

**APPENDIX II
CITIZENS BANK
COMMUNITY DEVELOPMENT
LONG TERM STRATEGIC PLAN**

Citizens is pleased to submit its Long-Term Strategic Plan as requested by the city Treasurer's Office, commissioned by the City of Philadelphia examining the Lending Practices of Depository Banks.

As Required by Chapter 19-200 of the Philadelphia City Code as referenced:

"Each depository shall also provide the City with a long-term strategic plan to address disparities in its lending and investment activities. The strategic plan shall address how the depository will match or exceed peer lending performance in targeting capital access and credit needs disclosed in disparity studies commissioned by the City."

OUR IMPACT

Community Development and Involvement is the core of our CRA strategic plan. The Community Development team at Citizens is dedicated to strengthening and serving communities by strategically engaging colleagues to build relationships with community organizations in an effort to support affordable housing, community revitalization, economic development and financial empowerment in our communities in compliance with the Community Reinvestment Act and the five key elements for our strategic plan are fueling Small Business Growth & Recovery; Homeownership & Affordable Housing; Financial Education & Empowerment; Community Revitalization & Economic Development and Workforce Development. Citizens Bank understands that a good bank is at the heart of a community, and that investing in our communities enriches us all. That's why we partner with local non-profit organizations to build vital connections to help communities prosper. Our programs assist those in need so they may receive food and clothing, find affordable housing, develop their skills for better jobs, and expand their financial literacy.

Since 2019, we continued to deepen our commitment to our communities, by building on partnerships with Feeding America, Junior Achievement, and the Local Initiatives Support Corporation to broaden and magnify the impact of our corporate giving in the areas of financial literacy, fighting hunger and strengthening communities. Additionally, we consistently strive to achieve an Outstanding CRA rating from the Office of the Comptroller of the Currency (OCC) who monitors and evaluates the Bank's compliance with the Community Reinvestment Act. In 2020, Citizens received an Outstanding CRA rating because of our Community Development efforts to serve the broad needs of our customer base and to strengthen the communities we serve.

LENDING RESULTS

HOME PURCHASE LOANS

- Per the 2021 Econsult Lending Study (page 179) Citizens Bank received the second highest home purchase lending composite score among all of the ranked depositories.
- Citizens, per the lending study issued 344 home purchase loans, an increase of 6.5% percent from 2020 to 2021.

- There was a 19.6% percent increase in applications and the number of denials increased by 41.2% from 2020 to 2021.
- Did not meet City average for the percent of loans issued to Hispanic, female applicants or borrowers in minority tracts or LMI tracts
- Ranked 2nd in the percent of loans issued to Asian borrowers (20.9%)
- Fell below the citywide average denial ratio for Black applicants. For every white applicant denied, Citizens denied 1.83 Black applicants, well below the citywide average of 2.28.

Home Purchase Loans, Philadelphia	2020 Citizens %	2020 All Depositories %	2020 All Lenders %	2021 Citizens %	2021 All Depositories %	2021 All Lenders %
Loans to African Americans	10.5	18.7	19.9	14.5	20.0	19.5
Loans to Hispanics	6.5	9.9	10.7	7.3	11.5	11.6
Loans Minority Tracts	42.4	50.3	45.9	34.6	48.3	45.6
Loans LMI Borrowers	56.0	52.9	55.0	57.6	52.2	51.8
Loans LMI Tracts	31.9	40.5	35.8	26.2	39.5	35.2

Home Purchase Loans, Philadelphia	2020 Citizens	2020 All Depositories	2020 All Lenders	2021 Citizens	2021 All Depositories	2021 All Lenders
African American to White Denial Ratio	1.38	2.66	2.96	1.83	2.76	2.75
Hispanic to White Denial Ratio	2.16	2.07	1.86	1.44	2.31	2.28
Asian to White Denial Ratio	1.53	2.76	2.04	1.45	2.16	2.09

*Information in the chart above is from the 2021 (pg. 183) and 2020 (pg. 223) Econsult Lending Studies

