Webster Financial Corporation

2022-2024
Community Investment Strategy Final Report

WebsterBank®

From 2022-2024, Webster Bank's multiyear Community Investment Strategy (CIS) invested $5.08B in the communities where we live and work. These dollars have been deployed to create impact—via residential mortgage lending, access to capital for small businesses, financing for community development projects and qualified investments, as well as a significant increase in philanthropic dollars.

The challenging macroeconomic environment during this three-year period caused Webster to extend the timeline of our original $6.5B commitment by one year, including a reforecast of 2024 lending targets for three areas.[1] That said, the notable increase in products, services, marketing, colleagues and focus on the needs of underserved communities throughout our footprint is a testament to Webster's dedication to creating economic vitality for all.

[1] These three areas were: CRA residential lending, small business lending, and community development lending outside of CRA multifamily lending.

Affordable Housing and Home Ownership

From 2022-2024, Webster produced just under $785M in CRA residential lending, against a reforecast goal of $755M (104% of goal) and against an original goal of $1.35B. This includes $245M in 2024 alone, against a goal of $215M, despite a very challenging market environment of high rates, low inventory and high home prices.

Our residential lending team deployed four essential tools to increase access to homeownership in low-to-moderate income (LMI) communities over the past three years, including:

- **Products:** “Webster You’re Home,” our Special Purpose Credit Program, alongside our Home Ownership Possibilities for Everyone (HOPE) product and a generous Down Payment Assistance program
- **People:** 7 Community Liaison Officers focused on CRA residential mortgage lending and homeownership counseling and education
- **Outreach:** We launched focused marketing campaigns to increase our visibility, in English and Spanish in select geographies, and
- **Services:** In 2024, Webster Bank partnered with 254 community development organizations to provide 485 financial literacy and homebuyer workshops to 8,883 participants.

Additional Products:

- Down Payment Assistance Program: Increased from $15,000 to $25,000
- Up to $50K in down payment assistance in eligible tracts in targeted markets: Middlesex and Essex Counties, MA
- HELOC: discounted rates offered in targeted markets

Webster You’re Home	HOPE
✓ Includes rate/term refinances and purchase transactions	✓ Includes rate/term refinances and purchase transactions
✓ Allowable limits up to 80% of Area Median Income for properties in eligible Geographical Assessment or Majority Minority tracts	✓ Allowable limits up to 120% of Area Median Income for properties in eligible Geographical Assessment or Majority Minority tracts
✓ Discounted borrower-paid mortgage insurance coverage	✓ Discounted borrower-paid mortgage insurance coverage
✓ Access to below market interest rates	✓ Reduced interest rates
✓ Minimum credit score starting at 620	✓ Minimum credit score starting at 620


Alice Dunlop
Waterbury/ New Britain


Sally Gumula
Greater Hartford


Bob Jaekle
Greater New Haven/ Bridgeport


Nanette Jimemez
Greater Long Island and NYC boroughs


Thomas Jung
Greater Boston


Carla Rosa
SEMass/RI


Donna Thompson
Bronx/ Fairfield County

Affordable Housing and Home Ownership

Community Reinvestment Act (CRA) Multifamily Lending

Webster exceeded the original three-year CRA Multifamily Lending goal set forth in our 2022-2024 CIS, having produced $1.357B in lending against a goal of $1.05B (129% of original goal). These results demonstrate Webster's continued commitment to developing affordable housing in the communities where we live and work, having financed over 2,300 units in 2024 alone, and over 6,800 units during the three-year period. CRA Multifamily lending is defined here as community development lending with a purpose of affordable housing and total units >4.

