI and 108 units for families at or below 50 percent of the AMI.

Conclusions for Areas Receiving Limited-Scope Reviews:

Based on limited-scope reviews, the bank's performance under the Investment Test in the Lancaster and Williamsport AAs is stronger than the bank's overall High Satisfactory performance in the commonwealth of Pennsylvania as a result of a higher level of qualified investments. In the Allentown-Bethlehem-Easton, Bloomsburg-Berwick, Lebanon, State College, York and the PA Non-MSA AAs the bank's performance is weaker than the bank's overall performance in the commonwealth as a result of a lower level of investments. Refer to the Table 14 in the commonwealth of Pennsylvania section of appendix D for the facts and data that support these conclusions. Performance in the limited-scope AAs did not impact the overall Investment Test rating.

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

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

Retail Banking ServicesReading MSA

Delivery systems are accessible to essentially all portions of the AA. The percentage of branches in low-income geographies is below the percentage of the AA's population residing in those geographies. The percentage of branches in moderate-income areas exceeds the percentage of the AA's population residing in those geographies. No branches were open or closed in the AA during the evaluation period.

Harrisburg-Carlisle MSA

Delivery systems are reasonably accessible to essentially all portions of the AA. Although there are no branches located in low-income geographies, the percentage of branches in moderate-income geographies exceeds the percentage of the AAs population residing in those geographies.

SBNA's record of opening and closing branch offices in the Harrisburg MSA has generally not affected the accessibility of its delivery systems in the AA, particularly for LMI geographies or individuals. The bank closed three branches in the AA. Two branches were closed in moderate-income geographies within the Harrisburg MSA, which after an extensive analysis by the bank, were deemed to not be economically viable. The branch closures in the moderate-income geographies did not negatively

impact the accessibility of services based on the percentage of branches in moderate-income areas exceeding the percentage of the AA's population residing in those geographies.

Community Development Services

Reading MSA

SBNA provided a good level of CD services. Five employees served as board or committee members of four organizations providing CD services to LMI individuals. Also, SBNA employees provided 821 hours of service to six organizations. Lastly, employees provided 152 hours of financial literacy training through Junior Achievement of Southeastern Pennsylvania.

Harrisburg-Carlisle MSA

SBNA provided an adequate level of CD services. One employee served as a board member for an organization providing CD services to LMI individuals. Another employee provided technical assistance to a qualified organization. SBNA employees provided 110 hours of service to two qualified organizations in the AA.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's overall performance under the Service Test in the Allentown-Bethlehem-Easton, Lancaster, State College, York-Hanover, and the PA Non-MSA AAs is consistent with the bank's overall high satisfactory performance under the Service Test in the commonwealth of Pennsylvania. In the Lebanon and Williamsport MSAs, the bank's performance is weaker than the overall performance under the Service Test in the commonwealth as a result of weaker distribution of branches in low- and/or moderate-income geographies. There are no low- or moderate-income geographies in the Bloomsburg MSA. An analysis of the branch distribution was not meaningful. Refer to Table 15 in the commonwealth of Pennsylvania section of appendix D for the facts and data that support these conclusions. Performance in the limited-scope AAs did not impact the overall Service Test rating.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD loans): 01/01/2014 to 12/31/2016 Investment and Service Tests and CD Loans: 01/01/2014 to 12/31/2016	
Financial Institution	Products Reviewed	
Santander Bank, N.A. (SBNA) Wilmington, DE	Home mortgage loans, small loans to businesses, CD loans, investments, and services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Santander Community Development Company	Bank subsidiary	CD Investments (LIHTCs and NMTCs)
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
MULTISTATES		
Boston MMA	Full-Scope/MMA	Excludes Stafford County, NH
New York MMA	Full-Scope/MMA	Excludes Orange County, NY and Pike County, PA
Philadelphia MMA	Full-Scope/MMA	Excludes Salem County, NJ and Cecil County, MD
Providence MMA	Full-Scope/MMA	
STATES/COMMONWEALTHS		
Connecticut		
Hartford AA	Full-Scope/MSA	
New Haven AA	Limited-Scope	
Non-MSA-CT	Limited-Scope	Litchfield County, CT

Commonwealth of Massachusetts		
Worcester AA	Full-Scope/MSA	Excludes Windham County, CT
Barnstable AA	Full-Scope/MSA	
Springfield AA	Limited-Scope	
Non-MSA-MA	Limited-Scope	Dukes County, MA
State of New Hampshire		
Manchester-Nashua AA	Full-Scope/MSA	
Non-MSA-NH	Limited-Scope	Merrimack County, NH
State of NJ		
Trenton AA	Full-Scope/MSA	
Commonwealth of Pennsylvania		
Reading AA	Full-Scope/MSA	
Harrisburg AA	Full-Scope/MSA	
Allentown AA	Limited-Scope	Excludes Carbon County, PA and Warren County, NJ
Bloomsburg AA	Limited-Scope	Excludes Columbia County, PA
Lancaster AA	Limited-Scope	
Lebanon AA	Limited-Scope	
State College AA	Limited-Scope	
Williamsport AA	Limited-Scope	
York AA	Limited-Scope	
Non-MSA-PA	Limited-Scope	Clinton, Northumberland, Schuylkill, and Union Counties, PA

Appendix B: Summary of Multistate Metropolitan Area and State Ratings

RATINGS SANTANDER BANK, N.A.				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Santander Bank, N.A.	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Multistate Metropolitan Area or State/Commonwealth:				
Boston MMA	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
New York MMA	Outstanding	High Satisfactory	High Satisfactory	Outstanding
Philadelphia MMA	Outstanding	Outstanding	High Satisfactory	Outstanding
Providence MMA	Outstanding	Outstanding	Outstanding	Outstanding
Connecticut	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
Massachusetts	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
New Hampshire	Outstanding	Low Satisfactory	High Satisfactory	Satisfactory
New Jersey	High Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
Pennsylvania	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory

(*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

Appendix C: Community Profiles for Full-Scope Areas

Boston-Cambridge-Newton, MA-NH Multistate Metropolitan Area

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	981	10.70	18.45	40.06	29.05	1.73
Population by Geography	4,429,259	8.89	17.96	42.99	30.08	0.08
Owner-Occupied Housing by Geography	1,064,416	3.14	12.96	48.19	35.70	0.01
Business by Geography	329,283	6.25	12.74	41.32	39.47	0.22
Farms by Geography	6,253	1.87	8.83	49.72	39.58	0.00
Family Distribution by Income Level	1,067,471	22.01	16.49	20.61	40.89	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	411,002	15.47	25.81	41.41	17.31	0.01
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		87,161 94,270 10%	Median Housing Value Unemployment Rate-Dec 2016		411,916 2.5%	

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The Boston-Cambridge-Newton MA-NH MMA (Boston MMA) is comprised of Suffolk, Norfolk, Plymouth, Middlesex and Essex Counties in eastern and northeastern Massachusetts and Rockingham and Strafford counties in southern New Hampshire. The MSA contains the principal cities of Boston (the largest city in New England), Cambridge, Newton, Framingham, and Waltham, Massachusetts. The bank has designated three AAs within the multi-state MSA that encompass all but Strafford County in the metropolitan area.

Competition for both loans and deposits is strong in this AA, especially from larger multistate financial institutions. According to the June 30, 2016 FDIC Summary of Deposit Market Share report, SBNA operated 162 branches with \$15.5 billion in deposits in this AA representing 26 percent of its total deposits. SBNA subsequently closed one branch on November 4, 2016, therefore as of December 31, 2016, the bank operated 161 branches in the MMA. The local banking environment is highly competitive with 138 FDIC-insured institutions operating 1,527 branches. SBNA ranked fourth in deposit market share with 4.9 percent. State Street Bank and Trust, a custodian bank providing securities services to institutional investors, ranked first with 30 percent, followed by Bank of America with 20.0 percent and Citizens Bank with 9.9 percent. In addition to FDIC-insured institutions, this area is served by a number of credit unions, mortgage lenders and brokers, and money service businesses.

Employment and Economic Conditions

The area's major industries include healthcare, education and financial services. The largest employers in the area include Brigham and Women's Hospital, Massachusetts General Hospital, Beth Israel Deaconess Medical Center, Boston University, Fidelity Investments, John Hancock Financial Services, Tufts/New England Medical Center, Harvard University, and Massachusetts Institute of Technology. There is also a growing high technology and biotechnology sector. As such, the area has a highly skilled and highly educated workforce.

The cost of living in the greater Boston area is high and housing affordability is a key issue. According to the National Association of Realtors, as of December 2016 the median sales price of a single family home in the AA was \$411,916. Based on information from the U.S. Census Bureau, as of 2015 the median rent in the AA is \$1,152. Housing costs in most neighborhoods within the city of Boston as well as within several communities within the AA are high and are unaffordable for LMI households. In many communities in the greater Boston area, two and three family properties, which traditionally provided a source of affordable housing for LMI and working class families, are being acquired by investors and cash buyers who renovate the units and convert them into market rate and luxury condominium units.

Community Contacts and Community Development Opportunities

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

In order to better understand credit and community development needs in the area, OCC staff met with representatives of organizations focused on areas such as affordable housing, community and economic development, and community services. In addition, staff reviewed existing community contacts completed during the review period as part of CRA examinations for other institutions operating in the AA. Contacts noted that housing costs in the area are high and that demand for affordable housing exceeds the supply of available units for both rental and homeownership. Lower income households are being price out of much of Boston and Cambridge and relocating to communities south and north of the city. Contacts also noted that there is a racial wealth gap in the area and that access to programs that help promote homeownership will help lower income households build wealth. Contacts also noted that the foreclosure issues that resulted from the subprime mortgage crisis have passed and that most foreclosures that are occurring now are due to circumstances such as loss of wages or divorce.

New York-Newark-Jersey City, NY-NJ-PA Multistate Metropolitan Area

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	4,504	10.97	22.58	31.79	32.75	1.91
Population by Geography	18,740,030	11.33	23.41	30.30	34.78	0.18
Owner-Occupied Housing by Geography	3,561,124	2.34	13.40	35.49	48.77	0.00
Business by Geography	1,244,853	6.62	16.87	29.28	45.95	1.29
Farms by Geography	18,507	2.06	11.63	35.12	51.02	0.17
Family Distribution by Income Level	4,479,939	23.88	16.14	18.11	41.87	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	1,792,882	20.07	33.23	29.56	17.13	0.01
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		75,117 79,765 13%	Median Housing Value Unemployment Rate-Dec 2016		482,873 4.1%	

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

The New York-Newark-Jersey City, NY-NJ-PA MMA (New York MMA) is comprised of multiple geographies in New York, New Jersey, and Pennsylvania. The bank has designated three AAs within this MMA. The New York-Jersey City-White Plains, NY-NJ AA consists of the following counties: Bergen NJ, Hudson NJ, Middlesex NJ, Monmouth NJ, Ocean NJ, Passaic NJ, Bronx NY, Kings NY, New York NY, Queens NY, Richmond NY, Rockland NY, and Westchester, NY. The Nassau County-Suffolk County NY AA consists of Nassau and Suffolk counties. The Newark, NJ AA consists of the following counties: Essex NJ, Hunterdon NJ, Morris NJ, Somerset NJ, Sussex NJ, and Union NJ. The MSA contains the principal cities of New York and White Plains in New York, and Newark, Jersey City, Lakewood, and New Brunswick in New Jersey.

Competition for both loans and deposits is strong in this MMA, especially from larger multistate financial institutions. According to the June 30, 2016 FDIC Summary of Deposit Market Share report, SBNA has \$22.1 billion in deposits in this MMA representing 38 percent of its total deposits. The local banking environment is highly competitive with 214 FDIC-insured institutions operating 5,731 branches. SBNA ranked 13th in deposit market share with 1.3 percent. JP Morgan Chase ranked first with 33.3 percent, followed by Bank of America with 7.4 percent, Bank of NY Mellon with 7.3 percent, and HSBC and Citibank each with 7.0 percent. In addition to FDIC-insured institutions, this area is served by a number of credit unions, mortgage lenders and brokers, and money service businesses.

New York City (NYC), the principal city in the MMA is the single largest regional urban economy in the country. NYC is the hub for banking, finance, and communication in the United States. NYC is also a major manufacturing center and shipping port, and it has a thriving technological sector. Among the largest employers are JP Morgan Chase, Columbia University, Memorial Sloan Kettering Cancer Center, New York-Presbyterian Hospital, Verizon, and Mount Sinai Hospital. The unemployment rate as of April 2016 is 4.6%, which is the same as the statewide average for the same timeframe.

NYC is enjoying a solid 2017, but it has lost some luster of late. Year-over-year job growth more closely resembles that of the U.S. than the underperforming Northeast. Education and healthcare have surged, spurred in part by investment from Long Island-based Northwell Health. Leisure payrolls are also expanding despite downward pressure on international tourism from a strong dollar and tighter border. Construction, however, is plagued by a glut of new multifamily supply in NYC, keeping condominium units price growth in check. Meanwhile, the unemployment rate has begun to inch higher while the labor force shrinks. Combined with decelerating hourly earnings growth, this reveals renewed labor market slack.

The cost of living in the area is high and impacts borrowing ability. Housing affordability is a significant issue. According to the National Association of Realtors, as of December 2016 the median sales price of a single family home in the MMA was \$482,873. Based on information from the U.S. Census Bureau, as of 2015 the median rent in the AA is \$1,151. Housing costs in many communities are unaffordable for LMI households.

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

In order to better understand credit and community development needs in the area, OCC staff reviewed a number of existing community contacts completed during the review period with organizations that serve and/or operate within the MMA. The organizations focused on areas such as affordable housing, community and economic development, and community services. Contacts noted that there are pockets of poverty in many neighborhoods and communities throughout the MMA and that in some areas the poverty level is understated. Two of the biggest costs for people residing in the community are housing and child care. Most contacts noted that there is a need for affordable rental housing. Other identified needs included financial support in the form of grants and low-interest loans for nonprofit organizations serving low-income households and communities as many organizations are seeing increased demand for their services; increased small business lending and support for aspiring entrepreneurs; and access to financial literacy training in other languages. Contacts also noted that there is a need for increased support of smaller local community development projects and programs.

Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Multistate Metropolitan Area

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	1,433	7.26	23.10	38.10	30.22	1.33
Population by Geography	5,798,152	6.73	22.21	38.85	31.88	0.34
Owner-Occupied Housing by Geography	1,501,593	3.54	18.67	42.33	35.46	0.00
Business by Geography	404,498	3.95	17.22	38.01	40.35	0.47
Farms by Geography	8,529	1.06	13.67	46.03	39.10	0.14
Family Distribution by Income Level	1,405,606	21.08	17.46	20.96	40.50	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	541,771	11.53	32.72	38.96	16.78	0.01
Median Family Income		75,338	Median Housing Value		248,577	
FFIEC Adjusted Median Family Income for 2016		78,223	Unemployment Rate-Dec 2016		4.3%	
Households Below Poverty Level		12%				

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The Philadelphia-Camden-Wilmington PA-NJ-DE-MD MMA (Philadelphia MMA) is comprised of several counties in southeastern Pennsylvania and southwestern New Jersey, one county in northern Delaware and one county in northeastern Maryland. It contains the principal cities of Philadelphia, PA; Camden, NJ; and Wilmington, DE. The bank has designated 4 AAs within this MMA as follows: Philadelphia AA consisting of Delaware and Philadelphia counties in Pennsylvania; the Montgomery County-Bucks County-Chester County PA AA; the Camden NJ AA consisting of Burlington, Camden, and Gloucester counties in New Jersey; and the Wilmington DE AA consisting of New Castle County in Delaware. The 2016 FFIEC median family income for this MMA is \$78,223 with approximately 4.2 percent of households living below the poverty line. According to the National Association of Realtors, as of December 2016 the median sales price of a single family home in the AA was \$248,577. Based on information from the U.S. Census Bureau, as of 2015 the median rent in the AA was \$941.