As reflected in the chart above Citizens lending percentages for Loans to African Americans, Hispanics, and borrowers in minority tracts or LMI tracts was lower than all depositories. Customers that select N/A for their race could potentially have a negative impact on the percentages above. Residential Mortgages/HELOCS continued to be impacted by the external environmental factors in 2021 (specifically with regard to inventory). While Citizens outperformed several of our peers by exceeding the city average for the percent of loans issued to Asian applicants and LMI borrowers, we continue to recognize the need for improvement in loans to African Americans, Hispanics and Minority/LMI tracts. We continue to partner with housing counseling agencies, organizations that offer home buying workshops, and participate in lending discussions to identify lending opportunities. We also continued to convene several roundtable discussions with key community organizations and housing partners to obtain feedback on their priorities, challenges and how Citizens can best support them. Topics included barriers to homeownership/Access to Affordable housing, leveraging home equity challenges and

opportunities facing small and diverse businesses in Greater Philadelphia region, and workforce development needs and opportunities. In addition, we hired another diverse CRA loan officer. Through these partnerships, we still hope to see an increase in applications and work on ways to prepare the community for purchasing homes prior to submitting applications to result in lower denial ratios.

HOME REFINANCE LOANS

- Per the Econsult Lending Study (page 187), Citizens issued 842 home refinance loans, a 14.6 percent increase from 2020.
- In 2020, the number of applications increased by 16.9 percent and the number of denials decreased by 34.7 percent between 2020 and 2021.
- Citizens Ranked 1st in percent of home refinance loans to LMI borrowers for the third consecutive year. Citizens also ranked first in refinanced loans issued to applicants in LMI tracts. Citizens ranked 3rd in percent of loans issued to African American borrowers.
- Citizens was on par with or below the citywide average denial ratio for Black and Hispanic applicants relative to White applicants.

*Notes: Customers of home refinance originations selected N/A for their race for applications which can impact the results above. We continue to partner with organizations on financial education but offering sessions on credit to individuals in the community in an effort to decrease the number of denials.

HELOC**

**Notes: Because of changes in the Home Mortgage Disclosure Act (HMDA) reporting requirements, Home Improvement loans are no longer tracked and consistent with HMDA reporting. We began sharing information about HELOC originations in 2018.

HOME PURCHASE AND REFINANCE STRATEGY

Citizens Bank is a top lender in the mortgage sector and is focused on growing our market share in the states where we currently operate. Citizens Bank is dedicated to serving the mortgage financing needs of its community, including low- and moderate-income (“LMI”) borrowers and families residing in LMI areas as well as traditionally underserved communities. Our Portfolio Loan Program provides first-time homeowners with lower rates and more flexible underwriting requirements. Low- to moderate-income individuals, and/or those purchasing a home in low-to moderate-income neighborhoods can qualify for the program, which allows a low-down payment with no mortgage insurance and can be combined with approved community seconds, which are grants and subsidies provided by local organizations. Citizens Bank has the largest branch network in the Philadelphia market with 41 branch locations. Citizens also has fifteen branches in low- and moderate-income communities, which is more than any other branch in the city of Philadelphia. The bank has developed a multi-pronged program to serve LMI residents in Philadelphia. The program includes:

- 1) A broad set of mortgage loan programs, including portfolio and government-guaranteed loan programs that benefit LMI homebuyers by addressing key factors that hinder the ability of LMI and first-time homebuyers to achieve homeownership. Features and benefits of these programs include lower down-payment requirements, higher debt to income ratios, and our portfolio product also eliminates the need for private mortgage insurance.
- 2) Closing cost and down-payment assistance to borrowers who have low or moderate income or are purchasing homes in LMI communities.
- 3) Participating in and supporting local homeownership programs.
- 4) Participating in and supporting non-profit organizations serving the needs of LMI and first-time homebuyers through homeownership education initiatives.
- 5) Hiring talented Mortgage Loan Officers and CRA Mortgage Loan Officers who proactively identify, develop, and maintain a quality network of business relationships that serves as a source of referrals for new mortgage lending opportunities. In addition, current Mortgage Loan Officers are encouraged to participate in business related development opportunities, community efforts to promote home ownership and professional organizations.
- 6) Redesigning our website to feature CRA/Affordable Home Loan Products and Down-payment assistance programs. In November 2020 – Citizens launched the first CRA GOALBUILDER CRA Home Equity Line of Credit Product.
- 7) Piloted programs and additional training in branches located in Low to Moderate Income Tracts.

SMALL BUSINESS LENDING

In 2021 (page 219 of report) Citizens lending to small business ranked 3rd in its Small Business Lending compared to other city depositories.

SMALL BUSINESS LENDING STRATEGY

Citizens Bank is committed to meeting the needs of our business banking customers at every stage of their company's life cycle. Our goal is to simplify the way businesses get funding so they can focus on operating their business. Listed below are outlines of our recent initiatives to expand our small business lending reach and capabilities:

Partnership with new lending platform

Citizens Bank views small businesses as the economic engines of our local communities and is committed to fueling small business growth. Because of this commitment, Citizens continuously develops new partnerships and products to create better end-to-end experiences that are tailored to meet the needs of the

communities we serve. In 2018 we extended our lending capabilities to a digital small business lending platform which enables small businesses to quickly and easily apply online for loans, lines of credit and credit cards.

