

2022–2024

Community Investment Strategy

ANNUAL REPORT / YEAR 1



WebsterBank®



Webster Bank is pleased to share here a summary of progress made in the first year of our *Community Investment Strategy*.

We are proud of the efforts made to deepen our investments in the communities we serve, and conscious that there is still more work to be done. We are grateful to continue learning from our community partners, in order to determine innovative ways to have impact and create pathways to opportunity.

\$6.5 B

Total 3-Year Plan
representing a 20% increase

\$1.35B

LMI Residential
Lending

\$1B

Multifamily
Lending

\$2.1B

Small Business
Lending

\$1.3B

Community
Development Lending

\$825M

Qualified
Investments

\$15M

Grants/
Contributions

30,000+ Hours of Volunteerism

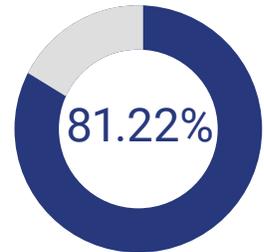
Affordable Housing: Residential and Multifamily Lending



LMI Residential Lending

Year 1 Goal
\$400M

Amount Achieved
\$324,895,412



CRA Multifamily Lending

Year 1 Goal
\$300M

Amount Achieved
\$303,508,214



Community Liaison Officers (CLO)

Hear from
[our CLO
Officers >](#)

In order to deepen our commitment to affordable housing, Webster hired six Community Liaison Officers in the second half of 2022. The CLOs are mortgage lending officers who provide support and financial education to low- to moderate-income (LMI) and minority borrowers, especially first-time homebuyers. In 2022, Webster's CLOs provided 115 hours of financial literacy and homeownership counseling to over 4,000 people.



Hartford
Claudia Tejada Riley



Westchester/Fairfield County
Donna Thompson



Bridgeport/Danbury
Kadie Ortiz



New Haven/Waterbury
Robert Jaekle



NYC Metro/Long Island
Yangchen Chadotsang



**Boston/
SE Massachusetts**

Affordable Housing: Residential and Multifamily Lending

In 2022, Webster allocated \$1 million to our Downpayment Assistance Program, offering clients 3% towards their down payment, up to \$15,000, based on need. Additionally, we have enhanced our offerings and increased our participation in local, state and federal programs in order to better serve our expanded market and assist first-time homebuyers in achieving the dream of homeownership:

New York	Connecticut	Rhode Island/Massachusetts
SONYMA	CHFA Time to Own	Mass Dreams
HDF Smart Move	HDF SmartMove	MHP One Plus Boston
HPD HomeFirst	Equity Builder Program	Equity Builder Program
HPD HomeFirst	HDF Live Where You Work	Housing our Workforce
CHI Renters to Own	Housing Our Workforce	
Co-op Lending		

CRA Multifamily Lending in this category is defined as community development lending with a purpose of affordable housing and total units >4. This metric also includes lending provided for LIHTC (Low-Income Housing Tax Credit) projects. **Notable projects include:**

Project	Amount	CD Purpose & Community Impact
Mt Hope Walton	\$29.8M	This affordable housing LIHTC project in the Bronx, NY finances the construction of 103 affordable rental units in addition to a community health and wellness center in a Low-Income Census Tract where 35% of the resident population lives below the Federal Poverty Line.
Sterling Green	\$26.8M	This loan finances the construction of 71 affordable housing rental units in Farmingdale, Long Island to LMI households.
Bethany MH LLC (RiseBoro)	\$29.2M	This affordable housing loan funds the construction of 58 housing units to seniors with incomes at or less than 50% of AMI in Brooklyn, NY. 18 of the 58 units will integrate supportive housing services for formerly homeless, frail, and elderly individuals.
275 Orange Phase 1-A LLC	\$10M	This affordable housing loan funds the 40 affordable units located in a 200-unit mixed-income building located in New Haven, CT.

We are proud to have launched [Webster's Multifamily Lending Best Practices](#), utilizing input from our long-time partners University Neighborhood Housing Program and Association for Neighborhood & Housing Development.

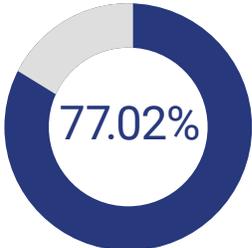
Small Business Lending



CRA Small Business Lending

Year 1 Goal
\$650M

Amount Achieved
\$500,618,000



CRA small business loans are defined as loans at or under \$1M, and/or to business entities with GAR at or under \$1M.