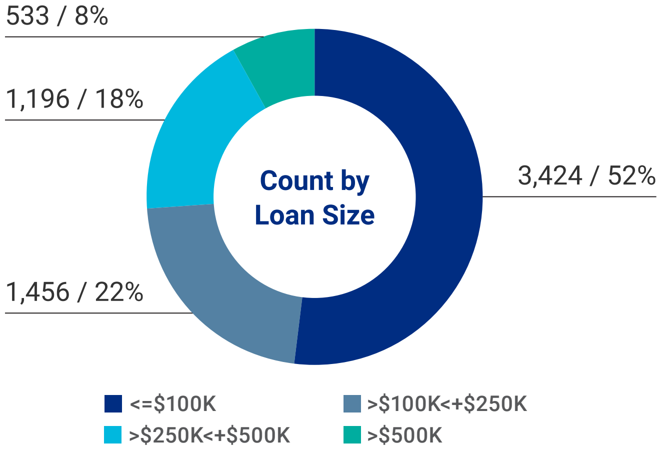
Given Webster's expertise in this space, we intentionally separated multifamily lending from the overarching Community Development Lending category (where it is typically included by other banks and for regulatory purposes) to single out the significant investment made in this arena.

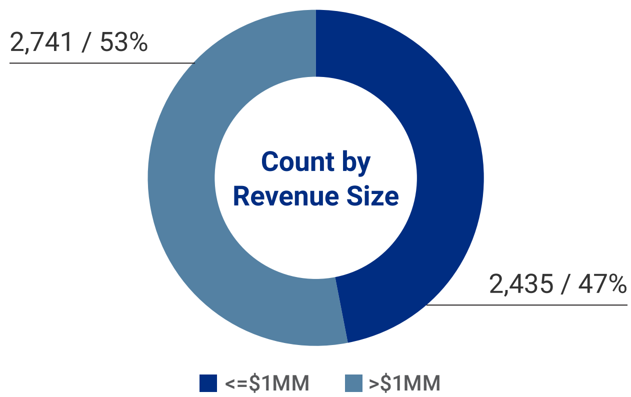
One notable example of our commitment to this space is a $50M construction loan to finance The Lirio, a 112-unit mixed use multifamily project that will provide housing for long-term survivors of HIV/AIDS and formerly homeless individuals in the Hell's Kitchen neighborhood of Manhattan. This project is a joint venture between Hudson Companies and Housing Works, a nonprofit organization dedicated to combating homelessness and AIDS for low-income New Yorkers. Webster will provide $50M in construction financing for the project, creating access to safe, affordable housing for an extremely underserved community in NYC. Built to Passive House standards, The Lirio will incorporate a number of green features, including green roofs, rooftop solar, and lower operating costs for heating and cooling. The project has solar tax credits along with NYSERDA New Construction Program Funding.

Rendering of The Lirio
at 806 9th Avenue, NYC

Small Business Lending

Over the past 3 years post-merger, Webster produced $1.392B in small business loans, against a reforecast goal of $1.345B (104% of goal) and against an original goal of $2.1B. This includes $465M produced in 2024, against a goal of $420M. CRA small business loans are loans of $1M or under, and additional credit is given to loans provided for businesses whose gross annual revenue is under $1M. During this period, 47% of small business loans were made to small businesses with revenue $1M or under, and 52% of loans made were loans of $100K or under.





Webster is also proud to have developed and grown a small business lending team focused on **Minority and Women-owned Business Enterprises (MWBE)**, who have nearly doubled their book of business over the past few years. The MWBE program offers small business banking solutions, such as checking and savings accounts, as well as credit cards and lending programs, to meet the needs of minority- and women- owned businesses throughout our footprint. With the Automated Decisioning Model (our technology platform for small business loan applicants) now in place across our market, we are seeing an average 77% approval rating for loans submitted. The MWBE team pictured on the next page works actively to provide education to small business owners seeking to grow their business, and pursues referrals from our partners in this space, including:

- Women's Business Development Council
- The Black Business Alliance
- Women's Enterprise Development Center
- Community Capital New York
- Social Enterprise Greenhouse
- Asian Americans for Equality
- LEAF Local Enterprise Assistance Fund
- SEED South Eastern Economic Development Corporation
- boc capital What's your next step?

Small Business Lending

Minority and Women-owned Business Enterprises (MWBE) Team

Webster is committed to delivering financial solutions and being a catalyst for economic empowerment and self-sufficiency for Minority and Women-owned Business Enterprises in the communities it serves.