Citizens goal is to position small businesses for success and growth and the new service, and the new platform has enabled small businesses to quickly and easily apply for loans and lines of credit up to \$150,000 through a simple online application. In most cases customers are notified of approval decisions the same business day, and loans are funded within three business days.

SBA Expansion

Citizens Bank is a preferred SBA Lender and participant in U.S. SBA Loan programs. These programs provide more flexible terms, lower down payment requirements and an easier qualification process than conventional loans. Since 2018, Citizens has focused on expanding and enhancing our SBA Lending capabilities to better serve the community. We have dedicated underwriters, portfolio managers, sales support specialists and business development officers.

Small Business Community Partnership and Engagement

- Citizens actively partners with several organizations that work with small businesses and is an active participant in several small business initiatives. Examples include (but aren't limited to):
- Partner with Community First Fund/Finanta, The Enterprise Center, Local Initiatives Support Corporation, WORC, VestedIn, EntrepreneurWorks and other community development financial institutions (CDFI's) and small business organizations to deliver Business Technical Assistance.
- Created a Small Business Opportunity Fund program which provides capital to CDFI's to support lending and capacity to businesses in communities impacted by COVID-19, civil unrest, black and minority owned businesses, as well as financing to black and minority entrepreneurs interested in launching new ventures. A total of \$8.0+MM was invested in Philadelphia for this fund.
 - The fund is augmented with equity capital that provides grants to participants of CDFI entrepreneur training programs.
 - The program is amplified through active participation from Citizens Business Banking Relationship Managers (BBRM) that provide mentoring and coaching to businesses participating in programs through local CDFI's.
- Partnering with West Philadelphia Corridor Collaborative/VestedIn, EntrepreneurWorks to provide financial education and grants to businesses participating in their Business Smart Program and Pitch & Present Competition for local entrepreneurs.
- Providing grants to Black Women owned businesses through Philadelphia Alumnae Chapter of Delta Sigma Theta Sorority, Inc. and SCORE Philadelphia for their Minority Women's Entrepreneurial Development Program and Pitch Competition.
- Expanding partnerships with diverse chambers of commerce.

COMMUNITY ENGAGEMENT

Board Memberships

Citizens colleagues serve as members on boards and committees for nonprofit organizations that are involved promoting community development, small business, workforce development and affordable housing in the Philadelphia area. Some of these boards include the following:

- *Affordable Housing Centers of PA (AHCOPA)* is a HUD-Certified, non-profit housing counseling agency that provides housing counseling for the greater Philadelphia area. Their mission is to increase and preserve homeownership opportunities for low to moderate income and minority residents of Pennsylvania by providing resources and information on the home buying process and options to prevent foreclosure.
- *Baker Industries* is a non-profit organization that provides workforce opportunities to adults challenged by intellectual and/or physical disability, adults on parole/probation, adults with substance use disorder who are in an active recovery program and adults struggling with housing insecurity
- *Clarifi (Consumer Credit Counseling Services of Delaware Valley)* is a financial counseling agency that provides financial empowerment to individuals in the community
- *Community Integrated Services* is a non-profit organization that empower people with disabilities through individual employment opportunities that foster self-sustainability, equality, and community.
- *Covenant House* is the largest privately funded agency in the Americas providing shelter, food, immediate crisis care, and an array of other services to homeless and runaway youth. Colleagues provided board and financial education support.
- *The Enterprise Center Capital Corporation: Loan Review Committee:* Organization helps finance small businesses that have difficulty obtaining loans for start-up capital and business growth, whether that is due to poor credit history or a lack of collateral. With a focus on women- and minority-owned businesses, TEC-CC originates loans between \$2,500 and \$200,000 to entrepreneurs through its status as a CDFI (Community Development Financial Institution) and a U.S. Small Business Administration Microloan Intermediary.
- *Greater Philadelphia Chamber of Commerce* brings area businesses and civic leaders together to promote growth and create opportunity in our region. The Chamber's members represent eleven counties, three states, and approximately 600,000 employees from thousands of member companies and organizations.
- *Habitat for Humanity of Philadelphia* is an independently chartered affiliate of Habitat for Humanity International (HFHI), the largest nonprofit homebuilder worldwide. Habitat for Humanity of Philadelphia has built or sold 238 affordable homes to first-time homeowners in Philadelphia. The organization has strategically partnered with more than 600 families to make critical home repairs.