Minority- and Women-Owned Business Enterprises (MWBE) Team

In anticipation of our continued growth in this arena, in the second half of 2022 Webster created a small business lending team devoted to Minority- and Women-Owned Business Enterprises ([MWBE](#)).



Lynette Espinosa



Barrett Stokes



Cheryl Wallace-Smith

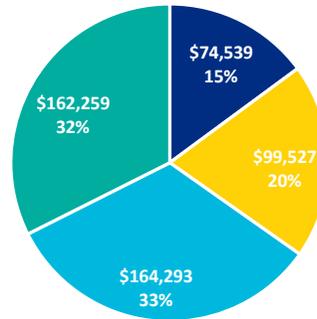


Denise Diaz

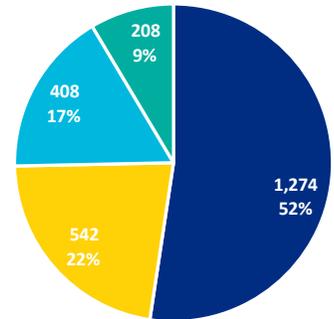
Small Business Lending

Although we did not meet our lending goal for this year, we are proud to report, as noted in the graphs to the right, that **of the CRA small business loan volume for 2022, half is going to businesses with GAR \$1M or under, and just over 50% of the loans that we are making are under \$100K**, demonstrating our commitment to get capital to the small businesses that play such a vital role in creating economic vitality in our communities.

Amount (000s) by Loan Size



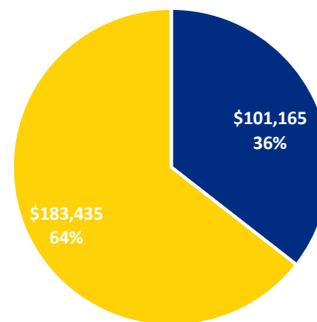
Count by Loan Size



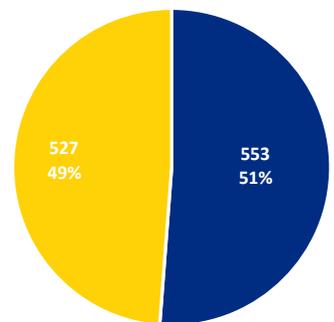
■ <=\$100K ■ >=\$100K<=\$250K ■ >=\$250K<=\$500K ■ >\$500K

Small Business Lending by State		
State	Count	Amount (000s)
Connecticut	1,677	\$303,786
Massachusetts	269	\$53,241
New York	327	\$106,588
Rhode Island	159	\$37,003

Amount (000s) by Revenue Size



Count by Revenue Size



■ <=\$1MM ■ >\$1MM

Distribution of loans where revenue was reported

In November 2022, **Webster hosted a meeting with the leaders of four leading organizations focused on supporting small businesses**: Business Outreach Center Network (NY), Community Capital NY, Women’s Business Development Council (CT) and South Eastern Economic Development Corporation (RI/MA). These leaders provided input on **how to design Webster small business products that would meet the needs of their clients**.

Since then, we have continued to deepen our relationships with those organizations, as well as Asian Americans For Equality (AAFE)/Renaissance Economic Development Corporation (NY) and Women’s Enterprise Development Center (NY). In 2023, we will continue to work with these partners and others to support the small business community across our footprint.

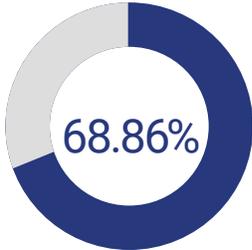
Community Development Lending and Investments



Community Development Lending

Year 1 Goal
\$400M

Amount Achieved
\$275,439,747



Qualified Investments

Year 1 Goal
\$250M

Amount Achieved
\$246,991,145



Community Development Lending in this category is defined as loans made for the purpose of community services, workforce development, economic revitalization and stabilization. Though we missed our target in this category, we are actively working with our Consumer and Commercial Banking partners to catch up to the goal in subsequent years. Having lent \$32M to CDFI partners in 2022, we are currently pursuing a strategy to increase our CDFI lending and engage in NMTC investments. **Notable projects from the past year include:**