Competition for both loans and deposits is strong in this AA, especially from larger multistate financial institutions. According to the June 30, 2016 FDIC Summary of Deposit Market Share report, SBNA has \$4.2 billion in deposits in this AA representing 7.2 percent of its total deposits. The local banking environment is highly competitive with 128 FDIC-insured institutions operating 1,734 branches. SBNA ranked 12th in deposit market share with 0.9 percent. Capital One was first in deposit market share with 22 percent of deposit market share, followed by TD Bank N.A with 21.7 percent, Chase Bank USA with 13.5 percent, and Wells Fargo with 7.0 percent. Wilmington, DE is a national financial center for the credit card industry.

The area’s major industries include healthcare, education and financial services. The largest employers in the area include University of Pennsylvania and Health System, Thomas Jefferson University and TJUH System, Comcast Corporation, and Drexel University. The unemployment rate as of April 2016 was 6.0 percent, slightly higher than the Pennsylvania statewide rate of 5.5 percent.

There are numerous opportunities in the area to participate in community development activities. The area is served by a number of community development entities, including community development corporations, CDFIs, nonprofit entities, and governmental organizations focused on areas such as

affordable housing, economic development, asset development and financial education, and community services. All of these entities are open to partnership opportunities with area financial institutions.

As part of the examination process, OCC staff reviewed several community contacts completed during the review period as well as recent contacts completed in conjunction with examinations for other institutions operating in the AA. Contacts were completed with organizations focused on community development, affordable housing, and small business assistance. Needs identified by contacts include affordable housing loan products including rehabilitation loans for older housing, affordable basic banking products, support for financial education programs, loans to renovate vacant and abandoned properties to help stabilize neighborhoods, and financial support for small nonprofit organizations. One contact noted that there is a need for greater commitment and responsiveness from larger banks in the area. Contacts also noted that the area is seeing an increase in the immigrant populations from countries such as Africa, Asia, the Middle East, Mexico, and Vietnam. Philadelphia also has seen an influx of Puerto Ricans and Dominicans from NYC because they cannot keep up with the high cost of living in New York. Center City also is increasing in population. The contact also stated there is a need for support for programs that will allow these newcomers to become financially self-sufficient.

Providence-Warwick, RI-MA Multistate Metropolitan Area

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	368	12.77	20.92	37.23	28.26	0.82
Population by Geography	1,600,852	10.40	19.24	38.80	31.56	0.00
Owner-Occupied Housing by Geography	391,560	3.99	12.94	44.73	38.34	0.00
Business by Geography	95,251	9.04	16.50	39.71	34.67	0.10
Farms by Geography	2,587	3.52	8.16	38.11	50.21	0.00
Family Distribution by Income Level	400,698	22.56	16.87	20.08	40.49	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	158,004	18.04	27.09	36.28	18.59	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		70,496 73,100 13%	Median Housing Value Unemployment Rate-Dec 2016		301,214 4.1%	

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The Providence-Warwick, RI-MA MMA (Providence MMA) is comprised of Bristol County in Massachusetts and Bristol, Kent, Newport, Providence, and Washington counties in Rhode Island. The area contains the principal cities of Providence and Warwick, RI. SBNA includes this entire MSA in the AA. The 2016 FFIEC adjusted median family income for this area is \$73,100 with approximately 13 percent of households living below the poverty level. According to the National Association of Realtors as of December 30, 2016 the median sales price of a single family home in the area was \$301,214.

According to the June 30, 2016 FDIC Summary of Deposit Market Share report, SBNA has \$3.6 billion in deposits in this AA representing 6.2 percent of its total deposits. The local banking environment is competitive with 30 FDIC-insured institutions operating 416 branches. SBNA ranked third in deposit market share with 9.3 percent. Citizens Bank ranked first with 28.7 percent of deposit market share, followed by Bank of America with 24.3 percent. In addition to FDIC-insured institutions, this area is served by several credit unions, mortgage lenders and brokers, and money service businesses.

Providence's aging housing stock (58 percent of all houses in Providence were built before 1940), high number of absentee landlords and resource poor property owners generated an LMI housing stock in need of maintenance. The economic downturn and foreclosure crisis compounded this situation creating visible blight in some of the city's more vulnerable LMI neighborhoods. Approximately 40 percent of the renters and homeowners in Providence spend more than 30 percent of their annual income on housing. Providence is unique in that the average cost burden of owning a home in the city is less than the cost burden of renting a home. According to Housing Works RI, the average monthly housing payment for Providence (excluding the East Side) is \$866 compared to an average monthly rent for a 2-bedroom apartment of \$1,100. Unfortunately, many households that may want to purchase a home lack savings for a down payment and/or suffer bad credit.

The area's major industries include healthcare, tourism, and manufacturing. Some of the largest employers include Lifespan, Care New England, CVS Health Corp, Citizens Financial Group, General

Dynamics Electric Boat, and Brown University. General Dynamics Electric Boat has doubled its workforce in the area in the last five years and within the last year has added 1,500 jobs. Amazon also recently opened a 1 million square foot distribution center in Fall River, MA which currently employs approximately 1,000 individuals.

Despite the Great Recession, the economic crisis in Providence represents the culmination of decades old trends. Since 1990, total employment in Greater Providence has increased by a mere 2.8 percent compared to 28.9 percent nationally during the same period. Even in 2006 (just prior to the recession) employment was only 5.0 percent higher than it had been in 1990. Similarly, since 1990 the Providence MMA's GDP has had an average annual growth rate of 1.63 percent compared to 2.25 percent nationally. Like many other older industrial cities across New England, Providence has seen a sharp decline in manufacturing employment over the past two decades.

In addition, during the recession nearly half of the jobs lost in the region were middle-wage jobs paying around \$50,000 a year. Of the jobs created since the recession, about two-thirds are low-wage paying near the state minimum of \$9 an hour. It is important to note that by virtually all economic measures, the region's LMI workers of color fare disproportionately worse than their white counterparts. Providence County hosts one of the nation's most rapidly expanding Latino populations. Attracted by the region's affordability and an accessible supply of low-skilled jobs, between 1990 and 2010 the Latino population increased from 45,752 to 130,655. Local and state policy makers have initiated efforts to address the region's identified "skills gap." Providence needs strategies to build the skills and competencies of its workforce and enable them to secure higher skilled/wage jobs in the region's current and future economy.

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

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

According to the U.S. Census Bureau, Rhode Island's overall homeownership rate is 60 percent. However, with a 67 percent homeownership for whites and 32 percent for non-whites, the State has the lowest non-white homeownership rate in the country. LMI communities have been disproportionately impacted by unemployment and foreclosure in the wake of the housing crash in 2008. While economic

conditions have improved for some groups, wage growth has stagnated for LMI workers, making it more difficult for them to qualify for mortgages.

On the surface the Providence economy appears diverse with a wide range of businesses and anchor institutions, each contributing to the vitality of the regional economy. A decade ago Providence was marketing itself as an affordable alternative to Boston and New York. Although this strategy was effective before the recession, the less diversified Rhode Island economy lacks the new innovation sectors that were critical to the recovery of nearby Boston. Rhode Island's economic growth is forecast to improve but trail the region and nation during the next three years. There is an urgent need to foster economic and business development across the Providence MMA through the retention and expansion of existing businesses and the incubation and attraction of new businesses. Economic and community development strategies that target historically marginalized LMI individuals and communities are needed.

State of Connecticut

Hartford-East Hartford MSA

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	290	15.86	14.48	39.31	28.28	2.07
Population by Geography	1,212,381	11.76	13.99	41.64	31.30	1.31
Owner-Occupied Housing by Geography	323,477	3.56	11.13	46.70	38.61	0.00
Business by Geography	88,017	9.33	10.99	41.83	37.46	0.39
Farms by Geography	2,678	2.80	6.83	43.61	46.71	0.04
Family Distribution by Income Level	310,244	21.35	16.97	22.11	39.57	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	118,886	21.38	20.77	39.09	18.74	0.01
Median Family Income		82,299	Median Housing Value		257,503	
FFIEC Adjusted Median Family Income for 2016		86,000	Unemployment Rate (Dec 2016)		3.9%	
Households Below Poverty Level		9%				

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

The Hartford-East Hartford MSA is comprised of Hartford, Middlesex, and Tolland counties and contains the principal cities of Hartford, West Hartford, East Hartford, and Middletown, CT. The bank defines the entire MSA as its AA. The 2016 FFIEC median family income for this MSA is \$86,000 with approximately 9 percent of households living below the poverty line. The median home value in the AA was \$257,503.

SBNA has \$1.7 billion in deposits in this AA representing 3 percent of its total deposits. The local banking environment is competitive with 30 FDIC-insured institutions operating 378 branches. SBNA ranked ninth in deposit market share with 4.0 percent. Bank of America led in deposit market share with 42.9 percent followed by Webster Bank (10.0 percent) and TD Bank (6.8 percent).

The area’s major industries include financial services, healthcare, and state government. The largest employers in the area include Aetna, Hartford Financial Services Group, Eversource, Hartford Hospital, and Connecticut state government. The unemployment rate in the AA as of December 2016 was 3.9 percent compared to the statewide rate of 4.4 percent.

Workforce development needs are concentrated in LMI areas in the Hartford MSA, particularly the city of Hartford. The city of Hartford’s jobless rate is more than twice that of the national average, and while 100,000 jobs are located in Hartford, only a quarter of them are held by Hartford residents. Hartford’s population peaked at 177,391 in 1950. With the loss of industry and the growth of surrounding suburbs, Hartford’s population steadily decreased beginning in the second half of the twentieth century.

Unemployment is a major issue for Hartford residents. Eighty-one percent of all Metro Hartford workers commute. People commuting from the suburbs fill 83 percent of the city’s 121,000 jobs and 65 percent of city residents commute to jobs in the suburbs. Seventy-five percent of out-commuting city

residents earn less than \$40,000 per year. Skilled jobs characterize the present and future expansion of the city of Hartford's economy, particularly in the region's growth sectors of health care, education, science, and technology. Workers in the city face significant obstacles entering the pipeline to access well-paying jobs right in their own backyard. Only 10 percent of the jobs in Hartford's largest industry sectors (insurance and state government) are held by city residents. The future skills pipeline prospects remain dim for this population.

The city's Economic Development Department-Corporate Development Division focuses on working closely with industrial companies, commercial service firms, chain retailers, and large housing developers on projects that retain and create new jobs and attract investment in the city. The city of Hartford recently broke ground on \$350 million Downtown North (DoNo), a new mixed-use neighborhood that will serve as an economic catalyst, immediately providing more than 1,800 jobs during construction and sustained employment in excess of 1,000 jobs at full development. Because city residents largely lack the skills and education necessary for the higher skilled jobs, city stakeholders are reacting to this economic picture by focusing on job readiness, job training, and entrepreneurial programs.

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

As part of the examination, OCC staff completed a community contact with an organization focused on affordable housing and community development issues. The contact noted that the Frog Hollow neighborhood, which is located just four blocks from the state Capital building in Hartford is one of the poorest neighborhoods in the state of Connecticut. The neighborhood has an unemployment rate that is probably four times higher than the statewide average. There is ongoing need for investment in the neighborhood that will help to revitalize and stabilize the area without causing displacement for LMI residents. The contact also noted that many residents are housing cost burdened, spending more than 30 percent of their income to cover housing related expenses. In the greater Hartford area more than 30 percent of households have incomes below the "survival budget," meaning they do not earn enough to meet basic day to day living expenses. Due to childcare and housing costs, which for many low-income families are their largest household expenses, families are forced to make choices among other necessities such as transportation, healthcare, and food. There is a need for support for programs that will help lead to family economic stability.

Hartford's affordable housing problems are most severe within the city. City of Hartford LMI residents often have to choose between competing problems of housing cost and quality. More than a quarter (29 percent) of city households have severe housing cost burdens, paying more than 50 percent of their income on housing, while 20 percent of Hartford households pay between 30 percent and 50 percent of their income on housing. Other common burdens include cost-related overcrowding in individual units and sub-standard housing that lacks adequate kitchen and/or bathroom facilities. In addition, Hartford's housing stock is aging. Nearly 40 percent of units were built before 1940. Many are in need of major maintenance and have a high incidence of lead-based paint. With so many cost-burdened renters, the inability to raise rents creates a disincentive for landlords to invest in their properties, many of which are deteriorating.

Finally, Hartford's LMI residents have limited homeownership opportunities. According to Hartford's Consolidated Community Development Plan, 75 percent of Hartford's housing stock is renter-occupied, while 64 percent of housing in the greater metro area is owner-occupied. This discrepancy is mostly a reflection of the city's lower income levels. The majority of the city's rental housing stock is found in traditional apartment buildings, six-unit apartment buildings (perfect sixes), three-deckers, and more modern apartment clusters. Homeownership remains out of reach for many of the city's LMI residents because real income levels have not risen in the city since 2000, while rents rose by 11 percent and median home values rose by 54 percent after accounting for inflation. A series of steps are needed to improve the housing conditions for the city's LMI residents that increase the range of choice at all income levels. These include creating affordable homeownership opportunities and assisting first time homebuyers to buy market rate homes; the construction of affordable and mixed income housing construction that breaks up poverty concentrations; and the support and financing of efforts to maintain and revitalize residential neighborhoods (including demolition and rehabilitation of distressed properties).

There are a number of revitalization efforts underway in downtown Hartford as well as citywide initiatives to spur the expansion of the city's major government, health care, and education sectors. As these efforts progress, there is a need to ensure benefits flow to the city's LMI neighborhoods and residents gain greater access to employment and wealth-building opportunities. While the Capitol Region Council of Government's regional plan focuses on the development of the entire MSA, the city's core LMI neighborhoods have the greatest need and require special attention. In fact, the region's long-term economic success depends on it. The high percentage of out-commuters underscores the limits of local opportunities. The regional development plan emphasizes that the need to attract large businesses must not overshadow the need to support and incubate the city's small businesses and entrepreneurs, and this is particularly true at the neighborhood level. A new University of Connecticut Greater Hartford Campus currently being developed will introduce a major university presence downtown, increasing the commercial demands and presenting new development opportunities at all levels. It is estimated that a \$1.1 million retail opportunity will be created in the immediate vicinity of the new campus location. The Connecticut Economic Resource Center conducted stakeholder focus groups in Hartford that illuminated untapped opportunities to integrate local businesses into the supply chains of the public, education, and health sectors.

Commonwealth of Massachusetts

Barnstable MSA

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	56	1.79	14.29	73.21	10.71	0.00
Population by Geography	215,888	1.41	11.66	74.54	12.39	0.00
Owner-Occupied Housing by Geography	78,880	0.31	10.20	77.20	12.29	0.00
Business by Geography	20,135	7.69	14.73	65.16	12.43	0.00
Farms by Geography	756	1.85	9.92	76.32	11.9	0.00
Family Distribution by Income Level	61,766	18.53	18.50	23.54	39.43	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	22,872	2.19	16.51	73.67	7.63	0.00
Median Family Income		75,056	Median Housing Value		436,011	
FFIEC Adjusted Median Family Income for 2016		77,100	Unemployment Rate-Dec 2016		4.2%	
Households Below Poverty Level		8%				

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The Barnstable MSA consists of Barnstable County in Massachusetts and contains the cities of Barnstable, Bourne, Brewster, Chatham, Dennis, Eastham, Falmouth, Harwich, Mashpee, Orleans, Provincetown, Sandwich, Truro, Wellfleet, Yarmouth, and Yarmouth. The bank has designated Barnstable County portion of the MSA as its AA. The 2016 FFIEC estimated median family income for this AA is \$77,100 with approximately 8 percent of households living below the poverty level. According to the National Association of Realtors, as of December 2016 the median sales price of a single family home in the AA was \$436,011.

