

Santander Bank, N.A. 2017-2021 Inclusive Communities Plan Summary

Santander is a leading U.S. retail and commercial bank located in eight states across the northeast corridor. Based in Boston, Santander is a well-capitalized bank with assets of more than \$83 billion. The Bank's 9,400 employees are committed to helping our 2.1 million business and retail banking customers prosper.

This Inclusive Communities Plan outlines the Bank's \$11 billion commitment across its eight-state northeastern U.S. footprint for 2017 through 2021.¹ This plan increases the Bank's Community Reinvestment Act activity by 50 percent and triples its charitable giving, compared to 2012 to 2016.

Lending in Underserved Communities

Baseline	\$7.1 billion
New Commitment	\$9.1 billion
Increase	\$2 billion or 28 percent 40 percent excluding refinance lending ²

Mortgage

Santander's strategic mortgage commitments include improved affordable home purchase and home improvement products; piloting pre-foreclosure counseling with community organizations; increased marketing and outreach in low- and moderate-income (LMI) communities; five new Community Mortgage Development Officers; and piloting a lending center location.

Small Business Lending

To effectively help small businesses stabilize and enhance their capacity to grow, the Plan includes expanded Small Business Administration lending; piloting a Community Small Business Relationship Manager program; increasing the Bank's focus on microbusinesses; a second look program; a supplier diversity program; and small business financial education.

Community Development Lending

The Bank's goals include new affordable housing and community development financial institution (CDFI) loan products and increased lending to community development corporations and non-profits.

Investments in Underserved Communities

Equity Investments

Baseline	\$822 million
New Commitment	\$1.9 billion
Increase	\$1.07 billion or 130%

Santander Bank's goal is to more than double its CD investment activity by investing \$1.9 billion in local LMI communities. The Bank will increase its affordable housing, neighborhood development, and small business investments and expand its CD Finance team.

Philanthropy

Baseline	\$18 million
New Commitment	\$55 million
Increase	\$37 million or 206%

The Bank will increase its philanthropic giving with an average annual grant budget of \$11 million for 2017 – 2021 and a total of \$55 million in CRA eligible giving. In addition, the Bank's goals will include new CDFI grant programs; a focus on economic development and financial inclusion; a strategic small business initiative; and leadership development and capacity building programs for diverse non-profit leaders.

¹ This Plan is dependent on market conditions and other factors that may be out of the Bank's direct control. If the Bank's business strategy or CRA assessment areas change, this Plan may be revised.

² Refinance lending is projected to fall during the Plan period due to rising interest rates.

Retail Banking Services in Underserved Communities

Branch Distribution

Baseline	5 new LMI branches (all in 2016)
New Commitment	10 new LMI branches
Increase	5 additional branches or 100% increase

The Bank has set a goal of opening 10 additional new branches in LMI neighborhoods by 2021. The Bank will also strive to ensure that future branch closings do not disproportionately impact LMI areas as compared to middle and upper income areas. In addition, the Bank will pilot a Lending Center or loan production office, to increase the Bank's physical presence and outreach in LMI and underserved communities.

Deposit Products and Consumer Lending

To better serve LMI communities and customers, the Bank will explore enhancing its checking, savings, consumer lending and auto lending to better serve LMI families and communities.

Outreach and Volunteering

Marketing and Outreach

SBNA will increase outreach and marketing efforts to LMI and diverse communities through partnerships with not-for-profit organizations, local sponsorship of outreach events and increased advertising across multiple media sources. These efforts will focus on expanding the availability of affordable mortgage, small business and deposit products in LMI markets.

Volunteering

Baseline	15,000 CD Service Hours
New Commitment	60,000 CD Service Hours
Increase	45,000 hours or 300% Increase

Over the next 5 years the Bank's employees will increase its community engagement to an average of 12,000 hours per year in community development services. Additionally, the Bank will increase its executive board placement and develop a small business financial education program for underserved communities.

Administration and Staffing

Supplier Diversity and Inclusion

Santander is committed to Supplier Diversity as an integral part of its overall procurement strategy, which provides a source of sustainable competitive advantage with the goal of enhancing economic opportunities for minority-owned, woman-owned, disadvantaged and local business enterprises. To achieve this goal, Santander Bank will launch a supplier diversity program in 2017.

Staffing

The Bank has a goal of adding 17 positions to assist in the implementation of this Plan in the following areas: Community Mortgage Development Officers; Community Small Business Relationship Manager; Community Partnership Team; CD Finance; and CRA Compliance.

Employee Diversity Networks

In 2017 the Bank will develop a company-wide Diversity and Inclusion Initiative that will include a company wide Diversity Council chaired by the US CEO and employee networks for diverse employee communities.

Governance and Reporting

Santander Bank's Inclusive Communities Plan has been approved by the Bank's management and reviewed by the Risk Committee of the Board of Directors. The Bank will form a national Community Advisory Board in 2017 and will report on progress in meeting Plan goals at least twice per year to this Advisory Board.