Project	Amount	CD Purpose & Community Impact
CAMBA Inc	\$7.5M	This community services loan provides funding for a homeless shelter in Brooklyn, NY.
Sun River Health, Inc	\$10M	This community services loan funds a Federally Qualified Health Center in Peekskill, NY.
Zeta Charter School	\$17.5M	This community services loan provides funding for the expansion of Zeta Charter School in a low-income area of Inwood, NY. Zeta Charter has a FARM metric of 83% as of the 2021-22 school year per nces.ed.gov.
Noble BX LLC	\$15M	This community services loan funds the construction of a 200-bed homeless shelter for marginalized/homeless men in Bronx, NY.
Concern for Independent Living	\$11.5M	This community services loan provides operating capital for a non-profit that assists the developmentally disabled, the homeless, military veterans and very low-income families in Medford, NY.
Corporation for Independent Living	\$8M	This community services loan provides funding for the development of group homes serving LMI individuals with disabilities located in CT and MA.
HPP-Six LLC	\$50M	This economic revitalization and stabilization loan funds the construction of a mixed-income building located in Stamford Connecticut’s Harbor Point Opportunity Zone.
BlueHub Loan Fund, Inc.	\$7.5M	This community services loan provides patient, below market rate capital to a Boston-based New England regional CDFI.

Philanthropy and Community Service

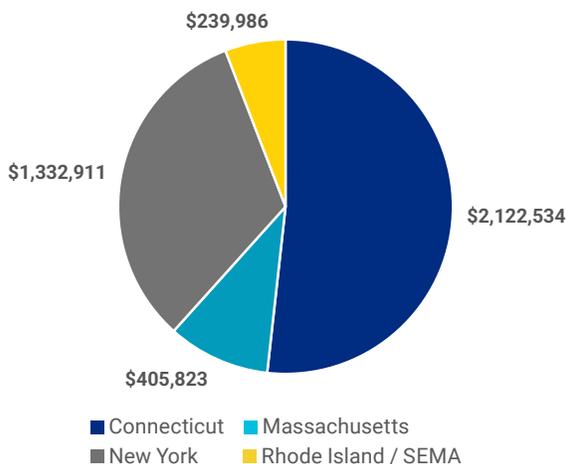


In 2022, Webster invested over \$5 million in the important work of nonprofit partners throughout our market area, focusing on those that serve LMI individuals and their families. In developing the Community Investment Strategy, we had the opportunity to refine our philanthropic pillars, leveraging our core competency as a financial institution working to create economic vitality in our communities via affordable housing, community development, job creation, and the provision of basic needs. We were able to end 2022 with an even distribution of grants amongst philanthropic pillars, and representation of the geographies where we have the greatest market share. In 2022, Webster's philanthropy supported 28.3 million clients via 359 grants to nonprofits, and based on data from nonprofits who responded, 81% of grantees serve over 50% LMI individuals and 54% serve between 90-100% LMI.

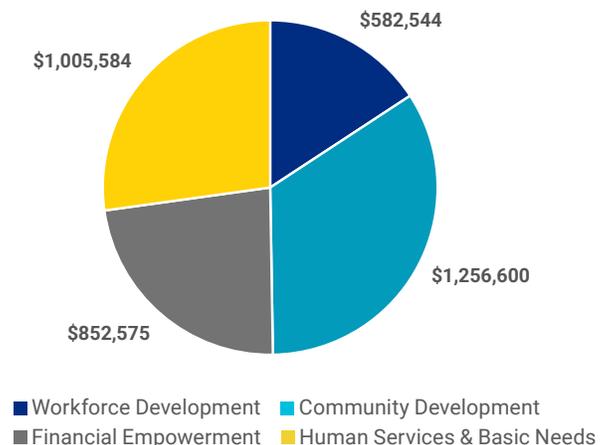
Our Funding Pillars

 <p>Workforce Development</p> <p>Job creation, strengthening small business development, and providing career skills for underserved populations.</p>	 <p>Financial Empowerment</p> <p>Building personal responsibility for economic self-reliance with a focus on financial education for youth and aging populations.</p>	 <p>Community Development</p> <p>Creation of affordable housing including home-ownership counseling, first-time homebuyer support and credit remediation.</p>	 <p>Human Services & Basic Needs</p> <p>Strengthening our communities, building self-sufficiency, addressing food insecurity and promoting well-being.</p>
---	---	--	--

Funding by State



Funding by Pillar



Philanthropy and Community Service

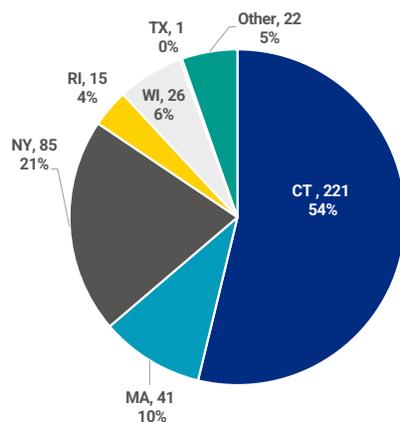
2022 also saw the creation of Webster's signature **Finance Lab Initiative**, designed to help nonprofit partners in LMI communities create opportunities for youth to gain skills needed for economic empowerment and financial success. Three Webster Finance Labs were launched in 2022 in partnership with the following organizations: Yonkers Partners in Education (Yonkers, NY), Eagle Academy Foundation (New York metro), and Wakeman Boys and Girls Club: Madison Avenue Clubhouse (Bridgeport, Connecticut). The Labs provide support for technology and curriculum, and also offer volunteer opportunities for Webster colleagues. **Each Finance Lab is funded with a \$100,000 grant from the Webster Bank Charitable Foundation**, and additional labs are planned for 2023.