According to the June 30, 2016 FDIC Summary of Deposit Market Share report, SBNA has \$429 million in deposits in this AA representing one percent of its total deposits. The local banking environment is very competitive with 11 FDIC-insured institutions operating 111 branches. SBNA ranked seventh in deposit market share with 5.71 percent. The Cape Cod Five Cents Savings Bank has the largest deposit market share with 29.20 percent, followed by TD Bank with 15.08 percent, Bank of America with 11.29 percent, and Rockland Trust Company with 9.65 percent. The area is also served by several credit unions.

Cape Cod has higher than average housing costs, driven by the second homeowner real estate market and limited land, that have outpaced the incomes of year-round residents. An in-migration of more affluent retirees and second homeowners drives up housing costs, while the retail trade and seasonal tourism based economy produces lower wages. Despite having more affordable housing units than other towns on the Cape, the seasonal nature of the local economy creates a shortage of available rental housing.

According to the American Community Survey, 45 percent of households in Barnstable face housing cost burdens, including 59 percent of renters. Numbers are higher in the village of Hyannis, which has close to half of the county's rental properties. Renters have a particularly hard time in Barnstable, with vacancy rates as low as 1 percent, compared to a healthier vacancy of about seven percent countywide. In addition, the mean renter wage is \$7 lower than the state's mean renter wage of \$17.47 but with a

higher median rent of \$1,112 compared with the state median rent of \$1,056.

Barnstable's seasonal economy presents the greatest challenge to LMI workers and job seekers. The education level of the Cape Cod population is relatively high. The share of the region's civilian labor force with some post-secondary education (70.2 percent) actually exceeded the share in Massachusetts overall (67.8 percent). But demographic shifts and an aging population have created a projected shortfall for younger educated workers who leave the region in droves due to the lack of career opportunities and affordable housing.

Cape Cod Healthcare is the region's largest employer. With a significant aging and retired population, Cape Cod's Comprehensive Economic Development Strategy projected long-term employment growth for health care workers (nurses, orderlies, medical assistants, medical secretaries, physicians, and surgeons) and eldercare services (personal and home care aides, home health aides, social and human services assistants). With a captive well-educated population, general services (sales representatives, wholesale and manufacturing, customer service representatives) is another area targeted for employment growth. Workforce training, mentoring, and placement services are needed across the Cape to provide career and advancement opportunities for Barnstable's LMI workforce in the growth sectors of the future.

In Massachusetts, affordable housing (purchase and rental) is available to those earning less than 80 percent of adjusted median family income. The lack of affordable housing is a countywide problem. Barnstable's greatest housing needs are the creation of more affordable housing units for both purchase and rent. Barnstable's affordable housing priority needs include acquisition to increase the number of units, direct homeowner assistance, rehabilitation to create or preserve affordable housing units for rent or homeownership, and tenant-based rental assistance. In addition, in a region dominated by single-family houses, there is a need for the development of more multifamily affordable housing options. To alleviate rising LMI poverty concentrations in the Town of Barnstable and especially Hyannis, new affordable housing options also need to be developed countywide.

The travel and hospitality sectors are the area's largest, accounting for 21 percent of jobs, followed by health services (13 percent) and construction (8.2 percent). While health care is a large part of the Cape's economy, recruiting medical professionals to the region is difficult due to comparatively low wages, high housing costs, and limited job opportunities for spouses. Once a vibrant walkable community with a healthy mix of commercial and residential, the shift of economic activity to outlying strip malls has left Downtown Barnstable with an eroding economic base, high commercial vacancy, and increasing disinvestment. The cyclical nature of the tourism makes the local economy vulnerable to economic ups and downs that negatively impact the Town's LMI families.

Barnstable needs to expand and diversify its economic base beyond seasonal hospitality, retail, and services. Small business assistance programs are needed to revitalize the town's central business district. Although it lacks an industrial base and has significant logistical/infrastructure deficits, Barnstable needs to attract new year-round higher wage industries. With 73 research labs spread across the Cape, the local economic development authority is targeting the following industries for recruitment: marine, distribution, environmental/sustainable businesses, and services that cater to the area's growing retirement population.

Worcester MSA

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	172	8.72	21.51	41.28	27.33	1.16
Population by Geography	798,552	7.26	17.46	42.13	32.70	0.45
Owner-Occupied Housing by Geography	201,656	2.16	12.87	47.20	37.77	0.00
Business by Geography	47,986	8.60	17.11	38.71	35.53	0.04
Farms by Geography	1,355	1.85	7.45	45.68	45.02	0.00
Family Distribution by Income Level	201,905	20.60	16.47	21.91	41.03	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	74,839	12.99	26.32	41.28	19.42	0.00
Median Family Income		77,128	Median Housing Value		286,495	
HUD Adjusted Median Family Income for 2016		78,500	Unemployment Rate-Dec 2016		2.9%	
Households Below Poverty Level		10%				

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

The Worcester MSA consists of Windham County in Connecticut and Worcester County in Massachusetts and contains the principal city of Worcester, Massachusetts. The bank has designated the Worcester County portion of the MSA as its AA. The 2016 FFIEC estimated median family income for this AA is \$78,500 with approximately 10 percent of households living below the poverty level. According to the National Association of Realtors, as of December 2016 the median housing value in the AA was \$238,600.

SBNA has \$1.3 billion in deposits in this AA representing 2.3 percent of its total deposits. The local banking environment is very competitive with 42 FDIC-insured institutions operating 267 branches. SBNA ranked fifth in deposit market share with 7.5 percent. Bank of America has the largest deposit market share with 13.6 percent, followed by Commerce Bank & Trust with 9.8 percent, UniBank for Savings with 8.9 percent, and TD Bank with 8.4 percent. The area is also served by several credit unions.

High housing cost burdens are the most significant problems affecting both renter and owner-occupied households in the MSA due to increasing rents and home values. The effects of high housing cost burdens are most pronounced among lower income households. The percentage of renters with housing cost burdens greater than 30 percent of their household income was 68 percent, and the percentage of renters with housing cost burdens of greater than 50 percent of household income was 53.8 percent. For homeowners, the percentage with housing cost burdens greater than 30 percent of household income was 86 percent, and the percentage of owners with housing cost burdens greater than 50 percent of household income was 66.5 percent.

At 5 percent, the unemployment rate in the city of Worcester is lower than the national average, but remained slightly higher than the state average of 4.5 percent. Education and health services have the biggest share of the local job market, employing almost half of all workers in the city and almost a third of the workers in the county. With nine colleges and universities, recent downtown campus expansions represent an attempt to remake Worcester into a college city that can attract 21st century industries capable of leveraging its knowledge capital. Likewise, the healthcare industry is projected to grow in Worcester due to expanded demand for healthcare services from an insured and aging population. This

has both advantages and disadvantages. The primary advantage is that these industry sectors are relatively stable and expanding. The primary disadvantage is that the jobs created by these sectors are not a direct match for the skills of the city's target LMI population.

Many of the new, better paying jobs created in both these sectors will require an associate's degree or higher. Despite the prevalence of colleges and universities in the area, only 29.8 percent of Worcester's residents have a bachelor's degree or higher, compared with 39 percent of Massachusetts residents. An increasing number of recent immigrants and new Americans in the area have limited English skills that impact their employment choices. According to the 2012 American Community Survey, 33.9 percent of Worcester residents speak a language other than English and 52.1 percent of those residents speak English less than "very well." The young adult and older workers age groups have faced great challenges in finding work since the 2008 recession. Experienced, middle-age workers with no post-secondary education struggle to find jobs with pay comparable to their pre-recession positions. Youth in Worcester represent only 13.1 percent of the workforce, but account for 24.8 percent of the unemployed in the region. The unemployment rate is highest for those specifically between the ages of 16 and 18, at 26.3 percent.

Workforce training and access to education in the city of Worcester needs to be stronger to locally support some of the new jobs being created in the education and health services industries. Creating strategies to increase youth employment is a top priority for the region. In particular, efforts need to create stronger linkages between LMI communities and local colleges and universities to improve educational attainment and pathways to training and employment opportunities.

Other industries are manufacturing and retail trade. The largest employers in the area include University of Massachusetts Health Care, University of Massachusetts Medical School, Fallon Clinic, Reliant Medical Group, Saint Vincent's Hospital, MAPFRE USA Group, and BJ's Wholesale Club.

The level of opportunity to participate in community development activities is good. Several nonprofit housing agencies, community development agencies and regional CDFI's serve the area.

As part of the examination process, OCC staff reviewed contacts completed during the review period in conjunction with CRA examinations of other institutions operating in the area. These contacts were with organizations focused on housing, economic/community development, and social services in the Worcester area. According to the contacts, the current economic conditions of Worcester, MA are poor. The main issue city residents are currently experiencing is the lack of affordable housing. Low-income individuals are being displaced because developers are purchasing the properties and rent is increasing without the accompanying increase in income. Moderate and working class residents are now living where low-income individuals used to reside, displacing low-income renters. Other identified needs include funding to assist with the rehabilitation of older owner-occupied properties, rental housing assistance, housing counseling, support for self-sufficiency programs, and support for lending programs for small businesses that do not meet traditional lending guidelines. Contacts also noted that many public facilities in the area such as community centers, health and education facilities, homeless shelters, and youth centers are in need of updates.

The demand for affordable housing continues to increase, while the supply remains virtually unchanged in the city of Worcester. Currently, there are more than 12,300 families on the Worcester Housing Authority's combined public and leased housing waiting lists and 10,650 applicants on the waiting list for Section 8 housing vouchers. This situation is projected to worsen in the foreseeable future. High

housing cost burdens are the most significant problems affecting both renter and owner-occupied households in the MSA due to increasing rents and home values.

In addition, a large percentage of Worcester's LMI families live in an aging housing stock. Forty-nine percent of owner-occupied and 58 percent of renter-occupied housing units were built prior to 1950. An average of 85 percent of the supply of multifamily properties, representing 35 percent of the multifamily housing stock, was built prior to 1940. LMI renters are disproportionately impacted by the aging housing stock, which translates into a high percentage of LMI children having elevated blood lead levels, and greater rehabilitation needs to address housing stock upkeep and continue to meet basic housing quality standards.

This combination of an aging housing inventory and increasing property values and rents creates a dynamic in which properties in LMI neighborhoods are vulnerable to gentrification/displacement, as investor-owners acquire properties and fail to make the necessary improvements even when rental income is sufficient to support them. Worcester LMI communities need continued investments that address the aging housing stock and deferred housing maintenance, and promote production of more quality housing options.

Downtown Worcester is undergoing a major transformation anchored by CitySquare, a \$565 million, multi-phased project in the heart of the city, one of the largest public-private development projects in the state. Although this transformative investment will have a revitalizing effect on the entire city, the degree to which the benefits of this investment will flow to the downtown adjacent LMI neighborhoods remains in question. In addition to downtown, there is a need to support neighborhood-level small business and economic development in the city's LMI neighborhoods. There is also a need to support programs that integrate neighborhood businesses into the supply chains of the city's university and hospital anchor institutions.

Support for programs directed at the city's substantial population of immigrant entrepreneurs can be an important strategy to encourage the expansion of neighborhood businesses. Worcester has more foreign-born residents (38,000) than any other Gateway city in Massachusetts. About 37 percent of all the city's business owners are immigrants, double the statewide rate. Thirty seven percent of Worcester's entrepreneurs are foreign born (compared to 21 percent statewide). National research on foreign-born business owners notes that these entrepreneurs are more likely to own a "Main Street business" than any other type of business. While the data for Worcester are not robust enough to support such a claim, the fact that the foreign born account for nearly one-third of all entrepreneurs in Worcester suggests that they may be more likely than natives to own such businesses.

State of New Hampshire

Manchester-Nashua MSA

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	86	9.30	22.09	48.84	18.60	1.16
Population by Geography	400,721	6.59	18.76	51.11	23.55	0.00
Owner-Occupied Housing by Geography	105,611	1.81	14.24	55.69	28.26	0.00
Business by Geography	27,495	12.13	14.48	48.54	24.41	0.43
Farms by Geography	754	2.79	9.95	57.43	29.84	0.00
Family Distribution by Income Level	104,907	18.88	18.83	23.63	38.65	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	39,569	10.18	26.27	48.45	15.10	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		81,794 83,100 7%	Median Housing Value Unemployment Rate-Dec 2016		265,701 2.6%	

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The Manchester-Nashua MSA is comprised of Hillsborough County, the largest county in the state, and includes the principal cities of Manchester and Nashua. The bank has designated the entire MSA as its AA. The 2016 FFIEC estimated median family income for this AA is \$83,100 with approximately seven percent of households living below the poverty level. According to the National Association of Realtors, as of December 2016 the median sales price of a single family home in the AA was \$265,701.

According to the June 30, 2016 FDIC Summary of Deposit Market Share report, SBNA has \$433.7 million in deposits in this AA representing 0.7 percent of its total deposits. The local banking environment is slightly competitive with 21 FDIC-insured institutions operating 101 branches. SBNA ranked fourth in deposit market share with 3.85 percent. Three institutions control 83.33 percent of the deposit market among FDIC-insured institutions serving the area. Citizens Bank has the largest deposit market share at 42.05 percent, followed by Bank of America with 22.81 percent and TD Bank with 18.47 percent.

The area's major industries include educational services, healthcare and social assistance; manufacturing; retail; and professional, scientific, management, and administrative services. The largest employers in the area include Fidelity Investments, BAE Systems North America, Elliot Hospital, Southern New Hampshire Medical Center, and Catholic Medical Center. The area also has a growing cluster of software development, telecommunications, and IT services. The unemployment rate as of April 2016 was low at 2.7 percent, comparable to the New Hampshire statewide rate of 2.6 percent.

Healthcare and social assistance are the largest job sectors in the Manchester economy, employing more than 21 percent of the workforce, followed by retail (17 percent), manufacturing (15 percent), and hospitality (11 percent). Over the past 20 years, the city has implemented several successful downtown revitalization efforts. There is a need to support neighborhood-level planning that encourages mixed-use development and a variety of housing opportunities, community centers, and commercial space. There is an opportunity to bring streetscape and facade improvement programs that have been successful in downtown Manchester to the neighborhood level.

The level of opportunity to participate in community development opportunities is good. Several nonprofit housing agencies, community development entities, and regional CDFIs serve the area.

As part of the examination, OCC completed a contact with an organization focused on affordable housing and community development. According to the contact, there is a limited supply of safe affordable housing for low and extremely low-income households in the area. Many low and extremely low-income households are competing for a very limited number of subsidized housing options that have long waiting lists. Further many homeless and chronically homeless individuals with multiple barriers to housing are left without options. Most LMI households are housing cost burdened. There is a need for support for programs to assist the homeless population.

Over the past 20 years, the city has implemented several successful downtown revitalization efforts. In order to continue to expand the local economy, Manchester needs to promote economic vitality not just in the city's downtown core, but also in the neighborhoods where LMI populations are concentrated.

Sixty percent of the city's workforce is employed in small businesses (fewer than 10 employees). There is a need to support small business development and retention, specifically at the neighborhood level through the expansion of business assistance programs, micro-enterprise, and revolving loan funds. This can be particularly useful in promoting economic empowerment among the city's new immigrant populations. In addition, there are 10 institutions of higher education in the region that can be leveraged to provide increased benefits to the local economy in terms of opportunities to better integrate the area's small businesses into the larger supply chains of healthcare and educational anchor institutions.

State of New Jersey

Trenton MSA

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	77	19.48	18.18	29.87	31.17	1.3
Population by Geography	366,513	13.57	16.01	31.9	38.00	0.52
Owner-Occupied Housing by Geography	87,700	6.87	14.10	36.68	42.35	0.00
Business by Geography	22,797	11.07	10.52	29.63	48.78	0.00
Farms by Geography	526	5.51	11.98	30.04	52.47	0.00
Family Distribution by Income Level	87,385	22.84	16.80	19.15	41.2	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	34,641	24.56	22.86	29.21	23.37	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		88,694 93,000 10%	Median Housing Value Unemployment Rate-Dec 2016		325,552 3.5%	

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The Trenton NJ MSA is comprised of Mercer County, and contains the principal city of Trenton, the state capital of New Jersey. The bank has designated the entire MSA as its AA. The 2016 FFIEC median family income for this MMA is \$93,000 with approximately 10 percent of households living below the poverty line. According to the National Association of Realtors, as of December 2016 the median sales price of a single family home in the AA was \$325,552.