- *Junior Achievement of Southeastern PA and Junior Achievement of New Jersey* – Junior Achievement is the nation’s largest organization dedicated to giving young people the knowledge and skills they need to own their economic success. Their core content consists of work readiness, entrepreneurship and financial literacy.
- *Local Initiatives Support Corporation (LISC)* is a convener, an investor, and a capacity builder, Philadelphia LISC is a bridge between capital and communities. As a local office of the largest community development organization in the United States, their reach is national, and their impact is local. Philadelphia LISC is a bold and creative leader in community revitalization and a strong advocate for equitable development in diverse low-income communities.
- *National Black MBA Association Philadelphia Chapter* represents over 380 members from the Greater Philadelphia area in both private and public business sectors. Providing unique opportunities for black business professionals, MBA and undergraduate students, as well as entrepreneurs who are seeking to advance their careers, knowledge base and wealth potential. The organization also has a Leaders of Tomorrow youth program for high school students in Philadelphia. National Black MBA Association host the largest diversity fair in the country which was held in Philadelphia in September 2017 with over 10,000 individuals.
- *Opportunities Industrialization Center, Inc. (Philadelphia OIC)* is one of the region’s oldest and largest providers of tuition-free job training and career development services, offering everything from computers for beginners to advanced hospitality training.
- *People's Emergency Center (PEC)* mission is to nurture families, strengthen neighborhoods and drive change in West Philadelphia. PEC offers affordable housing, job training, parenting and early childhood education, financial education and planning, life skills and technology coursework. PEC seeks to change the life trajectory for the women and children who seek its services and inspire them to aspire to new heights.
- *Philadelphia Education Fund* creates equitable access to opportunities for students by providing resources and expertise that build paths to college and career success.
- *Philadelphia Mural Arts* is the nation’s largest public art program, that unites artists and communities through a collaborative process to create art that transforms public spaces and individual lives.
- *Philadelphia Works*: Philadelphia Works serves employers and career seekers in Philadelphia. As a non-profit organization, the organizations funds and oversees employment and training services to help Philadelphia employers access the talent they need to be competitive.
- *Project Home* empowers adults, children, and families to break the cycle of homelessness and poverty, to alleviate the underlying causes of poverty through a continuum of services such as housing, workforce development, education, and health care.

- *The Sunday Love Project* - The mission of The Sunday Love Project is to share food amongst the homeless, while simultaneously building community. Since its founding, the organization has served as a shelter for vulnerable, abused and homeless youth.
- *Urban Affairs Coalition*: The Urban Affairs Coalition unites government, business, neighborhoods, and individual initiative to improve the quality of life in the region, build wealth in urban communities, and solve emerging issues.
- *Uplift Solutions*: The mission of the organization is to reduce the barriers for justice involved individuals and at-risk youth, helping them find pathways to long-term success.
- *Valley Youth House*: The mission of the organization is to serve as a catalyst for youth to achieve their desired future through genuine relationships that support families ensure safe places and build community connections. The organization's efforts aim to assist those who are struggling to make their way back into society as contributing members.
- *Women's Community Revitalization Project*: The Women's Community Revitalization Project (WCRP) is committed to social and economic equity for low-income women and their families by developing affordable housing; provide supportive services; advocating for policy change; and honoring and promoting leadership, dignity, and justice in their communities.
- *Women's Opportunities Resource Center*: The mission of WORC is to promote social and economic self-sufficiency primarily for economically disadvantaged women and their families. WORC provides entrepreneurial training, individual business assistance, incentive savings programs, and access to business and financial resources

Financial Education

For well over 13 years, we have had a robust financial literacy program in Philadelphia where colleagues have conducted financial education workshops throughout the City. Citizens Bank colleagues support and participate in a variety of Financial Education initiatives in Philadelphia, including but not limited to: Esperanza/CareerLink, School District of Philadelphia and First Time Home Buyer Workshops with various organizations. Activities that have occurred through the year ended 12/31/2022 include the following:

Affordable Housing Centers of Philadelphia

A first-time homebuyer workshop was provided to Affordable Housing Centers of Philadelphia.

Allegheny West Foundation

Financial education was provided to Allegheny West Foundation.

Bartram's Garden

Financial education was provided to community youth at Bartram's Garden.

Beyond Literacy (aka Center for Literacy)

Financial education sessions were provided to Beyond Literacy.

