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## Press Release

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# SANTANDER ANNOUNCES “INCLUSIVE COMMUNITIES” PLAN – A NEW \$11 BILLION, FIVE-YEAR COMMUNITY COMMITMENT

*Plan Increases Bank’s CRA Activity by 50 Percent & Triples Charitable Giving Over Next Five Years*

**BOSTON – October 30, 2017** – Santander US CEO Scott Powell today announced Santander’s “Inclusive Communities” plan, Santander Bank’s new \$11 billion, five-year commitment to lending, community development and charitable giving. The plan outlines Santander’s commitment to communities across its eight-state northeastern U.S. footprint for 2017 through 2021, during which time Santander plans to increase its CRA activity by 50 percent and triple its investment in charitable grants.

Over the next five years, Santander has set of goal of:

- \$9.1 billion in lending to underserved communities including,
  - \$4.2 billion in residential mortgage loans for low- to-moderate income families
  - \$1.9 billion in small business lending
  - \$3 billion in community development lending
- \$1.9 billion in community development investments
- \$55 million in charitable contributions
- 10 new retail branches in low- to moderate income and communities of color
- 60,000 community development volunteer hours in underserved communities

“This plan is the foundation of Santander’s approach to supporting the communities where we live and work,” said Powell, CEO of Santander US, the Bank’s U.S. holding company. “We recognize that Santander’s success is directly linked to the prosperity of our communities’ families, businesses and neighborhoods. By increasing lending, investments and financial education opportunities, we hope to boost the long-term economic success of low- and moderate-income individuals and neighborhoods.”

Powell announced “Inclusive Communities” at a meeting this morning in downtown Boston where he was joined by public officials and National Community Reinvestment Coalition (NCRC) President and CEO John Taylor.

Taylor commented, “This is a good day for people in New Hampshire, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware and my home state of Massachusetts. I want to applaud Santander for committing 11 billion dollars in investments and lending for underserved neighborhoods over the next five years. Santander’s leadership showed a special dedication to working with community leaders and better understanding the credit needs in the areas they serve. We are very pleased that this commitment, and especially the ten new bank branches, will help individuals build wealth and neighborhoods build their economies.”

“Inclusive Communities” was developed with significant input from and collaboration with more than 100 community-based organizations throughout the Bank’s footprint. Supported and facilitated by the NCRC, an

extensive ten-month long process helped identify emerging community needs and strategies aimed at addressing the challenges faced by underserved communities in Santander's key markets.

In addition to the Bank's financial commitments, Santander is establishing a national Community Advisory Board (CAB) comprising representatives of not-for-profit community development organizations and financial inclusion advocates, as well as community development policy organizations, and representatives of local or state economic development or housing agencies. Members of the CAB are:

- Dan Betancourt, Executive Director, Community First Fund, Lancaster, PA
- Will Gonzalez, Executive Director, Ceiba, Philadelphia, PA
- Phyllis Salowe Kaye, Executive Director of New Jersey Citizen Action, Newark, NJ
- Rev. Terrence Keeling, President/CEO Central Baptist Community Development Corporation, Wilmington, DE
- Chris Kui, Executive Director of Asian Americans for Equality, New York, NY
- Juan Leyton, Executive Director, Dudley Street Neighborhood Initiative, Boston, MA
- Luis Mora, Executive Director, Finanta, Philadelphia, PA
- Seila Mosquera, Executive Director, NeighborWorks New Horizons, New Haven, CT
- Christie Peale, Executive Director of the Center for New York City Neighborhoods, New York, NY
- Jesse Van Tol, Chief Operating Officer, National Community Reinvestment Coalition, Washington, DC
- Jaime Weisberg, Senior Campaign Analyst, Association for Neighborhood and Housing Development, New York, NY
- Sharon Conard Wells, Executive Director, West Elmwood Housing Development Corporation, Providence, RI
- Clark Ziegler, Executive Director, Massachusetts Housing Partnership, Boston, MA

The Bank is also establishing statewide/regional advisory boards to ensure ongoing community input and will be enhancing its current Community Development and CRA teams with the addition of 17 new positions in the coming years.

[Santander Bank, N.A.](http://www.santanderbank.com) is one of the country's largest retail and commercial banks with more than \$79 billion in assets. With its corporate offices in Boston, the Bank's 9,700 employees, more than 650 branches, 2,100 ATMs and 2.1 million customers are principally located in Massachusetts, New Hampshire, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania and Delaware. The Bank is a wholly-owned subsidiary of Madrid-based Banco Santander, S.A. (NYSE: SAN) - one of the most respected banking groups in the world with more than 125 million customers in the U.S., Europe, and Latin America. It is managed by Santander Holdings USA, Inc., Banco Santander's intermediate holding company in the U.S. For more information on Santander Bank, please visit [www.santanderbank.com](http://www.santanderbank.com).