According to the June 30, 2016 FDIC Summary of Deposit Market Share report, SBNA has \$710 million in deposits in this AA representing 1.2 percent of its total deposits. The local banking environment is competitive with 27 FDIC-insured institutions operating 144 branches. SBNA ranked seventh in deposit market share with 4.59 percent. Bank of America ranks first in deposit market share with 22.14 percent, followed by Wells Fargo with 14.04 percent, PNC Bank with 13.94 percent, TD Bank with 7.23 percent.

Despite a relative level of affordability, residential density remains low, indicative of decades of downward population trends. The increasing number of vacant properties in Trenton is a major impediment to economic growth. This situation is compounded by high crime rates, and a shortage of quality market rate housing and vibrant livable neighborhoods in the city's urban core. Trenton has more than its fair share of vacant and abandoned properties. A recent study by the Trenton Neighborhood Restoration Campaign found 6,300 vacant lots and 3,800 vacant buildings in the city, accounting for 23 percent of all properties. The survey also found that of the vacant properties, 948 lots and 340 buildings are city owned. The blighted properties and climate of abandonment creates a real and perceived elevation in the city's crime rates and deteriorating quality of life metrics. The future of Trenton's economic growth is dependent on its ability to add density and attract new market rate-paying residents to reverse the downward population and abandonment trend. Rejuvenating Trenton's housing real estate is key to addressing the city's density problems and making room for the 400-plus units of market rate, affordable, and mixed-use housing developments that are slated to break ground in downtown Trenton during the next two years.

Government is understandably the largest employment sector in Trenton, accounting for 27 percent of all jobs in the city. Unfortunately, with the city's 17.9 percent unemployment rate, few Trenton residents are employed in the 72,500 state government jobs. More than two thirds of Trenton residents leave the city for work, while more than four in five jobs in the city are held by persons who do not live in Trenton. Based on the regional economy and strategic location, Trenton should be able to attract cluster related business services to support state government, back-office operations for financial services companies who desire low-cost proximity to Manhattan and Philadelphia, and research and development (R&D) to capitalize on the proximity to Princeton, Rutgers, and the research universities in Philadelphia. In terms of existing office and business facilities in downtown Trenton, 90 percent of office space is currently owned or leased by government agencies, while much of the region's significant private sector employment and development remains entrenched in surrounding Mercer County. In addition to downtown, there is also a need to incentivize industrial and business development along the Route 1 Corridor, an ideal location for businesses able to benefit from the city's location and logistical assets.

In 2015, private sector, anchor institutional, and philanthropic stakeholders representing both the City and Mercer County formed the Greater Trenton Initiative, a collaborative, public-private economic development entity dedicated to revitalizing the city's downtown district. Their efforts will encompass a variety of national strategies to create a local environment that will incentivize the attraction of businesses and diversified industries back to the city's urban core.

Other major industries include healthcare, education, and financial services. The largest employers in the area include Princeton University, Merrill Lynch, Bristol Myers-Squib, Bank of America, and Capital Health System. The unemployment rate as of April 2016 was 4.4 percent, lower than the New Jersey statewide rate of 5.1 percent.

There are several opportunities in the area to participate in community development activities. There is an established network of community development nonprofits looking to partner with banks in the area. Trenton is the state capital and state government programs are headquartered there.

As part of the examination process, to better understand the needs and issues in the community, OCC staff completed a community contact with an organization focused on affordable housing. According to the contact, the city of Trenton has a high percentage of LMI residents when compared to other parts of the state. Foreclosures are still an issue and remain high. The housing stock is old and elderly homeowners find it difficult to keep large family homes that no longer meet their needs. With the older housing stock, energy efficiency and lead poisoning is an issue in Trenton. The state needs more starter and family rental homes. Residents would like a wider array of homes available that will meet the changing needs of communities. The contact noted that assistance is also needed for workforce development and job training programs for adults and youth.

The demographics of Trenton have been shifting. Within Trenton's boundaries there are small, street level commercial corridors scattered across its neighborhoods. In recent years, Trenton's historically Italian Chambersburg neighborhood has been experiencing a shift in its business environment reflective of the city's Latino population growth. As new Latino immigrants arrive in the neighborhood, the mix of neighborhood businesses, and business owners, along the commercial corridor has been shifting to meet the needs and preferences of the new population. As Trenton assembles strategies to recruit new large businesses and assist the existing small business base, concerted strategies are needed to ensure

that the growing numbers of Latino business owners are included in all aspects of the revitalization efforts.

Commonwealth of Pennsylvania

Reading MSA

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	90	20.00	10.00	51.11	18.89	0.00
Population by Geography	411,442	14.95	6.51	53.63	24.92	0.00
Owner-Occupied Housing by Geography	112,068	7.11	5.12	60.26	27.51	0.00
Business by Geography	22,965	10.18	7.88	54.6	27.33	0.00
Farms by Geography	1,082	1.2	5.36	67.74	25.69	0.00
Family Distribution by Income Level	106,995	20.50	17.37	23.18	38.95	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	40,516	26.91	9.59	49.13	14.37	0.00
Median Family Income		63,724	Median Housing Value		161,392	
FFIEC Adjusted Median Family Income for 2016		71,000	Unemployment Rate –December 2016		4.4%	
Households Below Poverty Level		11%				

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

The Reading, PA MSA is comprised of Berks County and contains the principal city of Reading, the fifth largest city in Pennsylvania. The bank has designated the entire MSA as its AA. The 2016 FFIEC median family income for this MSA is \$71,000 with approximately 11 percent of households living below the poverty line. According to the National Association of Realtors, as of December 2016 the median sales price of a single family home in the AA was \$161,392.

According to the June 30, 2016 FDIC Summary of Deposit Market Share report, SBNA has \$4.9 billion in deposits in this AA representing 8.3 percent of its total deposits. The local banking environment is competitive with 18 FDIC-insured institutions operating 130 branches. SBNA ranked first in deposit market share with 32.7 percent, followed by Customers Bank with 24.09 percent, Wells Fargo with 10.94 percent, and Branch Banking and Trust Company with 10.63 percent.

The area’s major industries include manufacturing, education, professional and business services, and retail trade. The largest employers in the area include East Penn Manufacturing Co., Reading Hospital and Medical center, Carpenter Technology, and Boscov’s Department Store.

Programs are needed to address the problem of the city’s job skills and geographic mismatch. The gap between the majority skills demanded by current and future employers and the skills many LMI residents possess is widening. A wide range of training and related services are required to meet the needs of job-seekers if the city hopes to achieve its economic development goals. There is a need to build and support programs that address the strategic skill gaps, ameliorate the deficiencies in educational attainment, and produce the higher skilled workforce required by a competitive economy.

Reading’s greatest challenge is lagging educational attainment and job readiness. Youth programs that encourage high school completion and/or GED preparation are critical to improving school retention and completion rates in the Reading School District. One of the underlying barriers to employment for low-income residents in Reading is English language acquisition. Not surprisingly, Reading has the highest percentage (18.5 percent) of English Language Learners in the commonwealth of Pennsylvania.

For Reading, economic development is workforce development. Berks County and Greater Reading face a host of workforce-related challenges. Although the lower cost of living, especially housing costs, provides the city with a slight competitive advantage, it also serves as a magnet for lower skilled/educated populations, which is not necessarily an ideal match for the expanding innovative industry sectors of the future. There is a need to build and support programs that address the strategic skill gaps, ameliorate the deficiencies in educational attainment, and produce the higher skilled workforce needed to keep the economy competitive and growing.

There are opportunities in Reading to participate in community development activities. The area is served by several nonprofit entities, community development entities, and governmental and quasi-governmental entities that are focused on areas such as affordable housing, economic development, asset development and financial education, community services, and youth programs. All of these entities are open to partnership opportunities with area financial institutions.

In order to better understand current needs in the community, OCC staff completed a contact in Reading with an organization focused on helping LMI individuals meet basic needs and obtain financial sustainability. The needs identified by the contact include workforce development and job training services, access to reliable and affordable transportation, access to safe and affordable housing, and support for programs that address addiction issues.

Due to low housing values in Reading, classic affordable housing is not a critical need in Reading. While some families experience cost burdens for rental housing, these cost burdens are generally caused by low incomes not high rents. However, these low cost characteristics have worked to the city's disadvantage. Reading has been targeted by absentee real estate investors seeking to profit from purchasing and holding low cost housing in anticipation of future gain. The worst of these investors have been skilled at "gaming" the code enforcement system, which until recently had not been organized to defend the city's communities against negligent property owners. During a prior mayoral administration, code enforcement was almost nonexistent creating an unregulated environment that saw large-scale multifamily conversions, illegal property use, and lapsed health and safety hazard monitoring.

The main housing related community need in Berks County is the reduction in vacant and the demolition of blighted housing stock. The city of Reading has made commercial façade redevelopment and housing renovation key priorities in its 2014 Housing and Community Development Strategic Plan.

Reading faces two fundamental challenges in terms of spurring entrepreneurship: low rates of new business formation and low growth rates for businesses after start-up. Reading is economically characterized by having a low concentration of businesses in LMI census tracts (17.86 percent vs. 22.58 percent in all of the Bank's AAs). Without a dynamic base of local entrepreneurs, the long-term competitiveness of the region suffers. New firms bring new ideas and dynamism to the local economy by creating jobs and wealth for their owners, their workers, and for the wider economy. While Berks County's performance on various measures of small business dynamism was relatively weak over the 2000-2010 decade, more recent data found that the Reading MSA outperformed all MSAs in Pennsylvania and was among the top performers in the entire Northeast region. In addition, Latino-owned businesses are the fastest growing business group in the city and now account for 27.2 percent of the 4,568 businesses.

Berks County economic and business development stakeholders have identified the need for the creation of a culture of entrepreneurship to improve the region's economic competitiveness. There is the need for a diverse infrastructure to support start-ups and small business owners across the region. In addition to incubators, and financial and technical assistance programs, deliberate strategies are needed to insure the extension of existing and future small business and entrepreneurships services to the city's business and entrepreneur community.

Harrisburg-Carlisle MA

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	124	5.65	25.00	47.58	20.97	0.81
Population by Geography	549,475	4.57	19.81	50.67	24.32	0.63
Owner-Occupied Housing by Geography	152,997	2.23	15.17	54.84	27.76	0.00
Business by Geography	38,585	2.69	24.62	46.64	26.03	0.02
Farms by Geography	1,266	0.32	13.74	65.09	20.85	0.00
Family Distribution by Income Level	140,552	19.15	18.42	23.05	39.39	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	52,801	8.55	25.22	51.88	14.34	0.00
Median Family Income		69,389	Median Housing Value		158,594	
FFIEC Adjusted Median Family Income for 2016		72,500	Unemployment Rate –December 2016		3.9%	
Households Below Poverty Level		9%				

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The Harrisburg-Carlisle MSA is comprised of Perry, Dauphin, and Cumberland counties in Pennsylvania’s Susquehanna Valley. It contains the principal city of Harrisburg, the state capital of Pennsylvania. The bank has designated the entire MSA as its AA. The 2016 FFIEC median family income for this MSA is \$72,500 with approximately 9 percent of families living below the poverty line. According to the National Association of Realtors, as of December 2016 the median sales price of a single family home in the AA was \$158,594.

According to the June 30, 2016 FDIC Summary of Deposit Market Share report, SBNA has \$511 million in deposits in this AA representing 0.9 percent of its total deposits. The local banking environment is competitive with 26 FDIC-insured institutions operating 197 branches. SBNA ranked 11th in deposit market share with 3.78 percent. Manufacturers and Traders Trust Company is first in deposit market share with 16.92 percent, followed by PNC Bank with 15.83 percent, Wells Fargo with 10.58 percent, and First National Bank of Pennsylvania with 9.66 percent.

Harrisburg suffers from a significant housing affordability gap and an aging housing stock in need of either rehabilitation or demolition. Since the 2008 Recession, the housing market has been slow to recover with home prices remaining well below the pre-recession peak. Despite relatively low housing costs, 46 percent (31 percent of homeowners and 56 percent of renters) of households in the city of Harrisburg are cost-burdened (30 percent or more of household income going to housing costs).

The Harrisburg region has experienced sector growth in recent years that has increased the supply of quality jobs. However, there is a mismatch in terms of both geographic location of jobs and existing skill sets of the city’s LMI population. As the state capital, government is a major employer in Harrisburg that provides stable living wage employment. Workers who commute from outside of the city however fill many of the city’s government jobs. This in-commuting pattern exists across nearly all of the city’s most vibrant employment sectors. A recent analysis of the U.S. Census Bureau and State employment data found that of the city’s 48,704 jobs, 44,289 are filled by commuting, noncity residents. Only 4,415 people both live and work in the city of Harrisburg.

On the other hand, there are a number of jobs with the potential to provide decent employment opportunities for LMI city residents within Harrisburg's county. Distribution, transportation, and warehousing are growing industry sectors, thanks to its legacy highway and rail infrastructure logistics. As e-commerce has grown, fulfillment centers and shipping have become expanding sources of employment. For example, Amazon's fulfillment center located outside Carlisle has become a significant regional employer that offers well-paying jobs ideal for LMI workers. However, Amazon has trouble filling positions due to the city's poor public transportation infrastructure (particularly between the city and its county), which makes most jobs only available to people with access to cars.

The healthcare sector is a major high skills employer thanks to a number of hospitals and research facilities in the region. Unfortunately, according to the (2012-2013 academic year) Pennsylvania Department of Education statistics, Harrisburg had the lowest high school graduation rate (38 percent) of the state's large urban school districts. Many of the city's LMI youth in particular are not prepared to take advantage of the region's current and future skilled labor market opportunities.

Programs are needed to address the problem of the city's job skills and geographic mismatch. The gap between the majority skills demanded by current and future employers and the skills many LMI residents possess is widening. A wide range of training and related services are required to meet the needs of job seekers if the city hopes to achieve its economic development goals. There is a need to build and support programs that address the strategic skill gaps, ameliorate the deficiencies in educational attainment, and produce the higher skilled workforce required by a competitive economy.

The area's major industries include administrative and support services, healthcare, government, and professional services. The largest employers in the area include Hershey Medical Center, Giant Food Stores, Hershey Entertainment and Resorts Co., the Hershey Company, and Walmart. The unemployment rate as of April 2016 was 4.2 percent, slightly lower than the Pennsylvania statewide rate of 5.5 percent.

The area is served by several community development entities, including community development corporations, nonprofit entities, and governmental and quasi-governmental organizations focused on areas such as affordable housing, community and economic development, and community services.

As part of the examination process, OCC staff completed a community contact for Harrisburg with an organization focused on affordable housing and community development. The contact noted that there is a need in the area for decent affordable housing, including homeownership opportunities as well as rental assistance for very low-income households. The contact also noted that there is a need to support programs that will help to alleviate homelessness. The contact also noted that the working age population in the area is declining and that most job growth is occurring in low wage jobs. One of the largest employers in the area is a department store. Given the recent trends in retail, there is growing concern as to how the growing shift to online shopping may potentially impact this major employer and the local economy.

LMI households in the Harrisburg-Carlisle MSA are concentrated in older neighborhoods with higher inventories of substandard housing and overcrowding. The city has 1,623 families on the waiting list for public housing. Harrisburg also has an aging housing stock that includes many blighted, vacant, and abandoned properties. About half of housing units in Harrisburg were built before 1940 and 76 percent were built before 1960, leaving many units in need of significant repair and high lead paint risks. Fifteen percent (3,666) of the housing units in the city are vacant, contributing to neighborhood blight

and underinvestment. The city has taken ownership of hundreds of buildings through its Vacant Property Rehabilitation Board. Unfortunately, with a demolition cost of \$80,000 per property, the city lacks the resources needed to parcel properties for development.