Campus Philly

Two financial education sessions were provided to Campus Philly.

Careers Through the Culinary Arts

A financial education workshop was provided to Careers Through the Culinary Arts.

College Possible

A College Planning workshop was provided to College Possible.

Entrepreneur Works Fund

Financial education on small businesses was provided to the Entrepreneur Works Fund

Episcopal Community Services

Workshops on Savings and Banking Services were provided to Episcopal Community Services MindSet Program participants.

Esperanza

Financial education was provided to Esperanza CareerLink participants and to students of the Esperanza Career Academy.

Gaudenzia

Financial education was provided to Gaudenzia's clients.

Interim House

A financial workshop was presented to youth in partnership with Interim House.

JEVS Human Services

Two financial education workshops were provided to high school students in partnership with JEVS Human Services.

Junior Achievement of Southeastern Pennsylvania

Financial education using the Junior Achievement Finance Park curriculum was conducted in partnership with Junior Achievement of Southeastern Pennsylvania for Prospect Park High School, Methacton, Locke Elementary, Lankenau High School, Martha Washington High School and William Rowen Elementary School.

Local Initiatives Support Corporation

Four financial education workshops were provided to LISC Financial Opportunity Center (FOC) partner Strawberry Mansion CDC clients.

National Black MBA Philadelphia Chapter

A workshop on Investing was provided to the National Black MBA Philadelphia Chapter.

New Kensington Community Development Corporation

A first-time homebuyer workshop was presented to New Kensington Community Development Corporation.

Northwest Counseling Service

A first-time homebuyer workshop was provided to Northwest Counseling Service.

Philadelphia Chinatown Development Corporation

Three first-time homebuyer workshops were presented to Philadelphia Chinatown Development Corporation.

School District of Philadelphia

A financial education session was provided in partnership with the School District of Philadelphia to high school students on Credit and a career mentoring session to elementary students.

SCORE

Four Small Business coaching sessions were provided to SCORE.

Steppingstone Scholars

Financial education was provided to high school students in partnership with Steppingstone Scholars.

Tech Impact

Two financial education workshops were provided to IT works Peirce College program participants.

The Business Center

A financial education workshop was presented to youth at The Business Center.

United Communities of Southeast Philadelphia

Financial education was provided for first time home buyers in partnership with United Communities of Southeast Philadelphia

University City Science Center

Eight financial education sessions were presented to University City Science Center Bulb Program participants.

Uplift Solutions

Financial education was presented to Uplift Solution's teen after school and adult clients on a weekly basis.

VestedIn

Business workshops and coaching was provided to small business owners in partnership with VestedIn.

World Affairs Council

Financial education was presented to interns at the World Affairs Council.

Why Not Prosper

A financial education workshop was presented to youth in partnership with Why Not Prosper.

COMMUNITY REINVESTMENT GOALS

Financial institution’s annual Community Reinvestment Goals should include information on the number of small business loans, home mortgages, home improvement loans, and community development investments to be made within low and moderate- income neighborhoods within the City of Philadelphia.

- 1. Provide an overview of the financial institution’s annual Community Reinvestment Goals and confirm most recent CRA rating.**

Citizens Bank uses a comprehensive approach to developing its annual CRA goals. Goals are reviewed against performance on a monthly basis, and quarterly meetings held with a CRA State Market Leadership Team. The most recent CRA rating was Outstanding.

- 2. Provide the number of small business loans, home mortgages, home improvement loans, and community development investments to be made within low and moderate-income neighborhoods within the City of Philadelphia.**

Type	2022 Goals	2022 Results	2023 Goals
Small Business Loans	150	156	150
Home Mortgages	160	109	130
Home Improvement Loans	N/A	N/A	N/A
Home Equity Line of Credit*	440	492	490
Community Development Investments **	50	127	50

* Because of changes in the Home Mortgage Disclosure Act (HMDA) reporting requirements, Home Improvement loans are no longer tracked and consistent with HMDA reporting. We are sharing information about HELOC originations beginning in 2018.

** During the 12 months ended 12/33/2022, the total Community Development/CRA Grants & Community Development/CRA Equity Investments was \$9,677,325. Community Development Investments (grants) in dollars were \$1,177,298. These investments benefit LMI communities although the entity itself may not be physically located in a LMI tract.

If applicable, explain why the previous year results did not meet the stated goal.

Residential Mortgages for Low to Moderate Income Individuals/tracts were impacted by increased home prices, low inventory, demand, and rising interest rates.