The MWBE Small Business Relationship Managers report to Denise Diaz, Market President, and partner with all colleagues to support the growth and development of minority and women-owned small businesses and organizations focused on economic development in underserved communities.

Denise Diaz

Lynette Espinosa

Barrett Stokes

Cheryl Wallace-Smith

RENAISSANCE

One example of this collaboration came about when Webster partnered with Renaissance Economic Development Corporation to support the Richard Meyer Gallery Inc., a small, 40-year-old business in downtown NYC known as **"Beads of Paradise."** Renaissance is a Community Development Financial Institution (CDFI) founded in 1997 by Asian Americans for Equality and works to transform low-to-moderate-income communities by providing low-interest loans, training, and counseling services to small businesses. Recognizing their client's growth potential and need for working capital post-COVID, Renaissance referred the business owner to Webster's MWBE team. That team worked closely with the business owner to secure their first $100,000 traditional business line of credit, helping the business expand while demonstrating the power of community partnerships.

Community Development Lending and Investments

From 2022 to 2024, Webster produced $674M in Community Development Lending, against a reforecast goal of $710M (95% of goal) and against an original goal of $1.3B. Additionally, Webster produced $856M of Qualified Investments, against the original goal of $825M (104% of goal) for the period (this metric was not reforecast). It is important to note that for the purposes of the Community Investment Strategy, the Community Development Lending category did not include deals focused on affordable housing, as financing for those projects were recorded in the CRA Multifamily Lending metric. Examples of lending in this category include loans to CDFIs, financing for things like charter schools and other institutions that provide economic revitalization to a community, such as a federally qualified health care facility, as well as loans to small businesses over $1M. Qualified Investments include the equity portion of LIHTC deals, as well as investments made in entities such as Small Business Investment Companies (SBIC) and Rural Business Investment Companies, like Blue Highway Growth Capital, a women-owned RBIC that Webster has invested in since 2019. RBICs are designed to promote economic development and job creation in rural areas, and in 2024 Webster made a $3M investment in Blue Highway Growth Capital Fund II, bringing capital to rural businesses poised for growth.

In 2024 Webster lent over $55M to CDFIs in our footprint, and also provided over half a million dollars in philanthropy to CDFI partners, creating an additional channel for getting capital into the hands of small business owners and catalyzing affordable housing projects throughout New York, Connecticut, Rhode Island and Massachusetts. Some of the CDFI partners that we support via lending and/or investment are listed below:

- Accion
- Ascendus
- BlueHub Loan Fund
- CAMBA
- Capital for Change
- Capital Good Fund
- Community Capital New York (CCNY)
- Community Development Corporation of Long Island
- Community Economic Development Fund (CEDF)
- Corporation for Supportive Housing
- Dorchester Bay EDC
- Dreamspring
- Hartford Community Loan Fund
- Hartford Economic Development Corporation (HEDCo)
- Housing Development Fund
- Housing Partnership Network
- Local Enterprise Assistance Fund (LEAF)
- Long Island Housing Partnership
- Leviticus 25:23 Alternative Fund
- LISC CT
- LISC MA
- LISC NY
- LISC RI
- Neighborhood Housing Services NYC
- Renaissance/AAFE
- South Eastern Economic Development Corp. (SEED)

Community Development Lending and Investments

A few additional notable Community Development Lending projects are listed below:

Project	Loan/LOC Amount	CD Purpose/Impact
United Veterans Beacon House	**$250K**	United Veterans Beacon House is a nonprofit established in 1994 by a group of Vietnam veterans, with the mission to provide temporary and permanent residences for homeless veterans of the Tri-State area. UVBH operates and supports 47 locations in Long Island, NY, and provides residents with a host of wraparound services as well.
Abbott House	**$2.0M**	Abbott House is a nonprofit that builds lasting foundations for children, families and adults with "complex" needs that include physical, mental, educational and residential care for abandoned, neglected, abused and developmentally disabled individuals in the New York metropolitan area and the Hudson Valley.
The Segue Institute for Learning	**$20M**	The Segue Institute for Learning is a charter school in Rhode Island, serving over 360 K-8 students from low-income backgrounds. This $20M tax exempt bond will allow the school to purchase new property to house a high school.
BlueHub Loan Fund	**$25M**	BlueHub Loan Fund is a nationally recognized CDFI formed in Boston in 1984 to provide below-market rate capital to community-based organizations for the development of affordable housing. It expanded its purposes in 1994 to include broader community development lending, benefitting low-income or disadvantaged people or communities.
City of Ansonia, CT	**$6.1M**	The loan supports a General Obligation Bond Anticipation for the City of Ansonia, CT which is predominately LMI. The funds of the bond will be used to finance capital projects including a new middle school, public buildings and parks, vehicles and equipment, a new radio system for all emergency services and first responders, and road paving.