In 2022, Webster colleagues provided 14,695 hours of community service throughout our market area, demonstrating Webster's continued commitment to investing in the neighborhoods where we live and work via the time and talent of our colleagues. We also launched our first Community Impact Month in June 2022, a month-long campaign dedicated to engaging colleagues in community service throughout our footprint.

It was certainly a special experience knowing you are helping others in need of food which is humbling.
 —Patricia Feliciano, Volunteer, Island Harvest

Participation by State (hours)



* Other represents out of footprint geographic areas



Supplier Diversity



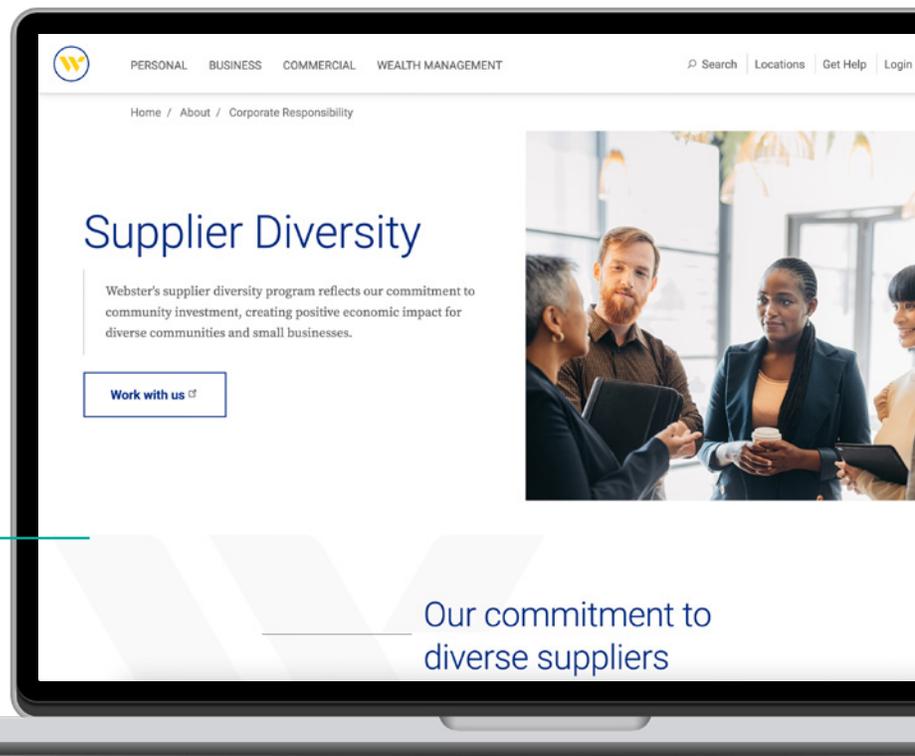
We began building our **new Supplier Diversity program** in 2022, integrating diversity and inclusion into our procurement process by laying a strong foundation with key internal and external stakeholders. **We developed policies, practices and procedures to ensure equal opportunity and enable access.**

As part of this effort, Webster partnered with a number of organizations that support women- and minority-owned businesses in New England and New York. Membership in these groups provided valuable opportunities to develop relationships and learn best practices. We've been able to increase our visibility in this space by participating in supplier diversity matchmaker events and other external initiatives that promote opportunities for diverse vendors.

Internally, we are working to align our processes and lower barriers to entry by fine-tuning the onboarding process for low-risk vendors. We also developed colleague training to emphasize the important role our colleagues play in making the new Supplier Diversity program a success. We will support this with internal "road shows" across the footprint in 2023.

The new Webster Supplier Diversity page went live in 2022, and an online vendor portal is scheduled for 2023.

[View our new page >](#)



Products and Services



In 2022, we were pleased to introduce **Webster Connect Checking**. This product provides unbanked and underbanked clients with financial services with limited fees to help them save, grow, and access their money in a reliable way. Webster Connect was launched in the New York metro area in late 2022, and will be offered across all Webster locations by late 2023. This product has been certified by Cities for Financial Empowerment for meeting the BankOn National Account Standards for 2023-2024.

