



August 2, 2021

**CRA Decision #215
September 2021**

Patricia A. Robinson
Counsel of Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019

Re: Merger of Sterling National Bank, Pearl River, New York, with and into Webster Bank, National Association, Waterbury, Connecticut
OCC Control Number: 2021-NE-Combination-321549
Resulting Bank Charter Number: 24469

Dear Ms. Robinson:

The Office of the Comptroller of the Currency (OCC) hereby approves your application to merge Sterling National Bank (Sterling) into Webster Bank, National Association (Webster Bank). This approval is granted based on a thorough review of all information available, including commitments and representations made in the application, merger agreement, and those of your representatives.

The OCC reviewed the proposed merger transaction under the criteria of the Bank Merger Act, 12 USC 1828(c), and other applicable laws and regulations. Among other matters, we found that the proposed transaction would not have significant anticompetitive effects. We also considered the financial and managerial resources of the banks, their future prospects, their effectiveness in combating money laundering activities, the convenience and needs of the communities to be served and the risk of the transaction to the stability of the United States banking or financial system. Furthermore, the OCC reviewed Sterling and Webster Bank's records of compliance with the Community Reinvestment Act, 12 USC 2903(a)(2). In addition, the OCC may not approve a merger if the resulting insured depository institution (including all insured depository institutions which are affiliates of the resulting insured depository institution), upon consummation of the transaction, would control more than 10 percent of the total amount of deposits of insured depository institutions in the United States. We considered these factors and found them consistent with approval.

The business combination of Webster Bank and Sterling is legally authorized as an interstate merger transaction under the Riegle-Neal Act, 12 USC 215a-1 and 1831u(a), and the resulting bank is authorized to retain and operate offices of both banks under 12 USC 36(d) and 1831u(d)(1). Webster Bank is also permitted to retain and operate, as its main office, the Webster Bank branch located at 1959 Summer Street, Stamford, Connecticut 06905, under 12 USC 1831u(d). The current main offices and remaining branches of both banks will be retained and operated as licensed branches.

This acknowledges that as a result of the merger, the subsidiaries of Sterling will become operating subsidiaries of Webster Bank. You should note that operating subsidiaries approved pursuant to 12 CFR 5.34(f)(5)(i) must be operated in conformity with published OCC guidance.

In connection with the application of Webster Bank to acquire Sterling, Webster Bank submitted information on investments it intends to acquire and retain pursuant to 12 USC 24(Eleventh) and 12 CFR 24 concerning national bank community and economic development entities, community development projects, and other public welfare investments (the “public welfare investment authority”). All of the investments primarily benefit low- and moderate-income individuals, low- and moderate-income areas, or would otherwise be considered qualified community development investment activities, consistent with 12 CFR 25.04(c), and as that term is defined in 12 CFR 25.03.

Webster Bank states the public welfare investments made by Webster Bank and Sterling have been structured so they do not expose the bank to unlimited liability. Further, as of March 31, 2021, Webster Bank’s and Sterling’s combined public welfare investments are approximately \$594 million and are estimated to represent [] percent of their combined capital and surplus.

As part of this application, the Bank is seeking permission to provide after-the-fact notifications for its public welfare investments up to 15 percent of its capital and surplus. The OCC will allow Webster Bank to make future public welfare investments and provide an after-the-fact notification to Community Affairs within 10 working days after it makes each investment, consistent with 12 CFR 24.5(a), up to 15 percent of its capital and surplus. The OCC’s approval for Webster Bank to provide after-the-fact notifications to exceed the 5 percent of capital and surplus limit is contingent on Webster Bank being at least adequately capitalized, and that the additional investment amounts do not pose a significant risk to the deposit insurance fund. In no event shall Webster Bank’s aggregate public welfare investments and commitments under 12 USC 24(Eleventh) and 12 CFR 24 exceed 15 percent of its capital and surplus. If requested by the OCC, the Bank will provide reports concerning its public welfare investments.

The OCC received one public comment in opposition to and two public comments in support of the transaction. The OCC has considered the concerns of the commenters as they related to the statutory and regulatory factors noted above, including performance under the CRA, and the probable effects of the merger on the convenience and needs of the communities to be served. Based upon this review, the OCC finds the facts to be consistent with approval.

The Northeastern District Office must be advised in writing in advance of the desired effective date for the merger, so it may issue the necessary certification letter. The effective date must follow the applicable Department of Justice’s injunction period and any other required regulatory approval.

The OCC will issue a letter certifying consummation of the transaction when we receive the amended Articles of Association, with a Secretary’s Certificate certifying the required shareholder approval was obtained.

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If the merger is not consummated within six months from the approval date, the approval shall automatically terminate, unless the OCC grants an extension of the time period.

This approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. Our approval is based on the bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend, or rescind this approval, if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

Please include the OCC control number on any correspondence related to this filing. If you have any questions, contact Madeline Hilferty at 202-322-8525 or Madeline.Hilferty@occ.treas.gov.

Sincerely,

/s/

Marva V. Cummings
Director for District Licensing