Inclusive Vendor Engagement

Our Inclusive Vendor Engagement program was created to champion economic empowerment throughout our market, because we believe that local, small and diverse businesses should have the opportunity to compete for contracts in a fair environment. Developing this program at Webster has been an enterprise-wide effort. Working collaboratively with Strategic Sourcing and Accounts Payable, we developed an alternative reporting framework with consistent invoicing methodology and automated monthly reporting. Strategic Sourcing has fine-tuned our vendor onboarding process, reducing barriers to entry for low-risk vendors.

Webster now offers an online portal, allowing local, small and diverse businesses to submit their company information to be considered for entry into our supplier database. Colleagues have access to a digital catalog that helps identify and engage with local, small and diverse vendors. These businesses provide a range of goods and services such as marketing, photography, catering and event planning. Catalog vendors are sourced from internal colleague referrals, engagement with community partners and existing relationships. The catalog will be updated periodically as more businesses are onboarded, providing Webster colleagues with more opportunities to consider these businesses when making procurement decisions.

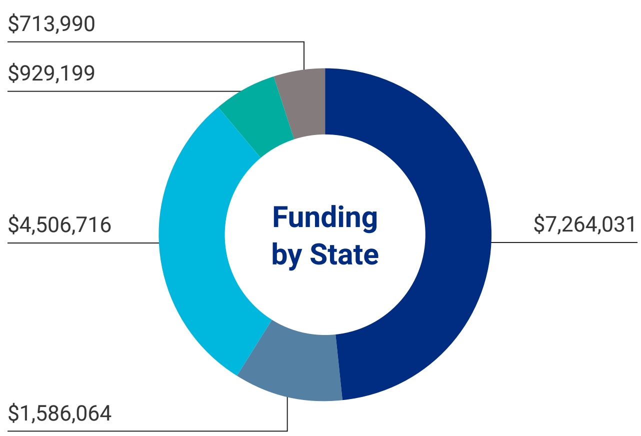
The Inclusive Vendor Engagement program's progress is reported quarterly to the Corporate Responsibility Committee, comprised of C-suite executives. This Committee in turn reports to the Nominating and Governance Committee of Webster's Board of Directors.

Our Partnerships & Memberships

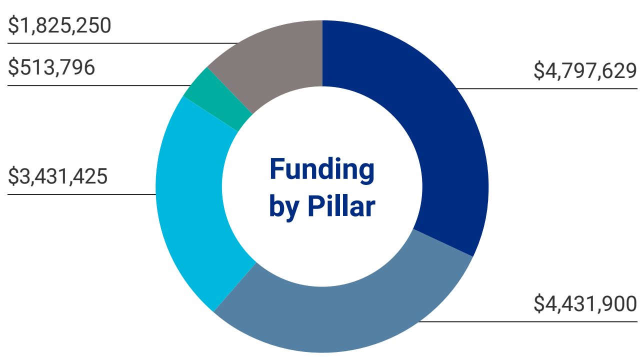
National Veteran-Owned Business Association (NaVOBA)	**Minority Business Development Agency (MBDA)**	**Women's Enterprise Development Center**
MetroHartford Alliance	**Women's Business Enterprise National Council**	**Women's Business Enterprise Council Metro New York (WBECMNY)**
Women's Business Development Council (WBDC)	**Greater New England Minority Supplier Development Council (GNEMSDC)**	