Residential mortgages have also continued to be impacted by:

- The suspension of the \$10,000 first-time homebuyer grant in the City of Philadelphia (returned late 2022)
- COVID/Pandemic Recovery (Employment)
- Economic Uncertainty (especially with LMI population that were of the hardest impacted)

3. Provide the actual number and dollar amounts of residential mortgages, home improvement loans, community development investments, consumer loans, and small business loans, and other commercial loans made in neighborhoods within the City of Philadelphia.

Calendar Year 2022

Number of Loans by Income

Type	Low	Mod	Mid	Upper	Total
Residential Mortgage	15	94	100	118	327
Home Improvement	N/A	N/A	N/A	N/A	N/A
Home Equity Line of Credit *	115	377	413	486	1391
Small Business Loans	38	118	129	151	436
Community Development	2	6	0	1	9
Consumer Loans	N/A	N/A	N/A	N/A	N/A
Other Commercial Loans	N/A	N/A	N/A	N/A	N/A
Total:	170	595	642	756	2,163
How many business loans were originated?	38	118	129	151	436

Value of Loans (\$000's) by Income

Type	Low	Mod	Mid	Upper	Total
Residential Mortgage	2,840	18,847	24,283	53,378	99,348
Home Improvement	N/A	N/A	N/A	N/A	N/A
Home Equity Line of Credit	9,214	34,009	47,790	82,036	173,049
Small Business Loans	1,616	4,744	5,263	9,185	20,808
Community Development	13,000	112,643	0	3,300	128,943
Consumer Loans	N/A	N/A	N/A	N/A	N/A
Other Commercial Loans	N/A	N/A	N/A	N/A	N/A
Total:	26,670	170,243	77,336	147,899	422,148
% of Consumer Loans made through Credit Cards	N/A	N/A	N/A	N/A	N/A

4. Provide information on other types of community development investments made in neighborhoods within the City of Philadelphia (for example: Grants, Education, Public or related Commercial Development).

COMMUNITY INVOLVEMENT AND INVESTMENT

Citizens' strong commitment to servicing the critical needs of the neighborhoods where the bank conducts business is reflected in its community development investments and charitable contributions. Citizens Helping Citizens is the bank's comprehensive community engagement effort that leverages the strengths of the company and the skills of its colleagues to enhance the communities where it does business.

Every year, Citizens contributes nearly \$17 million to support community activities and events across its footprint. In 2022, Citizens colleagues volunteered 212,000 hours and executives provided leadership by serving on community boards and championing efforts to raise awareness and funds for key causes.

Funding priorities continue to include three specific areas that fortify the economic vitality of our neighborhoods: fighting hunger; financial empowerment, and economic and workforce development. Signature initiatives include:

- **Champions in Action** – Since 2004, Citizens has awarded over \$1.5 million to 53 organizations in the Greater Philadelphia area through Champions in Action, a unique initiative designed to provide financial, volunteer, and promotional support for nonprofit organizations that are addressing the needs and social challenges of our diverse neighborhoods. In Philadelphia, we've partnered with NBC10/Telemundo62 and the Philadelphia Inquirer on the program. Our most recent Champion is Tree House Books whom we recognized in July 2022 for their innovative and transformative means of bringing books to neighborhoods in need.
- **Citizens Helping Citizens Manage Money** – In 2022, Citizens awarded over \$210,000 to 13 nonprofits in Philadelphia as part of the Citizens Helping Citizens Manage Money initiative. Citizens' multi-faceted financial education program leverages the financial planning expertise of its bankers and its partnerships with local nonprofits focused on financial education. These organizations received a contribution in recognition of and to further support their commitments to teaching youth and adults about financial literacy and the importance of managing money effectively.
- **Phans Feeding Families** – Citizens has partnered with The Philadelphia Phillies and Philabundance on the Phans Feeding Families program since 2010. This initiative raises money to feed the many people in the Delaware Valley that are at risk of hunger, which unfortunately has seen exponential growth since the pandemic started. In 2022, Citizens gave \$50,000 to kick off the campaign. The Philadelphia Business Journal recognized Phans Feeding Families in their 2020 Faces of Philanthropy award issue.
- Since 2018, Citizens has invested \$300,000 to strengthen job training and development for the Philadelphia maritime industry. The **Citizens Bank Regional Maritime Training Center** is a collaboration with Citizens, the Collegiate Consortium of Workforce Development, Philadelphia Works and PhilaPort. The center is a first-of-its-kind workforce

development initiative that provides formal, enhanced training opportunities such as forklift certification and recertification, yard jockey training and OSHA safety training. The center has trained 500 people to date.