[Santander Holdings USA, Inc. \(SHUSA\)](http://www.santanderbank.com) is a wholly-owned subsidiary of Madrid-based Banco Santander, S.A. (NYSE: SAN) (Santander), one of the most respected banking groups in the world with more than 125 million customers in the U.K., Europe, Latin America and the U.S. As the intermediate holding company for Santander's U.S. businesses, SHUSA includes six financial companies with more than 17,500 employees, 5.2 million customers and assets of over \$135 billion. These include [Santander Bank, N.A.](http://www.santanderbank.com), one of the country's largest retail and commercial banks by deposits; [Santander Consumer USA Holdings, Inc.](http://www.santanderbank.com) (NYSE: SC), an auto finance and consumer lending company; [Banco Santander International](http://www.santanderbank.com) of Miami; Banco [Santander Puerto Rico](http://www.santanderbank.com); Santander Securities LLC of Boston; and Santander Investment Securities Inc. of New York.

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## **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.<sup>1</sup> 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 <sup>2</sup>

***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

<sup>1</sup> 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.

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

Increase	\$1.07 billion or 130%
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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.

**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.

<b>NCRC Member Organizations Endorsing Santander Bank's Inclusive Communities Plan</b>	<b>City</b>	<b>State</b>
Affordable Housing Centers of Pennsylvania	Philadelphia	PA
Allentown Housing Authority	Allentown	PA
ASSETS	Lancaster	PA
Association for Neighborhood and Housing Development	New York	NY
Berks County Latino Chamber of Commerce	Reading	PA
Bridge Street Development Corporation	Brooklyn	NY
Business Outreach Center Network, inc.	Brooklyn	NJ
Capital Good Fund	Providence	RI
Ceiba	Philadelphia	PA
Center for NYC Neighborhoods	New York	NY
Central Baptist Community Development Corporation	Wilmington	DE
Centro Hispano Daniel Torres Inc	Reading	PA
Church Community Housing Corporation	Newport	RI
Community Action Partnership of Lancaster County	Lancaster	PA
Community Neighbors United	Harrisburg	PA
Community Service Network Inc	Stoneham	MA
Concerned Black Clergy Council of Waterbury	Waterbury	CT
Conneticut Citizen Research Group	Hartford	CT
Covenant Community Corp. Camp Curtin Community Neighbors United	Harrisburg	PA
Delaware Community Reinvestment Action Council, Inc	Wilmington	DE
Devotion NYC	Brooklyn	NY
Dignity Housing	Philadelphia	PA
Dorchester Bay Economic Development Corporation	Dorchester	MA

Dudley Street Neighborhood Initiative	Roxbury	MA
Edgemoor Revitalization Cooperative, Inc.	Wilmington	DE
Fair Housing Rights Center in Southeastern Pennsylvania	Philadelphia	PA
Fenway Community Development Corporation	Boston	MA
Greater Berks Development Fund	Reading	PA
Habitat for Humanity MetroWest/Greater Worcester	Worcester	MA
Habitat for Humanity of Berks County	Reading	PA
Habitat for Humanity of New Castle County	Wilmington	DE
Hartford Community Loan Fund	Hartford	CT
HDC MidAtlantic	Lancaster	PA
HigherSelf Lifestyle	Brooklyn	NY
Housing Network of Rhode Island	Pawtucket	RI
Housing Works RI	Providence	RI
Lancaster Equity Community Development Corporation	Lancaster	PA
Lancaster Housing Opportunity Partnership	Lancaster	PA
Liberty Resources, Inc.	Philadelphia	PA
Local Enterprise Assistance Fund	Brookline	MA
Long Island Housing Services, Inc.	Bohemia	NY
Mass. Assoc. of Community Development Corporations	Boston	MA
Massachusetts Affordable Housing Alliance	Dorchester	MA
Massachusetts Communities Action Network	Boston	MA
Nehemiah Gateway Community Development Corp	Wilmington	DE
Neighborhood House, Inc. Southbridge	Wilmington	DE
Neighborhood Housing Services of Greater Berks, Inc.	Reading	PA
Neighborhood Housing Services of Waterbury	Waterbury	CT
NeighborWorks Blackstone River Valley	Woonsocket	RI
NeighborWorks New Horizons	New Haven	CT
New Jersey Citizen Action	Newark	NJ
NH Community Loan Fund	Concord	NH
Nicetown Community Development Corporation	Philadelphia	PA
Oak Hill CDC	Worcester	MA
Philadelphia Chinatown Development Corporation	Philadelphia	PA
Revitalize Community Development Corporation	Springfield	MA
SACA	Lancaster	PA
Southside Community Land Trust	Providence	RI
Southwest Community Development Corporation	Philadelphia	PA
Spanish American Civic Association	Lancaster	PA
St James Chapel COGIC	Reading	PA
The Ministry of Caring Inc.	Wilmington	DE
Tri County Community Action	Harrisburg	PA
United Communities Southeast Philadelphia	Philadelphia	PA
UNITEY	Worcester	MA
University Neighborhood Housing Program	Bronx	NY
West Elmwood Housing	Providence	RI

White Wing Educational Community Development, Inc.	Brooklyn	NY
Women's Institute for Housing & Economic Development	Hartford	CT