Philanthropy and Community Service

Webster is proud to have granted over $15M (100% of goal) in philanthropy dollars to nonprofit organizations throughout our footprint during the three-year CIS, representing an 88% increase over the amount of corporate giving being deployed by each institution prior to the merger. At the outset of the Community Investment Strategy, the bank refined its giving priorities to align to arenas we believe that, as a financial institution, we can have the most impact. From the creation of our Finance Labs initiative to support for CRI's "Bridge on Main" project, millions of dollars in grants for affordable housing and homeownership programs, alongside a longstanding partnership with the United Way, it is clear that we have found our stride. Amidst the vast array of excellent organizations throughout our market, focusing in on affordable housing, financial empowerment, workforce development, and basic needs has given us the opportunity to develop expertise, provide clarity to our partners, and double down on our commitment to creating economic vitality. We are proud to fuel the mission-driven work of hundreds of nonprofits serving the underserved and strengthening the communities where we live and work.



Connecticut
Massachusetts
New York
Rhode Island
Other



Basic Needs/Human Services
Community Development
Financial Empowerment
Other
Workforce Development

Our Funding Pillars

Workforce Development

Promote job creation, strengthen small business development and provide career skills for underserved populations.

Community Development

Support creation of affordable housing, including homeownership counseling, foreclosure prevention, first time homebuyer support and credit remediation, as well as support for CDFIs and CDCs.

Financial Empowerment

Support organizations whose main mission is financial empowerment and inclusion through financial literacy programs for youth and aging populations.

Basic Needs & Human Services

Strengthen our communities by addressing food insecurity (primarily through regional food banks), homelessness and targeted wrap-around services.

Philanthropy and Community Service

In 2024, Webster's philanthropy invested $5.5M in grant funding to 285 nonprofit partners who reported serving nearly 23 million clients. Of those who responded to the application question, 88% serve 50% low-to-moderate income (LMI) individuals, and 59% serve 90-100% LMI individuals. 2024 also saw the announcement of our three final Webster Finance Labs, a signature initiative managed by the Office of Corporate Responsibility. These nine labs will continue to imbue their programming with financial empowerment curriculum, supported by dedicated Webster volunteers, allowing young people to gain the skills needed for economic empowerment and financial success. By 2028 Webster will have invested $3.6M in this program, which as of 2024 has served 2,373 participants aged 13-25, 90% of whom are LMI.

Webster colleagues continue to share their time and talents with our communities via board service and volunteerism. **We exceeded our original goal of 30,000 hours of community service, having produced over 39,000 (130% of goal) hours of valuable volunteer service by Webster colleagues over the three-year period. In 2024 alone, Webster colleagues provided 15,782 hours of community service to 498 organizations throughout our market.** We also continue to enhance our nonprofit board service program, providing training sessions about how to make an impact as a nonprofit board member, and then matching colleagues to board service opportunities so that they can deepen their commitment to causes they are passionate about. Over 30 matches have been made since the program started, and nearly 50% of senior leaders are currently serving on a nonprofit board.