Additionally, we continue to be **actively engaged with the Bronx Financial Access Coalition (BxFAC), having made a \$200K grant to support their work in bringing the Bronx People’s Federal Credit Union, an expansion site of the Lower East Side People’s Federal Credit Union, to the Bronx.** Our funds in 2022 were **used to create a mobile bank branch** and its corresponding outreach efforts throughout the Bronx, enabling provision of banking services to historically underbanked neighborhoods. We look forward to continuing our investment in BxFAC’s mission, and to partnering with them on opening a physical location of the BPFUCU by 2024.



Our Continued Commitment to Waterbury



Webster's **continued commitment to our legacy city of Waterbury, CT** has many facets. Within 90 days post-merger, **Chief Corporate Responsibility Officer Marissa Weidner, who is based in Waterbury, met with key leaders of Waterbury-based nonprofits.** These included The Hispanic Coalition of Greater Waterbury, Neighborhood Housing Services of Waterbury, the YMCA of Greater Waterbury, Wellmore Behavioral Health, and United Way of Greater Waterbury.

Continued investment in the Harold Webster Smith Foundation allowed for the creation, staffing, and expansion of the Waterbury Land Bank Authority (WLBA), only the second in the state. The WLBA is poised to **deepen revitalization efforts in Waterbury**, helping to increase housing stock and bring blighted properties back to life.

Building upon the good work in affordable housing at Gaffney Place, **the Linden Place project (with 44 rental units) saw momentum**, securing the necessary funding from the CT Department of Housing to begin demolition and construction.



Webster's philanthropic commitment to Waterbury remained strong, including continuing to rely on our partnership with the United Way of Greater Waterbury, which served as the Bank's fiduciary for the historically successful **United Way Workplace Campaign which raised \$1.6M in 2022.**

New investments included **support of the Women's Business Development Council's new downtown Waterbury Training Center**, promising to **bring much-needed capital and technical assistance to the growing women- and minority-owned small business community.** This investment will also broaden WBD's Equity Match Grant funding, made available as a result of Webster's founding funding in this program.



In addition, **The Hispanic Coalition was approved to receive funding for a new Finance Lab** – the first of its kind in Waterbury, where Webster will provide much-needed banking expertise and financial literacy to their clients and community.

We were proud to be an initial funder of the Waterbury Re-Entry Center (run by Community Partners in Action) and **renewed our funding to support system-impacted individuals and their families for a successful transition home.**

Our **funding of Waterbury Promise** rounded out the new investments made in the city.



Diversity, Equity, Inclusion and Belonging



Webster Bank
Business Resource Group

Webster's commitment to Diversity, Equity, Inclusion and Belonging has continued to strengthen in 2022. Led by a Senior Managing Director of DEIB, **Webster prides itself on having eight active Business Resource Groups** (akin to ERGs or affinity groups) that provide learning, service, connection, and growth opportunities for colleagues and external partners. **Webster's Diversity Council**, co-chaired by our CEO and the Executive Managing Director of Business Banking, is **comprised of 39 colleagues across the bank**, including leaders of our BRGs, and serves as the platform for creating DEIB strategy and action for the company.

In 2022, Webster had 4,195 colleagues (including part-time), of which 62.6% were women and 33.6% were diverse. Additionally, **55.1% of all managers were women, and 22.9% of all managers were diverse.** Finally, utilizing input from the National Community Reinvestment Coalition (NCRC), Webster revised our grant application (launched in 2023), enabling us to track leadership diversity of the organizations that we fund philanthropically.

4,195

Employees

62% are women
33.6% are diverse



Webster launched 3 Community Advisory Councils in 2022, one for each market area (CT, NY, RI/MA) and invited 10 nonprofit leaders to serve on each of these Councils, representing arenas of affordable housing, small business support, workforce development, CDFIs, and economic revitalization. NCRC is represented on each Council, and 2 meetings were held in 2022, with 3 meetings planned for 2023. At each meeting progress against the Community Investment Strategy is discussed and feedback is solicited from community partners on how Webster can continue to advance its lending and investment goals in underserved communities throughout our market.

In conclusion, despite the challenges of integrating two distinct companies, alongside the headwinds created by the economic environment, **Webster has made significant progress in delivering on the commitments made in its Community Investment Strategy.** We look forward to working with our partners to continue this progress, and seek new and innovative ways to create economic vitality in the communities where we live and work.