In the past 12 months, other contributions were made to LISC, Philadelphia Youth Network's Work Ready Program, University City District's West Philadelphia Skills Initiative, Project Home, Philadelphia OIC's Bankworks program, the Welcoming Center, Klein Life JCC's Senior Meals Program, Wistar, Mural Arts and the National Constitution Center. Citizens also provides funding to The African American Museum in Philadelphia to subsidize admission throughout the Martin Luther King, Jr. weekend and is a member of the Chamber of Commerce of Greater Philadelphia and the Philadelphia Conventions and Visitors Bureau.

In June 2003, Citizens and the Phillies announced a 25-year partnership that included naming rights to the team's world-class ballpark and a broad-based, innovative media package. Since Citizens Bank Park opened in 2004, Citizens has worked with the Phillies to expand and enhance community outreach, including:

- Citizens developed the Helping Hand Glove donation program for children who play in the Phillies Jr. RBI League. Each year more than 6,000 inner city children under the age of 12 participate in a program that teaches them about baseball, sportsmanship, and teamwork. Since developing the program, Citizens has purchased, collected, and donated more than 10,000 baseball gloves to children who play in the Phillies Jr. RBI League.
- Since 2004, Citizens has donated 1,500 game tickets each year to community groups throughout Greater Philadelphia.

COMMUNITY DEVELOPMENT

COMMUNITY DEVELOPMENT ACTIVITIES IN PHILADELPHIA

Citizens Bank understands that a good bank is at the heart of a community, and that investing in our communities enriches us all. That's why we partner with local non-profit organizations to build vital connections to help communities prosper. Organizations that we work with participate in a variety of community building activities including: helping individuals find affordable housing, workforce development, financial education, neighborhood revitalization and small business technical assistance.

One of the ways in which we implement our Community Development initiatives is through strong ongoing relationships with Community Partners. These are visible, known, respected, and accomplished nonprofit organizations that work to improve the lives of low to moderate income households and/or small businesses.

We partner with these organizations in several ways including: Board or Committee representation; volunteer financial education instructors; colleague engagement in their programs as panelists, subject matter experts and financial coaches.

For well over 13 years, we have had a robust financial literacy program in Philadelphia where colleagues have conducted financial education workshops throughout the City. Citizens Bank colleagues support and participate in a variety of Financial Education initiatives in Philadelphia, including but not limited to: Esperanza/CareerLink, School District of Philadelphia and First Time

Home Buyer Workshops with various organizations. Activities that have occurred through the year ended 12/31/2022 include the following:

Affordable Housing Centers of Philadelphia

A first-time homebuyer workshop was provided to Affordable Housing Centers of Philadelphia.

Allegheny West Foundation

Financial education was provided to Allegheny West Foundation.

Bartram's Garden

Financial education was provided to community youth at Bartram's Garden.

Beyond Literacy (aka Center for Literacy)

Financial education sessions were provided to Beyond Literacy.

Campus Philly

Two financial education sessions were provided to Campus Philly.

Careers Through the Culinary Arts

A financial education workshop was provided to Careers Through the Culinary Arts.

College Possible

A College Planning workshop was provided to College Possible.

Entrepreneur Works Fund

Financial education on small businesses was provided to the Entrepreneur Works Fund

Episcopal Community Services

Workshops on Savings and Banking Services were provided to Episcopal Community Services MindSet Program participants.

Esperanza

Financial education was provided to Esperanza CareerLink participants and to students of the Esperanza Career Academy.

Gaudenzia

Financial education was provided to Gaudenzia's clients.

Interim House

A financial workshop was presented to youth in partnership with Interim House.

JEVS Human Services

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Methacton, Locke Elementary, Lankenau High School, Martha Washington High School and William Rowen Elementary School.

Local Initiatives Support Corporation

Four financial education workshops were provided to LISC Financial Opportunity Center (FOC) partner Strawberry Mansion CDC clients.

National Black MBA Philadelphia Chapter

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New Kensington Community Development Corporation

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SCORE

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Steppingstone Scholars

Financial education was provided to high school students in partnership with Steppingstone Scholars.

Tech Impact

Two financial education workshops were provided to IT works Peirce College program participants.

The Business Center

A financial education workshop was presented to youth at The Business Center.

United Communities of Southeast Philadelphia

Financial education was provided for first time home buyers in partnership with United Communities of Southeast Philadelphia

University City Science Center

Eight financial education sessions were presented to University City Science Center Bulb Program participants.