2024 Annual Community Impact Month (June) Results

3,350+ hours of community service

131 non-profits supported across 11 states

490+ colleagues participated

73 events held

17 Ambassador-led events

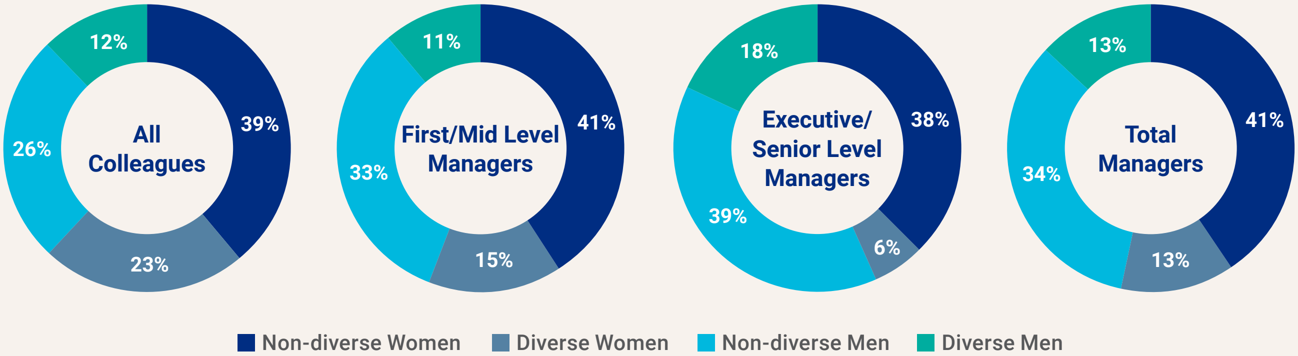
Inclusion and Belonging

Webster continues to believe that fostering a culture of inclusion and belonging is integral to our long-term success. Our Inclusion and Belonging Council serves as a platform where our Chief Executive Officer and Chief Credit Risk Officer serve as co-chairs, alongside other senior leaders and representatives of our Business Resource Groups who meet quarterly to shape the strategy and actions of our inclusion and belonging efforts. The Council considers ways to improve in the areas of education and awareness, talent development, colleague engagement and strengthening connections with clients and our communities. The Council reports to the Corporate Responsibility Committee, which reports to the Nominating and Governance Committee of the Board of Directors. This oversight sends a clear signal that providing a welcoming environment for our colleagues is a priority for Webster.

Nonprofit board service training session in Southington, CT

Our eight Business Resource Groups (BRGs), open to all colleagues on a voluntary basis, continue to enhance Webster's strategic objectives, helping colleagues better understand our markets and community stakeholders and contributing meaningfully to the neighborhoods where we live and work. In 2024 over 1,000 colleagues participated in BRGs.

2024 Workforce Representation



Products and Services

Webster Connect Checking

Webster Connect Checking provides unbanked and underbanked clients with financial services with limited fees to help them save, grow, and access their money in a reliable way. This product has been certified by Cities for Financial Empowerment for meeting the **BankOn National Account Standards for 2023-2024 and 2025-2026.**

Webster Connect Checking has been available in all Webster locations since 2023. We continue to work with our Community Banking Center Managers to promote the product and partner with the BankOn coalition in Connecticut. As of December 2024, Webster had nearly 1,000 Webster Connect Checking accounts open.

Career Resources, Inc.

In partnership with Career Resources, Inc. (CRI), Webster is the premier banking partner for “The Bridge on Main” a collaborative resource center for system-impacted individuals. The Bridge is the latest initiative of CRI, a leader in workforce development with over 20 years of success in improving access to employment for Connecticut residents. Opening in Bridgeport, CT in late 2026, The Bridge will offer a holistic scope of services, stewarding the formerly incarcerated and their families towards a financially independent life. Webster colleagues will provide onsite banking services at The Bridge, in addition to financial literacy workshops and other community outreach programming. Webster has made a 5-year $750K commitment towards the project.

Products and Services

Bronx Financial Access Coalition

Webster continues to be the premier bank partner of the Bronx Financial Access Coalition (BxFAC), a group of renowned Bronx-based organizations (Women's Housing and Economic Development Corporation/ WHEDco, We Stay/Nos Quedamos, Banana Kelly Community Improvement Association, and University Neighborhood Housing Program/UNHP) who came together to develop innovative ways to increase access to banking services in their borough. A survey of Bronx community members by WHEDco found about one out of every four did not have a bank account and more than 40% said they have zero dollars saved.

In response to this need, BxFAC, in partnership with Webster and the Lower East Side People's Federal Credit Union, launched a mobile bank branch, the first step in establishing the Bronx expansion site of the Lower East Side People's Federal Credit Union. The "branch on wheels" travels the 42-square-mile borough and provides residents with services like opening a free checking account, accessing loans, and receiving support to secure Individual Taxpayer Identification Numbers (ITIN). Since 2022 Webster has invested $600K to support the mobile bank branch and its corresponding outreach efforts throughout the Bronx.

The culmination of this initiative happened on April 4, 2025, with the official ribbon cutting ceremony for the permanent location of the Bronx People's Federal Credit Union. The credit union's new branch at 941 Intervale Ave offers affordable and quality financial services to a historically underserved and underbanked community.