Harrisburg needs several strategies to stabilize LMI neighborhoods and provide more quality affordable housing options to residents. The city needs resources to continue its efforts to demolish abandoned and blighted properties and assemble parcels for redevelopment. In places where rehabilitation is possible, there is a need to reclaim and make vacant and deteriorating structures available to LMI residents for purchase to incentivize the development of more affordable housing units. These efforts need to be pursued in conjunction with programs designed to increase homeownership opportunities for LMI renters, by providing workshops to homebuyers and providing assistance to families in the form of down payment and closing cost assistance.

For many years, corrupt leadership and fiscal mismanagement crippled Harrisburg's revitalization efforts. The municipal disarray that peaked in 2010-2011 cast a shadow over the city and even disqualified the municipality for some development assistance. After years of inactivity, businesses, retailers, and restaurants are returning to Harrisburg. For the first time since 1974, Harrisburg released a comprehensive plan that includes numerous efforts to support small and medium sized business development in the city. The Plan includes the redevelopment of the vacant William Penn High School for mixed use and the creation of a business accelerator, the transformation of the mostly abandoned "Market Slope" neighborhood into a mixed-use commercial corridor, and the creation of multiple startup incubators and makerspaces. State and federal grants are also slated to transform the Harrisburg Transportation Center into a commuting hub and business location. Other centers of development include the 155 year-old Broad Street Market and Strawberry Square near the Capitol.

Such revitalization projects are promising signs of growth, but steps must be taken to ensure new development benefits local residents and LMI populations. Such efforts should include capital for new small businesses led by LMI residents, as well as funding for existing local micro-enterprises to expand. These firms need support so that they can contribute to the revitalization of LMI neighborhoods and occupy and maintain storefronts and other vacant commercial properties that otherwise would be vacant.

Appendix D: Tables of Performance Data

Content of Standardized Tables

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

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

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

housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

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

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

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

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

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

Tables of Performance Data

Multistate Metropolitan Areas

Boston

New York

Philadelphia

Providence

State of Connecticut

Commonwealth of Massachusetts

State of New Hampshire

State of New Jersey

Commonwealth of Pennsylvania

Table 1. Lending Volume

Geography: MULTISTATES												Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016	
Assessment Area (2016):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***	
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)		
Full Review:													
Boston-Rockingham MA-NH MSA	100.0	8,679	3,005,215	9,002	752,904	1	93	23	54,948	17,705	3,813,160	100.0	
NY-Newark-Jersey City NY-NJ-PA MMSA	100.0	8,529	4,180,292	13,530	1,394,817	0	0	115	539,487	22,174	6,114,596	100.0	
Philadelphia-Camden-Wilmington MMSA	100.0	3,464	1,374,978	4,534	470,770	0	0	28	136,433	8,026	1,982,181	100.0	
Providence RI-MA MMSA	100.0	3,109	680,496	3,412	276,454	0	0	8	29,301	6,529	986,251	100.0	

* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.
 ** The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.
 *** Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2 - Geographic Distribution of Home Purchase Loans

Geography: MULTISTATES														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Boston-Rockingham MA-NH MSA	3,668	100.0	3.14	7.99	12.96	16.58	48.19	41.09	35.71	34.35	4.47	14.02	48.06	33.45			
NY-Newark-Jersey City NY-NJ-PA MMSA	4,485	100.0	2.34	2.61	13.40	12.82	35.49	29.28	48.77	55.30	2.79	13.66	33.71	49.84			
Philadelphia-Camden-Wilmington MMSA	1,534	100.0	3.54	2.15	18.67	12.78	42.33	38.01	35.46	47.07	2.18	17.53	42.74	37.54			
Providence RI-MA MMSA	1,217	100.0	3.99	4.52	12.94	15.45	44.73	38.87	38.34	41.17	4.60	13.58	44.59	37.23			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 3 - Geographic Distribution of Home Improvement Loans

Geography: MULTISTATES														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Boston-Rockingham MA-NH MSA	244	100.0	3.14	6.97	12.96	15.57	48.19	42.21	35.71	35.25	2.83	11.08	46.78	39.31			
NY-Newark-Jersey City NY-NJ-PA MMSA	208	100.0	2.34	2.40	13.40	11.06	35.49	28.85	48.77	57.69	2.22	11.71	33.21	52.86			
Philadelphia-Camden-Wilmington MMSA	105	100.0	3.54	2.86	18.67	15.24	42.33	31.43	35.46	50.48	3.08	16.54	42.99	37.40			
Providence RI-MA MMSA	69	100.0	3.99	4.35	12.94	11.59	44.73	43.48	38.34	40.58	2.93	11.24	42.44	43.40			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 4 - Geographic Distribution of Home Mortgage Refinance Loans

Geography: MULTISTATES														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Boston-Rockingham MA-NH MSA	4,750	100.0	3.14	3.43	12.96	11.18	48.19	41.20	35.71	44.19	3.20	12.07	46.96	37.77			
NY-Newark-Jersey City NY-NJ-PA MMSA	3,138	100.0	2.34	2.23	13.40	10.83	35.49	24.38	48.77	62.56	2.25	10.53	30.81	56.41			
Philadelphia-Camden-Wilmington MMSA	1,755	100.0	3.54	2.28	18.67	13.85	42.33	37.55	35.46	46.32	1.37	13.67	42.89	42.07			
Providence RI-MA MMSA	1,794	100.0	3.99	3.90	12.94	12.15	44.73	41.30	38.34	42.64	2.88	9.84	43.51	43.76			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 5 – Geographic Distribution of Multifamily Loans

Geography: MULTISTATES														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% of MF Units***	% BANK Loans*** *	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Boston-Rockingham MA-NH MSA	16	100.0	15.60	25.00	22.26	18.75	38.91	43.75	23.22	12.50	17.71	34.94	29.95	17.39			
NY-Newark-Jersey City NY-NJ-PA MMSA	697	100.0	19.13	11.48	28.68	32.71	20.99	19.80	31.20	36.01	18.22	36.39	20.96	24.43			
Philadelphia-Camden-Wilmington MMSA	70	100.0	6.67	2.86	25.61	31.43	36.11	31.43	31.61	34.29	8.46	30.71	27.89	32.94			
Providence RI-MA MMSA	29	100.0	23.18	17.24	22.70	27.59	36.76	41.38	17.37	13.79	32.15	37.79	20.46	9.60			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 6 -- Geographic Distribution of Small Loans to Businesses

Geography: MULTISTATES Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016

Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Businesses** *	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses** *	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Boston-Rockingham MA-NH MSA	8,974	100.0	6.25	8.54	12.74	12.98	41.32	44.68	39.47	33.80	5.38	12.73	43.55	38.34
NY-Newark-Jersey City NY-NJ-PA MMSA	13,087	100.0	6.62	8.44	16.87	18.13	29.28	28.02	45.95	45.40	7.12	17.60	28.74	46.54
Philadelphia-Camden-Wilmington MMSA	4,515	100.0	3.95	3.99	17.22	16.41	38.01	37.32	40.35	42.28	2.98	16.35	39.18	41.49
Providence RI-MA MMSA	3,409	100.0	9.04	14.02	16.50	16.84	39.71	38.16	34.67	30.98	8.31	15.02	40.57	36.10

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

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

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

Table 7 – Geographic Distribution of Small Loans to Farms

Geography: MULTISTATES														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*						
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Boston-Rockingham MA-NH MSA	1	100.00	1.87	0.00	8.83	0.00	49.72	100.00	39.58	0.00	3.06	1.02	51.02	44.90			
NY-Newark-Jersey City NY-NJ-PA MMSA	0	0.00	2.06	0.00	11.63	0.00	35.12	0.00	51.02	0.00	2.22	11.31	28.60	57.87			
Philadelphia-Camden-Wilmington MMSA	0	0.00	1.06	0.00	13.67	0.00	46.03	0.00	39.10	0.00	0.00	17.66	56.35	25.99			
Providence RI-MA MMSA	0	0.00	3.52	0.00	8.16	0.00	38.11	0.00	50.21	0.00	2.41	1.20	36.14	60.24			

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

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

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

Table 8 - Borrower Distribution of Home Purchase Loans

Geography: MULTISTATES														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*						
	#	% of Total**	% Families***	% BANK Loans****	% Families ¹⁰	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp			
Full Review:																	
Boston-Rockingham MA-NH MSA	3,669	100.0	22.01	9.79	16.49	26.18	20.61	21.38	40.89	42.65	5.26	19.62	26.43	48.69			
NY-Newark-Jersey City NY-NJ-PA MMSA	4,485	100.0	23.88	2.62	16.14	14.04	18.11	22.42	41.87	60.92	2.78	14.12	24.11	59.00			
Philadelphia-Camden-Wilmington MMSA	1,534	100.0	21.08	7.73	17.46	17.34	20.96	20.09	40.50	54.84	8.96	22.99	25.83	42.22			
Providence RI-MA MMSA	1,217	100.0	22.56	7.51	16.87	25.56	20.08	24.35	40.49	42.57	5.21	23.80	28.67	42.32			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

**** As a percentage of loans with borrower income information available. No information was available for 4.4% of loans originated and purchased by the bank.

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

Table 9 - Borrower Distribution of Home Improvement Loans

Geography: MULTISTATES														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*						
	#	% of Total**	% Families***	% BANK Loans****	% Families 11	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp			
Full Review:																	
Boston-Rockingham MA-NH MSA	244	100.0	22.01	6.33	16.49	21.94	20.61	28.27	40.89	43.46	4.50	14.92	25.41	55.16			
NY-Newark-Jersey City NY-NJ-PA MMSA	208	100.0	23.88	5.03	16.14	15.58	18.11	26.13	41.87	53.27	4.03	11.49	21.21	63.27			
Philadelphia-Camden-Wilmington MMSA	105	100.0	21.08	14.42	17.46	17.31	20.96	22.12	40.50	46.15	8.91	18.02	24.53	48.54			
Providence RI-MA MMSA	69	100.0	22.56	7.46	16.87	23.88	20.08	26.87	40.49	41.79	5.77	16.34	25.75	52.13			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

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

Table 10 – Borrower Distribution of Home Mortgage Refinance Loans

Geography: MULTISTATES														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*						
	#	% of Total**	% Families** *	% BANK Loans****	% Families 12	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp			
Full Review:																	
Boston-Rockingham MA-NH MSA	4,750	100.0	22.01	6.04	16.49	16.88	20.61	22.99	40.89	54.08	4.04	14.80	26.79	54.36			
NY-Newark-Jersey City NY-NJ-PA MMSA	3,138	100.0	23.88	3.54	16.14	13.26	18.11	20.49	41.87	62.72	2.99	9.63	20.64	66.74			
Philadelphia-Camden-Wilmington MMSA	1,755	100.0	21.08	9.09	17.46	16.83	20.96	23.01	40.50	51.08	6.39	16.05	24.62	52.94			
Providence RI-MA MMSA	1,794	100.0	22.56	7.52	16.87	19.94	20.08	27.35	40.49	45.19	4.83	14.62	25.95	54.60			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

**** As a percentage of loans with borrower income information available. No information was available for 2.9% of loans originated and purchased by the bank.

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

Table 11 - Borrower Distribution of Small Loans to Businesses

Geography: MULTISTATES Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016									
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Boston-Rockingham MA-NH MSA	9,002	100.0	83.40	66.77	90.28	5.81	3.91	96,354	46,086
NY-Newark-Jersey City NY-NJ-PA MMSA	13,530	100.0	85.43	59.53	85.76	7.01	7.23	518,525	255,122
Philadelphia-Camden-Wilmington MMSA	4,534	100.0	84.82	60.61	85.73	7.17	7.10	108,131	54,149
Providence RI-MA MMSA	3,412	100.0	82.74	70.16	91.03	5.10	3.87	26,742	12,502

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

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

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

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 5.30% of small loans to businesses originated and purchased by the bank.

Table 12 - Borrower Distribution of Small Loans to Farms

Geography: MULTISTATES									
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016									
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Aggregate Lending Data*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
Full Review:									
Boston-Rockingham MA-NH MSA	1	100.00	94.50	0.00	100.00	0.00	0.00	100	43
NY-Newark-Jersey City NY-NJ-PA MMSA	0	0.00	95.59	0.00	0.00	0.00	0.00	466	183
Philadelphia-Camden-Wilmington MMSA	0	0.00	94.35	0.00	0.00	0.00	0.00	513	323
Providence RI-MA MMSA	0	0.00	96.06	0.00	0.00	0.00	0.00	87	39

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

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

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

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

Table 14 - Qualified Investments

Geography: MULTISTATES		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Boston-Rockingham MA-NH MSA	22	16,429	269	166,647	291	183,076	100.0	25	84,648
NY-Newark-Jersey City NY-NJ-PA MMSA	17	16,077	250	198,374	267	214,451	100.0	30	100,206
Philadelphia-Camden-Wilmington MMSA	15	12,235	138	43,910	153	56,145	100.0	8	33,001
Providence RI-MA MMSA	10	21,130	72	17,948	82	39,078	100.00	4	10,171

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

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

Table 15 - Distribution of Branch Delivery System and Branch Openings/Closings

Geography: MULTISTATES Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016																	
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Boston-Rockingham MA-NH MSA	100.0	161	100.0	11.2	10.0	39.8	39.1	2	4	- 1	1	- 1	- 1	8.9	18.0	43.0	31.1
NY-Newark-Jersey City NY-NJ-PA MMSA	100.0	200 ^(a)	100.0	6.0	18.1	28.6	47.2	7	6	2	2	-3	0	11.3	23.4	30.3	34.8
Philadelphia-Camden-Wilmington MMSA	100.0	72	100.0	1.4	15.5	45.1	38.0	2	0	0	0	0	2	6.7	22.2	38.9	31.9
Providence RI-MA MMSA	100.0	54	100.0	13.0	20.1	38.9	27.8	0	1	- 1	0	0	0	10.4	19.2	38.8	31.6

(a) – One branch is located in an NA designated tract

Table 1. Lending Volume

Geography: CONNECTICUT												Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016	
Assessment Area (2016):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***	
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)		
Full Review:													
Hartford-East Hartford MSA	71.92	662	163,335	915	89,192	0	0	11	19,694	1,588	272,221	89.54	
Limited Review:													
CT Non-MSA Litchfield Cty	5.03	59	12,081	51	2,638	1	35	0	0	111	14,754	1.96	
New Haven-Milford MSA	23.05	223	104,153	281	28,441	0	0	5	12,104	509	144,698	8.49	

* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.
 ** The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.
 *** Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geography: CONNECTICUT														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Hartford-East Hartford MSA	304	71.5	3.56	3.95	11.13	10.53	46.70	48.36	38.61	37.17	3.21	10.12	46.95	39.72			
Limited Review:																	
CT Non-MSA Litchfield Cty	24	5.7	0.49	0.00	14.66	4.17	58.24	70.83	26.62	25.00	0.20	14.47	57.75	27.59			
New Haven-Milford MSA	97	22.8	3.46	3.09	16.65	11.34	40.50	30.93	39.39	54.64	2.54	14.28	41.98	41.20			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 3. Geographic Distribution of Home Improvement Loans

Geography: CONNECTICUT														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Hartford-East Hartford MSA	15	83.3	3.56	20.00	11.13	20.00	46.70	33.33	38.61	26.67	2.16	9.06	44.20	44.57			
Limited Review:																	
CT Non-MSA Litchfield Cty	0	0.00	0.49	0.00	14.66	0.00	58.24	0.00	26.62	0.00	0.00	12.15	55.76	32.09			
New Haven-Milford MSA	3	16.7	3.46	33.33	16.65	0.00	40.50	0.00	39.39	66.67	3.25	12.79	39.96	44.00			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geography: CONNECTICUT														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Hartford-East Hartford MSA	328	70.1	3.56	5.18	11.13	10.67	46.70	45.73	38.61	38.41	2.55	8.84	45.18	43.44			
Limited Review:																	
CT Non-MSA Litchfield Cty	35	7.5	0.49	0.00	14.66	20.00	58.24	54.29	26.62	25.71	0.29	9.90	58.97	30.85			
New Haven-Milford MSA	105	22.4	3.46	3.81	16.65	9.52	40.50	32.38	39.39	54.29	2.73	10.65	38.85	47.77			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 5. Geographic Distribution of Multifamily Loans

Geography: CONNECTICUT														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% of MF Units***	% BANK Loans**	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Hartford-East Hartford MSA	15	45.5	30.71	60.00	18.62	20.00	38.97	13.33	11.70	6.67	42.24	27.33	26.09	4.35			
Limited Review:																	
CT Non-MSA Litchfield Cty	0	0.00	2.49	0.00	29.49	0.00	56.18	0.00	11.84	0.00	0.00	50.00	37.50	12.50			
New Haven-Milford MSA	18	54.5	19.68	5.56	30.98	27.78	37.19	61.11	12.16	5.56	15.79	35.96	36.84	11.40			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 6. Geographic Distribution of Small Loans to Businesses

Geography: CONNECTICUT														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*						
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Hartford-East Hartford MSA	915	73.4	9.33	8.42	10.99	14.97	41.83	48.52	37.46	28.09	6.65	11.01	44.46	37.88			
Limited Review:																	
CT Non-MSA Litchfield Cty	51	4.1	1.17	11.76	14.47	41.18	59.79	45.10	24.58	1.96	0.99	13.39	58.64	26.98			
New Haven-Milford MSA	281	22.5	8.52	16.37	15.26	20.64	39.21	39.15	37.01	23.84	6.65	15.28	38.35	39.72			

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

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

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

Table 7. Geographic Distribution of Small Loans to Farms

Geography: CONNECTICUT														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*						
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Hartford-East Hartford MSA	0	0.00	2.80	0.00	6.83	0.00	43.61	0.00	46.71	0.00	1.41	0.00	45.07	53.52			
Limited Review:																	
CT Non-MSA Litchfield Cty	1	100.00	0.11	0.00	10.63	100.00	61.41	0.00	27.85	0.00	0.00	4.88	53.66	41.46			
New Haven-Milford MSA	0	0.00	3.59	0.00	11.42	0.00	32.68	0.00	52.32	0.00	2.44	2.44	12.20	82.93			

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

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

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

Table 8. Borrower Distribution of Home Purchase Loans

Geography: CONNECTICUT														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*						
	#	% of Total**	% Families***	% BANK Loans****	% Families ¹³	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp			
Full Review:																	
Hartford-East Hartford MSA	304	71.5	21.35	12.20	16.97	31.19	22.11	25.08	39.57	31.53	9.21	27.38	27.06	36.35			
Limited Review:																	
CT Non-MSA Litchfield Cty	24	5.7	17.90	18.18	19.05	13.64	24.86	36.36	38.19	31.82	13.89	30.35	25.23	30.53			
New Haven-Milford MSA	97	22.8	22.94	5.21	16.70	15.63	19.78	22.92	40.59	56.25	7.68	27.17	28.64	36.50			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

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

Table 9. Borrower Distribution of Home Improvement Loans

Geography: CONNECTICUT														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*						
	#	% of Total**	% Families***	% BANK Loans****	% Families 14	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp			
Full Review:																	
Hartford-East Hartford MSA	15	83.3	21.35	7.69	16.97	23.08	22.11	23.08	39.57	46.15	6.18	17.55	27.06	49.21			
Limited Review:																	
CT Non-MSA Litchfield Cty	0	0.00	17.90	0.00	19.05	0.00	24.86	0.00	38.19	0.00	12.50	21.05	24.34	42.11			
New Haven-Milford MSA	3	16.7	22.94	0.00	16.70	0.00	19.78	0.00	40.59	100.00	6.68	16.88	27.32	49.12			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

**** As a percentage of loans with borrower income information available. No information was available for 11.1% of loans originated and purchased by the bank.

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Geography: CONNECTICUT														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*						
	#	% of Total**	% Families** *	% BANK Loans****	% Families 15	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp			
Full Review:																	
Hartford-East Hartford MSA	328	70.1	21.35	8.75	16.97	25.62	22.11	27.81	39.57	37.81	6.47	17.71	27.72	48.11			
Limited Review:																	
CT Non-MSA Litchfield Cty	35	7.5	17.90	5.71	19.05	22.86	24.86	22.86	38.19	48.57	8.94	19.40	28.58	43.08			
New Haven-Milford MSA	105	22.4	22.94	6.93	16.70	16.83	19.78	26.73	40.59	49.50	5.79	14.75	27.81	51.64			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

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

Table 11. Borrower Distribution of Small Loans to Businesses

Geography: CONNECTICUT

Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016

Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Hartford-East Hartford MSA	915	73.4	84.27	63.83	84.92	8.42	6.67	23,192	11,669
Limited Review:									
CT Non-MSA Litchfield Cty	51	4.1	87.81	70.59	98.04	1.96	0.00	4,798	2,704
New Haven-Milford MSA	281	22.5	85.73	53.74	87.54	5.34	7.12	18,157	9,469

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

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

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

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 8.10% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Geography: CONNECTICUT Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016									
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Aggregate Lending Data*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
Full Review:									
Hartford-East Hartford MSA	0	0.00	95.97	0.00	0.00	0.00	0.00	77	43
Limited Review:									
CT Non-MSA Litchfield Cty	1	100.00	98.10	100.00	100.00	0.00	0.00	42	23
New Haven-Milford MSA	0	0.00	96.09	0.00	0.00	0.00	0.00	42	29

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

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

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

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

Geography: CONNECTICUT Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016

Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Hartford-East Hartford MSA	6	1,190	30	10,973	36	12,163	65.4	3	1,763
Limited Review:									
Non-MSA CT	1	99	0	0	1	99	1.8	0	0
New Haven-Milford MSA	2	281	13	6,772	15	7,053	27.3	1	665
Statewide	3	8,521	0	0	3	8,521	5.5	0	0

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

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

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

Geography: CONNECTICUT																Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography					
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp		
Full Review:																			
Hartford-East Hartford MSA	89.5	23	82.1	0.0	21.7	47.8	30.4	0	2	0	0	- 2	0	11.76	13.99	41.64	31.30		
Limited Review:																			
CT Non-MSA Litchfield Cty	2.0	1	3.6	0.0	0.0	100.0	0.0	0	0	0	0	0	0	0.96	16.74	57.15	25.15		
New Haven-Milford MSA	8.5	4	14.3	25.0	50.0	25.0	0.0	0	2	0	0	- 2	0	11.07	21.98	35.57	31.38		

Table 1. Lending Volume

Geography: MASSACHUSETTS

Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016

Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Barnstable Town MSA	30.2	744	207,603	406	28,144	0	0	0	0	1,150	235,747	21.8
Worcester MA-CT MSA	55.3	959	238,853	1,142	108,989	0	0	3	9,093	2,104	356,935	66.5
Limited Review:												
Non-MSA-MA - Dukes County	7.8	177	70,088	118	8,758	0	0	0	0	295	78,846	6.7
Springfield MSA	6.7	125	37,505	127	12,929	0	0	1	15,300	253	65,734	5.0

* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

*** Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geography: MASSACHUSETTS														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Barnstable Town MSA	362	40.8	0.31	0.55	10.20	9.12	77.20	79.56	12.29	10.77	0.52	12.75	75.01	11.72			
Worcester MA-CT MSA	404	45.5	2.16	1.98	12.87	8.91	47.20	34.41	37.77	54.70	2.00	13.47	46.28	38.26			
Limited Review:																	
Non-MSA-MA - Dukes County	63	7.1	0.00	0.00	0.00	0.00	72.22	84.13	27.78	15.87	0.00	0.00	79.14	20.86			
Springfield MSA	59	6.6	3.25	1.69	15.42	18.64	41.35	42.37	39.98	37.29	3.81	17.58	41.90	36.70			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 3. Geographic Distribution of Home Improvement Loans

Geography: MASSACHUSETTS														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Barnstable Town MSA	24	38.7	0.31	0.00	10.20	20.83	77.20	66.67	12.29	12.50	0.37	10.26	76.34	13.03			
Worcester MA-CT MSA	24	38.7	2.16	4.17	12.87	0.00	47.20	33.33	37.77	62.50	1.13	9.29	46.59	43.00			
Limited Review:																	
Non-MSA- MA - Dukes County	9	14.5	0.00	0.00	0.00	0.00	72.22	66.67	27.78	33.33	0.00	0.00	68.52	31.48			
Springfield MSA	5	8.1	3.25	0.00	15.42	20.00	41.35	20.00	39.98	60.00	2.05	9.29	38.23	50.43			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geography: MASSACHUSETTS														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Barnstable Town MSA	357	34.0	0.31	0.00	10.20	14.85	77.20	72.55	12.29	12.61	0.30	10.82	75.88	13.00			
Worcester MA-CT MSA	528	50.3	2.16	0.95	12.87	9.28	47.20	35.42	37.77	54.36	1.41	9.16	42.20	47.24			
Limited Review:																	
Non-MSA-MA - Dukes County	105	10.0	0.00	0.00	0.00	0.00	72.22	83.81	27.78	16.19	0.00	0.00	76.54	23.46			
Springfield MSA	60	5.7	3.25	5.00	15.42	13.33	41.35	26.67	39.98	55.00	2.56	13.09	39.33	45.03			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 5. Geographic Distribution of Multifamily Loans

Geography: MASSACHUSETTS														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% of MF Units***	% BANK Loans**	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Barnstable Town MSA	1	20.0	7.25	0.00	29.20	100.00	57.73	0.00	5.81	0.00	11.76	29.41	52.94	5.88			
Worcester MA-CT MSA	3	60.0	19.79	33.33	29.53	0.00	32.76	66.67	17.93	0.00	22.47	39.89	24.16	13.48			
Limited Review:																	
Non-MSA-MA - Dukes County	0	0.0	0.00	0.00	0.00	0.00	97.94	0.00	2.06	0.00	0.00	0.00	0.00	0.00			
Springfield MSA	1	20.0	32.31	100.00	21.16	0.00	31.37	0.00	15.16	0.00	26.26	27.27	35.35	11.11			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 6. Geographic Distribution of Small Loans to Businesses

Geography: MASSACHUSETTS														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*						
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Barnstable Town MSA	406	22.6	7.69	11.33	14.73	8.37	65.16	59.61	12.43	20.69	5.96	16.15	65.22	12.67			
Worcester MA-CT MSA	1,142	63.7	8.60	8.06	17.11	18.65	38.71	29.77	35.53	43.52	7.26	15.03	38.76	38.94			
Limited Review:																	
Non-MSA-MA - Dukes County	118	6.6	0.00	0.00	0.00	0.00	79.21	91.53	20.79	8.47	0.00	0.00	75.13	24.87			
Springfield MSA	127	7.1	14.00	25.98	17.49	19.69	33.98	24.41	34.26	29.92	11.46	15.68	36.88	35.98			

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

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

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

Table 8. Borrower Distribution of Home Purchase Loans

Geography: MASSACHUSETTS														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*						
	#	% of Total**	% Families***	% BANK Loans****	% Families ¹⁶	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp			
Full Review:																	
Barnstable Town MSA	362	40.8	18.53	2.80	18.50	12.61	23.54	18.21	39.43	66.39	2.77	14.51	20.86	61.86			
Worcester MA-CT MSA	404	45.5	20.60	6.60	16.47	27.66	21.91	24.62	41.03	41.12	7.10	23.78	28.43	40.69			
Limited Review:																	
Non-MSA-MA - Dukes County	63	7.1	17.61	1.61	15.09	3.23	19.72	12.90	47.58	82.26	0.00	4.37	13.70	81.92			
Springfield MSA	59	6.6	23.64	15.79	16.07	33.33	19.08	15.79	41.21	35.09	7.67	27.68	28.43	36.23			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

**** As a percentage of loans with borrower income information available. No information was available for 2.0% of loans originated and purchased by the bank.

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

Table 9. Borrower Distribution of Home Improvement Loans

Geography: MASSACHUSETTS														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*						
	#	% of Total**	% Families***	% BANK Loans****	% Families*	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp			
Full Review:																	
Barnstable Town MSA	24	38.7	18.53	13.04	18.50	17.39	23.54	21.74	39.43	47.83	4.50	13.50	23.10	58.90			
Worcester MA-CT MSA	24	38.7	20.60	8.33	16.47	29.17	21.91	16.67	41.03	45.83	5.64	13.62	24.01	56.73			
Limited Review:																	
Non-MSA-MA - Dukes County	9	14.5	17.61	0.00	15.09	11.11	19.72	33.33	47.58	55.56	1.96	12.75	12.75	72.55			
Springfield MSA	5	8.1	23.64	0.00	16.07	40.00	19.08	0.00	41.21	60.00	5.13	15.67	24.55	54.65			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

**** As a percentage of loans with borrower income information available. No information was available for 1.6% of loans originated and purchased by the bank.

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Geography: MASSACHUSETTS														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*						
	#	% of Total**	% Families** *	% BANK Loans****	% Families*	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp			
Full Review:																	
Barnstable Town MSA	357	34.0	18.53	3.13	18.50	16.48	23.54	24.15	39.43	56.25	3.85	12.83	21.63	61.68			
Worcester MA-CT MSA	528	50.3	20.60	4.46	16.47	12.79	21.91	22.48	41.03	60.27	4.61	14.05	24.72	56.63			
Limited Review:																	
Non-MSA-MA - Dukes County	105	10.0	17.61	5.83	15.09	14.56	19.72	15.53	47.58	64.08	2.84	11.58	17.49	68.09			
Springfield MSA	60	5.7	23.64	1.69	16.07	16.95	19.08	15.25	41.21	66.10	4.94	16.90	26.58	51.58			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

**** As a percentage of loans with borrower income information available. No information was available for 1.9% of loans originated and purchased by the bank.

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

Table 11. Borrower Distribution of Small Loans to Businesses

Geography: MASSACHUSETTS										Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*					
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less				
Full Review:													
Barnstable Town MSA	406	22.6	86.15	67.00	94.83	4.19	0.99	6,255	3,103				
Worcester MA-CT MSA	1,142	63.7	82.72	62.61	86.87	6.57	6.57	11,876	5,389				
Limited Review:													
Non-MSA-MA - Dukes County	118	6.6	83.71	65.25	97.46	0.85	1.69	672	290				
Springfield MSA	127	7.1	81.79	70.87	82.68	7.09	10.24	9,605	4,602				

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

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

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

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 6.46% of small loans to businesses originated and purchased by the bank.