The mobile bank branch continues to provide banking services to people throughout the South Bronx, and Webster continues to support the work of the Bronx Financial Access Coalition through philanthropic grants and enlisting our colleagues to help teach financial empowerment classes. To learn more about this innovative partnership, watch this video.

bxfac BRONX FINANCIAL ACCESS COALITION

Multicultural Outreach Campaign

In 2024, the Office of Corporate Responsibility launched the Multicultural Outreach Campaign to enhance access to banking services in diverse communities and promote financial inclusion. The campaign includes translated marketing materials, bilingual financial literacy workshops and prominently displayed posters that reflect the languages spoken in select banking centers. A key component of the initiative is the Multicultural Champion Program, in which 51 colleagues across 18 select banking centers were certified to conduct business in a language other than English. These Champions collectively represent 15 languages and provide personalized support to clients in their native languages, facilitating a more accessible and inclusive banking experience. Through these efforts, Webster aims to better serve clients while strengthening connections with the communities we serve.

Multicultural poster displayed in our Chinatown banking center in Boston, MA

A Webster colleague proudly wearing a new nametag identifying her Spanish language skills at the Getty Square banking center in Yonkers, NY

Continued Commitment to Waterbury

Webster's continued commitment to our founding city remains an important element of our corporate responsibility programs. In 2022, Webster's Chief Corporate Responsibility Officer, who is based in Waterbury, brought together a group of leaders of Waterbury-based nonprofits, and this annual convening continued in 2023 and 2024. Nonprofits present included The Hispanic Coalition, Nest, the YMCA of Great Waterbury, United Way of Greater Waterbury, Wellmore Behavioral Health and St. Vincent dePaul, amongst others. At these meetings, progress against the Community Investment Strategy was reviewed, and leaders gave feedback and counsel on how to deepen Webster's investment in the city where the bank got its start.

Additionally, in 2024 Webster announced an annual $100K philanthropic grant split amongst seven nonprofits who were new to our philanthropy portfolio, including smaller, grassroots organizations like Ungroup Society, RIBA Aspira and North End Cooperative Market, who deliver a place-based approach to improve community outcomes. Webster is proud to partner with these organizations to invest in the city of Waterbury and ensure that every neighborhood can thrive.

Community Advisory Councils (CAC)

Community Advisory Councils (CAC)

Webster continues to meet three times a year with our three regional Community Advisory Councils (CAC) in order to gain valuable insight into the needs of our partners and their constituents. Made up of nonprofit leaders in New York, Connecticut and Rhode Island/Massachusetts whose organizations focus on affordable housing, small businesses, workforce development, CDFIs and CDCs, our CACs provide critical counsel on how best to create economic vitality in underserved communities. From providing feedback on lending products to discussing the need to reforecast the original goals of the Community Investment Strategy, these partners have made a significant impact on our direction and perspective. We will continue to meet with them in the coming years and add new members as appropriate, to make sure our view of the market remains informed by the needs of our communities. After completing their initial three-year terms, 90% of members decided to continue serving on their regional CACs, and we are grateful for their time and expertise. For a list of these organizations, please click here.

Conclusion

Webster's commitment to investing in our communities remains steadfast, and has grown each year as part of the implementation of the Community Investment Strategy. As the macroenvironment changed, we readjusted our goals for 2024 in order to manage deliverables against reasonable expectations for the current business conditions. We met or exceeded our original targets in CRA multifamily lending, qualified investments, philanthropy and community service, but needed an additional year of production to attain the full $6.5B commitment when including CRA residential lending, small business lending, and community development lending (outside of affordable housing).

We are proud of the many ways that we invested over $5B in our communities during the three-year period (2022-2024), and strived to be transparent and collaborative along the way. We recognize that the aspiration to create economic vitality for all is one of sustained effort, and we remain committed to empowering our communities towards that end.

The numbers reported in this document reflect financials for the three-year CIS period that were shared with Community Advisory Council members in February 2025 and are subject to change pending final data reviews for the period.