Table 14. Qualified Investments

Geography: MASSACHUSETTS

Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016

Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Barnstable Town MSA	2	546	9	8,715	11	9,261	16.9	1	8,552
Worcester MA-CT MSA	4	1,840	29	8,475	33	10,315	50.7	3	7,736
Limited Review:									
Non-MSA-MA - Dukes County	0	0	2	12	2	12	3.1	0	0
Springfield MSA	5	876	10	5,570	15	6,446	23.1	2	3,704
Statewide	3	114	1	241	4	355	6.2	0	0

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

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

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

Geography: MASSACHUSETTS																	Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population						
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography						
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp			
Full Review:																				
Barnstable Town MSA	21.8	12	27.3	8.3	25.0	58.3	8.3	0	0	0	0	0	0	1.41	11.66	74.54	12.39			
Worcester MA-CT MSA	66.5	26	59.1	11.6	23.1	38.4	26.9	0	0	0	0	0	0	7.26	17.46	42.13	32.70			
Limited Review:																				
Non-MSA-MA - Dukes County	6.7	4	9.1	0.00	0.00	100.0	0.00	0	1	0	0	0	- 1	0.00	0.00	75.86	24.14			
Springfield MSA	5.0	2	4.5	50.00	50.00	0.00	0.00	0	2	- 2	0	0	0	12.98	19.96	34.69	31.91			

Table 1. Lending Volume

LENDING VOLUME												
Geography: NEW HAMPSHIRE												
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016												
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Manchester-Nashua MSA	78.8	242	60,002	393	30,081	0	0	2	6,000	637	96,083	84.6
Limited Review:												
Non-MSA-NH	21.2	51	9,630	120	10,528	0	0	0	0	171	20,158	15.4

* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.
 ** The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.
 *** Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geography: NEW HAMPSHIRE Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016														
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Manchester-Nashua MSA	112	81.2	1.81	0.89	14.24	16.07	55.69	44.64	28.26	38.39	2.20	15.54	55.77	26.49
Limited Review:														
Non-MSA-NH	26	18.8	0.00	0.00	4.66	15.38	58.25	46.15	37.09	38.46	0.00	4.78	58.52	36.70

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 3. Geographic Distribution of Home Improvement Loans

Geography: NEW HAMPSHIRE														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Manchester-Nashua MSA	5	83.3	1.81	0.00	14.24	20.00	55.69	60.00	28.26	20.00	0.65	9.84	56.61	32.90			
Limited Review:																	
Non-MSA-NH	1	16.7	0.00	0.00	4.66	0.00	58.25	100.00	37.09	0.00	0.00	1.30	63.96	34.74			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geography: NEW HAMPSHIRE														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Manchester-Nashua MSA	123	84.3	1.81	0.81	14.24	13.01	55.69	44.72	28.26	41.46	1.93	11.61	52.90	33.57			
Limited Review:																	
Non-MSA-NH	23	15.7	0.00	0.00	4.66	4.35	58.25	52.17	37.09	43.48	0.00	3.94	55.37	40.69			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 5. Geographic Distribution of Multifamily Loans

Geography: NEW HAMPSHIRE														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% of MF Units***	% BANK Loans**	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Manchester-Nashua MSA	2	66.7	17.00	0.00	29.86	50.00	46.05	0.00	7.09	50.00	33.66	46.53	19.80	0.00			
Limited Review:																	
Non-MSA-NH	1	33.3	0.00	0.00	26.88	0.00	57.13	100.00	15.99	0.00	0.00	14.29	71.43	14.29			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 6. Geographic Distribution of Small Loans to Businesses

Geography: NEW HAMPSHIRE														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*						
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Manchester-Nashua MSA	392	76.6	12.13	11.48	14.48	20.41	48.54	41.58	24.41	26.53	9.57	14.43	49.22	26.77			
Limited Review:																	
Non-MSA-NH	120	23.4	0.00	0.00	7.72	3.33	58.67	54.17	33.61	42.50	0.00	7.71	53.67	38.62			

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

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

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

Table 8. Borrower Distribution of Home Purchase Loans

Geography: NEW HAMPSHIRE														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*						
	#	% of Total**	% Families***	% BANK Loans****	% Families ¹⁷	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp			
Full Review:																	
Manchester-Nashua MSA	112	81.2	18.88	3.77	18.83	16.04	23.63	29.25	38.65	50.94	5.98	25.92	30.51	37.58			
Limited Review:																	
Non-MSA-NH	26	18.8	15.23	8.33	15.20	8.33	22.69	20.83	46.89	62.50	2.90	21.29	30.20	45.61			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

**** As a percentage of loans with borrower income information available. No information was available for 5.8% of loans originated and purchased by the bank.

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

Table 9. Borrower Distribution of Home Improvement Loans

Geography: NEW HAMPSHIRE														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*						
	#	% of Total**	% Families***	% BANK Loans****	% Families 18	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp			
Full Review:																	
Manchester-Nashua MSA	5	83.3	18.88	0.00	18.83	60.00	23.63	0.00	38.65	40.00	5.83	18.94	25.83	49.40			
Limited Review:																	
Non-MSA-NH	1	16.7	15.23	0.00	15.20	0.00	22.69	100.00	46.89	0.00	3.39	13.22	24.41	58.98			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Geography: NEW HAMPSHIRE														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*						
	#	% of Total**	% Families** *	% BANK Loans****	% Families 19	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp			
Full Review:																	
Manchester-Nashua MSA	123	84.3	18.88	6.78	18.83	22.88	23.63	30.51	38.65	39.83	5.11	16.69	27.22	50.97			
Limited Review:																	
Non-MSA-NH	23	15.7	15.23	4.76	15.20	19.05	22.69	14.29	46.89	61.90	3.62	13.99	25.43	56.96			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

**** As a percentage of loans with borrower income information available. No information was available for 4.8% of loans originated and purchased by the bank.

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

Table 11. Borrower Distribution of Small Loans to Businesses

Geography: NEW HAMPSHIRE		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Manchester-Nashua MSA	393	76.6	82.37	71.50	93.89	3.56	2.54	7,727	3,392
Limited Review:									
Non-MSA-NH	120	23.4	79.96	70.83	89.17	8.33	2.50	2,714	1,070

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

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

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

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 4.87% of small loans to businesses originated and purchased by the bank.

Table 14. Qualified Investments

Geography: NEW HAMPSHIRE Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016									
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Manchester-Nashua MSA	4	199	9	816	13	1,015	39.4	1	471
Limited Review:									
Non-MSA-NH	2	55	8	6,260	10	6,315	30.3	1	6,200
Statewide	10	196	0	0	10	196	30.3	0	0

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

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

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

Geography: NEW HAMPSHIRE																	Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population						
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography						
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp			
Full Review:																				
Manchester-Nashua MSA	84.60	9	81.8	11.1	22.2	55.5	11.1	0	0	0	0	0	0	6.6	18.8	51.1	23.5			
Limited Review:																				
Non-MSA-NH	15.40	2	18.2	0.00	0.00	100.0	0.00	0	1	0	0	- 1	0	0.00	7.7	59.3	33.0			

Table 1. Lending Volume

Geography: NEW JERSEY

Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016

Assessment Area (2016):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Trenton MSA	100.0	270	80,449	482	42,359	0	0	5	8,250	757	131,058	100.0

* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

*** Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geography: NEW JERSEY														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Trenton MSA	101	100.0	6.87	0.99	14.10	9.90	36.68	27.72	42.35	61.39	2.76	11.43	39.69	46.12			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 3. Geographic Distribution of Home Improvement Loans

Geography: NEW JERSEY														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Trenton MSA	8	100.0	6.87	12.50	14.10	12.50	36.68	37.50	42.35	37.50	4.88	9.76	40.38	44.99			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geography: NEW JERSEY														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Trenton MSA	160	100.0	6.87	2.50	14.10	7.50	36.68	33.13	42.35	56.88	2.28	8.10	34.13	55.48			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 5. Geographic Distribution of Multifamily Loans

Geography: NEW JERSEY														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% of MF Units***	% BANK Loans**	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Trenton MSA	1	100.0	20.76	0.00	7.91	0.00	37.36	100.00	33.97	0.00	55.56	11.11	5.56	27.78			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 6. Geographic Distribution of Small Loans to Businesses

Geography: NEW JERSEY														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*						
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Trenton MSA	482	100.0	11.07	10.58	10.52	17.22	29.63	30.91	48.78	41.29	7.25	9.78	27.03	55.94			

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

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

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

Table 8. Borrower Distribution of Home Purchase Loans

Geography: NEW JERSEY														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*						
	#	% of Total**	% Families***	% BANK Loans****	% Families ²⁰	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp			
Full Review:																	
Trenton MSA	101	100.0	22.84	10.31	16.80	24.74	19.15	14.43	41.20	50.52	9.82	22.76	21.27	46.14			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

**** As a percentage of loans with borrower income information available. No information was available for 4.0% of loans originated and purchased by the bank.

²⁰ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9. Borrower Distribution of Home Improvement Loans

Geography: NEW JERSEY														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*						
	#	% of Total**	% Families***	% BANK Loans****	% Families 21	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp			
Full Review:																	
Trenton MSA	8	100.0	22.84	50.00	16.80	0.00	19.15	25.00	41.20	25.00	7.95	20.45	24.72	46.88			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Geography: NEW JERSEY														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*						
	#	% of Total**	% Families** *	% BANK Loans****	% Families 22	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp			
Full Review:																	
Trenton MSA	160	100.0	22.84	12.66	16.80	17.09	19.15	22.78	41.20	47.47	5.30	13.26	20.64	60.80			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

**** As a percentage of loans with borrower income information available. No information was available for 1.3% of loans originated and purchased by the bank.

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

Table 11. Borrower Distribution of Small Loans to Businesses

Geography: NEW JERSEY									
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016									
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Trenton MSA	482	100.0	79.36	70.12	90.04	5.39	4.56	7,370	3,538

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

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

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

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 3.32% of small loans to businesses originated and purchased by the bank.

Table 14. Qualified Investments

Geography: NEW JERSEY Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016

Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Trenton MSA	4	697	14	762	18	1,459	85.7	1	577
Limited Review:									
Statewide	3	436	0	0	3	436	14.3	0	0

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

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

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

Geography: NEW JERSEY																	Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population						
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography						
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp			
Full Review:																				
Trenton MSA	100.00	12	100.00	16.67	8.33	25.00	50.00	0	2	0	0	0	- 2	13.57	16.01	31.90	38.00			

Table 1. Lending Volume

Geography: PENNSYLVANIA													Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016	
Assessment Area (2016):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***		
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)			
Full Review:														
Harrisburg MSA	12.2	359	86,308	366	42,431	1	10	2	7,600	728	136,349	6.2		
Reading MSA	22.4	843	126,755	493	58,533	0	0	9	25,730	1,345	211,018	66.7		
Limited Review:														
Allentown Bethlehem-Easton MSA	13.4	369	96,272	435	37,128	0	0	1	1,200	805	134,600	6.7		
Bloomsburg-Berwick MSA	0.7	13	2,497	30	1,961	0	0	0	0	43	4,458	0.4		
Lancaster MSA	11.9	356	54,670	354	34,493	3	745	0	0	713	89,908	3.8		
Lebanon MSA	4.2	156	20,251	94	7,817	1	59	0	0	251	28,127	0.8		
Non-MSA-PA	16.1	431	46,798	533	50,020	1	50	0	0	965	96,868	5.9		
State College MSA	2.0	48	9,744	69	8,708	1	100	0	0	118	18,552	0.9		
Williamsport MSA	7.8	317	43,450	149	16,074	0	0	0	0	466	59,524	2.4		
York MSA	9.3	277	41,166	280	37,050	0	0	3	6,331	560	84,547	6.1		

* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

*** Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geography: PENNSYLVANIA														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Harrisburg MSA	127	11.2	2.23	0.79	15.17	13.39	54.84	43.31	27.76	42.52	0.87	14.25	51.35	33.53			
Reading MSA	280	24.6	7.11	7.14	5.12	6.07	60.26	50.36	27.51	36.43	3.97	4.22	63.63	28.18			
Limited Review:																	
Allentown Bethlehem-Easton MSA	150	13.2	4.55	2.67	13.39	18.00	48.33	44.67	33.74	34.67	4.06	14.79	44.87	36.28			
Bloomsburg-Berwick MSA	3	0.3	0.00	0.00	0.00	0.00	42.48	33.33	57.52	66.67	0.00	0.00	47.58	52.42			
Lancaster MSA	110	9.7	1.85	2.73	6.49	8.18	77.96	71.82	13.70	17.27	2.48	8.74	75.40	13.39			
Lebanon MSA	57	5.0	0.00	0.00	7.60	12.28	66.12	59.65	26.28	28.07	0.00	7.28	59.40	33.32			
Non-MSA-PA	157	13.7	0.00	0.00	11.70	6.37	66.63	70.70	21.66	22.93	0.00	6.82	66.39	26.79			
State College MSA	23	2.0	0.05	0.00	12.86	0.00	59.40	65.22	27.69	34.78	0.28	8.66	58.83	32.23			
Williamsport MSA	161	14.2	1.28	0.00	3.26	2.48	87.42	84.47	8.04	13.04	1.49	4.05	86.46	8.01			
York MSA	70	6.0	2.71	2.86	6.40	5.71	69.57	72.86	21.33	18.57	1.37	6.11	69.45	23.07			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 3. Geographic Distribution of Home Improvement Loans

Geography: PENNSYLVANIA														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Harrisburg MSA	12	9.6	2.23	0.00	15.17	33.33	54.84	41.67	27.76	25.00	0.93	14.59	59.16	25.32			
Reading MSA	29	23.2	7.11	6.90	5.12	10.34	60.26	51.72	27.51	31.03	8.19	5.56	57.31	28.95			
Limited Review:																	
Allentown Bethlehem-Easton MSA	22	17.6	4.55	0.00	13.39	13.64	48.33	63.64	33.74	22.73	2.89	10.24	49.08	37.80			
Bloomsburg-Berwick MSA	1	0.8	0.00	0.00	0.00	0.00	42.48	100.00	57.52	0.00	0.00	0.00	44.64	55.36			
Lancaster MSA	12	9.6	1.85	8.33	6.49	25.00	77.96	58.33	13.70	8.33	1.57	5.24	80.10	13.09			
Lebanon MSA	8	6.4	0.00	0.00	7.60	0.00	66.12	87.50	26.28	12.50	0.00	6.49	68.18	25.32			
Non-MSA-PA	20	16.0	0.00	0.00	11.70	15.00	66.63	35.00	21.66	50.00	0.00	6.44	70.45	23.11			
State College MSA	1	0.8	0.05	0.00	12.86	0.00	59.40	100.00	27.69	0.00	0.38	14.77	56.82	28.03			
Williamsport MSA	14	11.2	1.28	0.00	3.26	0.00	87.42	100.00	8.04	0.00	1.40	3.86	88.77	5.96			
York MSA	6	4.8	2.71	0.00	6.40	0.00	69.57	100.00	21.33	0.00	2.33	4.55	70.02	23.10			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geography: PENNSYLVANIA														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Harrisburg MSA	214	11.4	2.23	1.40	15.17	14.02	54.84	52.34	27.76	32.24	0.73	12.00	52.85	34.42			
Reading MSA	531	28.2	7.11	4.14	5.12	4.14	60.26	57.82	27.51	33.90	2.07	2.80	59.04	36.09			
Limited Review:																	
Allentown Bethlehem-Easton MSA	190	10.1	4.55	3.16	13.39	9.47	48.33	45.79	33.74	41.58	2.91	10.40	45.36	41.33			
Bloomsburg-Berwick MSA	9	0.5	0.00	0.00	0.00	0.00	42.48	55.56	57.52	44.44	0.00	0.00	37.59	62.41			
Lancaster MSA	232	12.3	1.85	1.29	6.49	6.03	77.96	77.16	13.70	15.52	1.37	4.92	77.12	16.59			
Lebanon MSA	90	4.8	0.00	0.00	7.60	16.67	66.12	56.67	26.28	26.67	0.00	4.37	62.61	33.02			
Non-MSA-PA	253	13.5	0.00	0.00	11.70	4.35	66.63	58.10	21.66	37.55	0.00	4.28	63.65	32.07			
State College MSA	24	1.3	0.05	0.00	12.86	0.00	59.40	62.50	27.69	37.50	0.07	9.25	55.48	35.20			
Williamsport MSA	140	7.4	1.28	1.43	3.26	1.43	87.42	85.71	8.04	11.43	0.55	1.42	88.29	9.74			
York MSA	198	10.5	2.71	3.54	6.40	5.56	69.57	69.70	21.33	21.21	0.91	4.81	68.61	25.67			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 5. Geographic Distribution of Multifamily Loans

Geography: PENNSYLVANIA														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% of MF Units***	% BANK Loans**	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Harrisburg MSA	6	24.0	7.18	0.00	30.50	50.00	48.17	50.00	14.15	0.00	6.02	51.81	28.92	13.25			
Reading MSA	3	12.0	33.46	0.00	8.18	66.67	37.57	33.33	20.79	0.00	38.71	12.90	41.94	6.45			
Limited Review:																	
Allentown Bethlehem-Easton MSA	7	28.0	16.57	14.29	33.86	28.57	37.12	57.14	12.45	0.00	23.08	35.16	32.97	8.79			
Bloomsburg-Berwick MSA	0	0.00	0.00	0.00	0.00	0.00	59.15	0.00	40.85	0.00	0.00	0.00	100.00	0.00			
Lancaster MSA	2	8.0	9.63	100.00	10.82	0.00	68.29	0.00	11.26	0.00	22.54	16.90	59.15	1.41			
Lebanon MSA	1	4.0	0.00	0.00	18.77	0.00	61.19	100.00	20.05	0.00	0.00	18.75	62.50	18.75			
Non-MSA-PA	1	4.0	0.00	0.00	29.11	0.00	58.00	100.00	12.89	0.00	0.00	10.53	73.68	15.79			
State College MSA	0	0.00	12.66	0.00	21.87	0.00	44.70	0.00	20.77	0.00	0.00	27.78	50.00	22.22			
Williamsport MSA	2	8.0	17.31	0.00	12.17	0.00	60.72	100.00	9.80	0.00	15.38	7.69	76.92	0.00			
York MSA	3	12.0	12.11	0.00	13.68	0.00	64.91	100.00	9.29	0.00	25.00	6.25	62.50	6.25			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

Table 6. Geographic Distribution of Small Loans to Businesses

Geography: PENNSYLVANIA														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*						
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Harrisburg MSA	366	13.1	2.69	1.64	24.62	21.31	46.64	53.55	26.03	23.50	2.22	19.72	48.68	29.38			
Reading MSA	493	17.6	10.18	7.30	7.88	8.92	54.60	66.94	27.33	16.84	7.20	7.30	56.82	28.68			
Limited Review:																	
Allentown Bethlehem-Easton MSA	435	15.5	7.76	4.37	17.37	25.52	41.63	43.45	33.24	26.67	6.59	16.19	43.38	33.85			
Bloomsburg-Berwick MSA	30	1.1	0.00	0.00	0.00	0.00	47.85	73.33	52.15	26.67	0.00	0.00	40.45	59.55			
Lancaster MSA	354	12.6	5.54	5.37	5.93	2.82	75.21	83.90	13.33	7.91	4.23	4.53	78.18	13.06			
Lebanon MSA	94	3.4	0.00	0.00	6.33	3.19	68.48	69.15	25.18	27.66	0.00	5.33	68.50	26.18			
Non-MSA-PA	533	19.0	0.00	0.00	13.21	13.70	62.97	59.29	23.72	27.02	0.00	9.77	62.74	27.49			
State College MSA	68	2.4	6.47	4.41	10.60	10.29	48.50	64.71	31.11	20.59	5.96	11.93	50.40	31.71			
Williamsport MSA	149	5.3	4.12	3.36	4.15	5.37	84.24	86.58	7.50	4.70	2.16	3.31	85.47	9.05			
York MSA	280	10.0	6.77	7.14	7.91	4.64	65.60	69.64	19.72	18.57	5.47	7.82	66.62	20.09			

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

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

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

Table 7. Geographic Distribution of Small Loans to Farms

Geography: PENNSYLVANIA														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*						
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp			
Full Review:																	
Harrisburg MSA	1	14.3	0.32	0.00	13.74	0.00	65.09	0.00	20.85	100.00	0.00	14.94	69.48	15.58			
Reading MSA	0	0.00	1.20	0.00	5.36	0.00	67.74	0.00	25.69	0.00	0.00	8.56	80.16	11.28			
Limited Review:																	
Allentown Bethlehem-Easton MSA	0	0.00	1.58	0.00	6.78	0.00	55.63	0.00	36.00	0.00	0.00	1.61	67.74	30.65			
Bloomsburg-Berwick MSA	0	0.00	0.00	0.00	0.00	0.00	46.34	0.00	53.66	0.00	0.00	0.00	12.50	87.50			
Lancaster MSA	3	42.8	0.78	0.00	1.46	0.00	89.25	100.00	8.50	0.00	0.08	0.08	94.99	4.85			
Lebanon MSA	1	14.3	0.00	0.00	0.00	0.00	73.36	100.00	26.64	0.00	0.00	0.64	82.80	16.56			
Non-MSA-PA	1	14.3	0.00	0.00	2.30	0.00	67.82	0.00	29.89	100.00	0.00	0.00	81.88	18.12			
State College MSA	1	14.3	0.00	0.00	13.11	0.00	63.24	0.00	22.88	100.00	0.00	39.69	51.91	8.40			
Williamsport MSA	0	0.00	0.00	0.00	0.63	0.00	92.77	0.00	6.60	0.00	0.00	0.00	91.38	8.62			
York MSA	0	0.00	0.90	0.00	2.79	0.00	76.01	0.00	20.31	0.00	0.00	0.00	84.05	15.95			

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

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

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

Table 8. Borrower Distribution of Home Purchase Loans

Geography: PENNSYLVANIA														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*						
	#	% of Total**	% Families***	% BANK Loans****	% Families ²³	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp			
Full Review:																	
Harrisburg MSA	127	11.2	19.15	13.22	18.42	26.45	23.05	23.14	39.39	37.19	10.49	25.79	25.93	37.79			
Reading MSA	280	24.6	20.50	14.11	17.37	20.16	23.18	25.00	38.95	40.73	10.93	29.15	27.57	32.35			
Limited Review:																	
Allentown Bethlehem-Easton MSA	150	13.2	20.30	8.16	18.42	23.13	21.84	29.25	39.44	39.46	9.44	24.37	26.50	39.69			
Bloomsburg-Berwick MSA	3	0.3	16.53	0.00	18.44	50.00	20.23	0.00	44.80	50.00	5.08	17.26	28.43	49.24			
Lancaster MSA	110	9.7	17.38	11.22	19.06	24.49	24.77	22.45	38.79	41.84	8.01	28.13	28.37	35.49			
Lebanon MSA	57	5.0	17.00	26.42	18.58	16.98	24.94	24.53	39.48	32.08	8.69	28.10	27.61	35.60			
Non-MSA-PA	157	13.8	17.33	3.95	19.18	24.34	23.03	33.55	40.46	38.16	6.00	23.01	30.73	40.26			
State College MSA	23	2.0	18.29	0.00	19.03	22.73	22.77	4.55	39.91	72.73	8.39	19.33	26.17	46.12			
Williamsport MSA	161	14.1	18.83	6.33	18.93	20.89	23.21	34.81	39.03	37.97	5.77	19.53	29.02	45.67			
York MSA	70	6.1	17.58	11.94	18.89	23.88	24.52	34.33	39.01	29.85	9.77	27.47	28.14	34.62			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

**** As a percentage of loans with borrower income information available. No information was available for 6.2% of loans originated and purchased by the bank.

²³ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9. Borrower Distribution of Home Improvement Loans

Geography: PENNSYLVANIA														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*						
	#	% of Total**	% Families***	% BANK Loans****	% Families 24	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp			
Full Review:																	
Harrisburg MSA	12	9.6	19.15	0.00	18.42	33.33	23.05	33.33	39.39	33.33	8.95	18.94	27.34	44.77			
Reading MSA	29	23.2	20.50	13.79	17.37	20.69	23.18	34.48	38.95	31.03	8.65	20.91	24.37	46.07			
Limited Review:																	
Allentown Bethlehem-Easton MSA	22	17.6	20.30	9.09	18.42	27.27	21.84	31.82	39.44	31.82	6.94	14.70	23.29	55.07			
Bloomsburg-Berwick MSA	1	0.8	16.53	0.00	18.44	0.00	20.23	0.00	44.80	0.00	7.27	14.55	30.91	47.27			
Lancaster MSA	12	9.6	17.38	16.67	19.06	16.67	24.77	16.67	38.79	50.00	7.01	19.85	24.70	48.44			
Lebanon MSA	8	6.4	17.00	25.00	18.58	25.00	24.94	12.50	39.48	37.50	7.12	20.00	24.41	48.47			
Non-MSA-PA	20	16.0	17.33	11.11	19.18	16.67	23.03	38.89	40.46	33.33	7.03	18.16	26.06	48.76			
State College MSA	1	0.8	18.29	0.00	19.03	0.00	22.77	0.00	39.91	100.00	11.37	19.61	29.02	40.00			
Williamsport MSA	14	11.2	18.83	0.00	18.93	15.38	23.21	46.15	39.03	38.46	6.27	17.71	23.25	52.77			
York MSA	6	4.8	17.58	16.67	18.89	16.67	24.52	0.00	39.01	66.67	9.29	15.39	27.74	47.58			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

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

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Geography: PENNSYLVANIA														Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*						
	#	% of Total**	% Families** *	% BANK Loans****	% Families 25	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp			
Full Review:																	
Harrisburg MSA	214	11.4	19.15	11.54	18.42	26.44	23.05	27.88	39.39	34.13	8.34	18.99	25.71	46.96			
Reading MSA	531	28.2	20.50	10.10	17.37	19.41	23.18	29.11	38.95	41.39	7.31	17.88	26.93	47.87			
Limited Review:																	
Allentown Bethlehem-Easton MSA	190	10.1	20.30	12.37	18.42	17.20	21.84	32.26	39.44	38.17	5.58	17.07	25.47	51.88			
Bloomsburg-Berwick MSA	9	0.5	16.53	0.00	18.44	22.22	20.23	22.22	44.80	55.56	5.74	11.48	18.85	63.93			
Lancaster MSA	232	12.3	17.38	13.04	19.06	22.61	24.77	23.04	38.79	41.30	6.38	19.62	28.63	45.37			
Lebanon MSA	90	4.8	17.00	20.00	18.58	25.56	24.94	25.56	39.48	28.89	6.42	20.56	26.98	46.05			
Non-MSA-PA	253	13.4	17.33	7.23	19.18	20.08	23.03	28.92	40.46	43.78	4.92	17.55	24.34	53.19			
State College MSA	24	1.3	18.29	4.35	19.03	30.43	22.77	39.13	39.91	26.09	6.23	16.84	26.43	50.51			
Williamsport MSA	140	7.4	18.83	5.71	18.93	22.86	23.21	27.14	39.03	44.29	6.10	16.99	26.33	50.58			
York MSA	198	10.5	17.58	10.71	18.89	27.04	24.52	28.57	39.01	33.67	7.78	19.12	26.21	46.89			

* Based on 2016 Peer Mortgage Data -- US and PR

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

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

**** As a percentage of loans with borrower income information available. No information was available for 2.4% of loans originated and purchased by the bank.

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

Table 11. Borrower Distribution of Small Loans to Businesses

Geography: PENNSYLVANIA										Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016	
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*			
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less		
Full Review:											
Harrisburg MSA	366	13.1	79.76	65.30	82.24	7.92	9.84	7,577	3,676		
Reading MSA	493	17.6	83.10	66.53	80.32	8.92	10.75	6,259	3,058		
Limited Review:											
Allentown Bethlehem-Easton MSA	435	15.5	83.19	69.89	91.03	3.45	5.52	11,071	5,809		
Bloomsburg-Berwick MSA	30	1.1	80.67	70.00	93.33	3.33	3.33	180	71		
Lancaster MSA	354	12.6	83.71	67.80	86.72	4.80	8.47	9,916	4,906		
Lebanon MSA	94	3.3	83.07	69.15	88.30	7.45	4.26	1,801	910		
Non-MSA-PA	533	19.0	81.15	73.55	87.80	5.07	7.13	3,781	1,582		
State College MSA	69	2.5	80.38	75.36	85.51	2.90	11.59	2,054	1,012		
Williamsport MSA	149	5.3	80.33	63.76	87.92	4.03	8.05	1,498	595		
York MSA	280	10.0	83.27	66.07	77.50	9.64	12.86	5,800	2,805		

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

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

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

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 5.28% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Geography: PENNSYLVANIA									
Evaluation Period: January 1, 2014 TO DECEMBER 31, 2016									
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Aggregate Lending Data*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
Full Review:									
Harrisburg MSA	1	14.3	96.92	100.00	100.00	0.00	0.00	155	81
Reading MSA	0	0.00	95.93	0.00	0.00	0.00	0.00	257	163
Limited Review:									
Allentown Bethlehem-Easton MSA	0	0.00	96.21	0.00	0.00	0.00	0.00	62	35
Bloomsburg-Berwick MSA	0	0.00	97.56	0.00	0.00	0.00	0.00	8	5
Lancaster MSA	3	42.8	96.30	100.00	33.33	33.33	33.33	1,217	937
Lebanon MSA	1	14.3	97.07	100.00	100.00	0.00	0.00	157	118
Non-MSA-PA	1	14.3	96.67	100.00	100.00	0.00	0.00	276	212
State College MSA	1	14.3	96.66	0.00	100.00	0.00	0.00	131	103
Williamsport MSA	0	0.00	97.48	0.00	0.00	0.00	0.00	58	41
York MSA	0	0.00	96.86	0.00	0.00	0.00	0.00	165	101

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

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

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

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

Geography: PENNSYLVANIA

Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016

Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Harrisburg MSA	3	35	7	5,309	10	5,344	11.8	2	5104
Reading MSA	2	1,822	20	11,603	22	13,425	25.9	1	11,300
Limited Review:									
Allentown Bethlehem-Easton MSA	1	605	14	120	15	725	17.7	0	0
Bloomsburg-Berwick MSA	0	0	0	0	0	0	0.0	0	0
Lancaster MSA	2	1,468	11	3,888	13	5,356	15.3	3	916
Lebanon MSA	2	69	1	5	3	74	3.5	0	0
Non-MSA-PA	0	0	8	60	8	60	9.4	0	0
State College MSA	1	2	2	25	3	27	3.5	0	0
Williamsport MSA	0	0	3	14,115	3	14,115	3.5	1	14,100
York MSA	1	144	3	42	4	186	4.7	0	0
Statewide	4	549	0	0	4	549	4.7	0	0

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

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

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

Geography: PENNSYLVANIA																	Evaluation Period: January 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population						
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography						
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp			
Full Review:																				
Harrisburg MSA	6.7	13	13.5	0.00	23.08	69.23	7.69	0	3	0	- 2	- 1	0	4.6	19.8	50.7	24.3			
Reading MSA	64.2	12	12.5	8.4	8.3	58.3	25.0	0	0	0	0	0	0	15.0	6.5	53.6	25.5			
Limited Review:																				
Allentown Bethlehem-Easton MSA	7.2	14	14.6	0.00	35.7	54.3	0.00	0	0	0	0	0	0	9.9	18.4	42.4	29.4			
Bloomsburg-Berwick MSA	0.4	1	1.0	0.00	0.00	100.0	0.00	0	0	0	0	0	0	0.00	0.00	47.5	52.5			
Lancaster MSA	4.1	11	11.5	9.1	0.00	81.8	9.1	0	0	0	0	0	0	4.7	8.3	75.4	11.6			
Lebanon MSA	0.9	2	2.1	0.00	0.00	50.00	50.00	0	0	0	0	0	0	0.00	11.5	65.5	23.0			
Non-MSA-PA	6.4	17	17.7	0.00	17.7	64.7	17.6	0	0	0	0	0	0	0.00	12.5	65.2	19.8			
State College MSA	1.0	3	3.1	33.4	0.00	33.3	33.3	0	0	0	0	0	0	2.9	13.8	49.4	24.2			
Williamsport MSA	2.6	7	7.3	0.00	0.00	100.0	0.00	0	1	0	0	0	- 1	3.8	7.2	81.9	7.1			
York MSA	6.6	16	16.7	6.3	0.00	62.5	31.2	0	0	0	0	0	0	6.7	7.5	66.1	19.7			