Uplift Solutions

Financial education was presented to Uplift Solution’s teen after school and adult clients on a weekly basis.

VestedIn

Business workshops and coaching was provided to small business owners in partnership with VestedIn.

World Affairs Council

Financial education was presented to interns at the World Affairs Council.

Why Not Prosper

A financial education workshop was presented to youth in partnership with Why Not Prosper.

- 5. Briefly describe any lending outreach programs geared toward minorities, low-income individuals, women, or immigrants. This description should include the targeted community, the type of product (i.e. commercial, home lending, unsecured consumer) and any program outcomes.**

Please see Exhibit A that outlines our products and outreach for LMI individuals and communities.

- 6. Disparities in Lending: Attach a long-term strategic plan to address disparities in the Bank’s or Financial Institution’s lending and investment activities that may be indicated in the [City’s 2021 annual lending study](#).**

Label this document “Appendix II – Long-Term Strategic Plan.” If disparities are not indicated in the study, then a strategic plan on programs, lending, and branching patterns should be submitted. Label this document “Appendix II – Long-Term Strategic Plan”.

All depositories are required to respond per Chapter 19-200 as referenced:

“Each depository shall also provide the City with a long-term strategic plan to address disparities in its lending and investment activities. The strategic plan shall address how the depository will match or exceed peer lending performance in targeting capital access and credit needs disclosed in disparity studies commissioned by the City.”

EXHIBIT A

HMDA Lending Programs

Citizens Bank offers and participates innovative, affordable, and flexible lending programs to assist individuals in attaining their financial goals. Given below are a few examples of these programs:

- **Destination Home Loan Program** – This program offers eligible, prospective homeowners with an opportunity to buy and sustain a home with a very minimal down payment and an affordable, low-monthly mortgage payment. The flexible terms, absence of mortgage insurance (PMI) and subsidized pricing has allowed various borrowers to qualify for a mortgage when they otherwise may not have been able to. This product is considered innovative because it offers eligible borrowers above market loan-to-value financing at a low, long-term fixed interest rate. The flexible combination of higher loan-to-values and low, long-term fixed interest rate allows us to keep down-payment requirements low for homebuyers' while keeping their monthly mortgage payments affordable. Eligible borrowers whose income does not exceed 80% of median income or, borrowers who purchase their homes in low or moderate-income census tracts, could receive between 95% and 97%, 30-year, low fixed rate financing for home purchases and limited-cash out refinances of 1-4 unit homes with loan amounts up to \$931,600. Moreover, a higher loan-to-value of 105% is permitted where borrowers leverage community second programs structured as deferred and/or forgivable loans that lowered overall home purchase prices. Finally, the absence of PMI allows these loans to be more affordable to LMI borrowers. To help ensure responsible homeownership, we require home buyer education for first-time home buyers. Citizens Bank partners with HUD approved housing counseling agencies to provide this service.

- **The Citizens Bank Closing Cost/Down Payment Assistance Program** - Provides first time homebuyers, specifically low and moderate-income borrowers and/or property located in a low or moderate-income census tract, with grant funds of 3% up to a maximum of \$3,000 (no lien on property or repayment required) to be used towards down payment and/or closing costs.

- **Fannie Mae HomeReady** - This program is designed for low-to-moderate income borrowers, with expanded eligibility (up to 97% LTV) for financing homes in low-income communities. HomeReady loans provide affordable conventional financing with low down payments, flexible source of funds and innovative underwriting flexibilities that expand access to credit, including interested third party contributions up to 3% for properties with LTV greater than 90%. Additionally, a 25% reduction in mortgage insurance coverage applies to loans between 90% and 97% LTV. This product can be

used in conjunction with the Citizens Bank Closing Cost/Down Payment Assistance Program.

- **Fannie Mae Loan Product** - This program is used to support ongoing efforts to expand access to credit and support sustainable homeownership, Fannie Mae offered > 95% to 97% LTV/CLTV/HCLTV financing to help home buyers who would otherwise qualify for a mortgage but may not have the resources for a larger down payment, and to support refinance of existing Fannie Mae mortgage loans.
- **Citizens Bank FHA & VA Products** – Citizens participates in the Federal Housing Administration (FHA) Fixed Rate Plans – 214, 216 and 296 and the Veterans Administration (VA) Fixed Rate Loan Program – 215, 217 and 219:
 - 15 Year Term (only) FHA Fixed Rate Conforming “Standard” Loan
 - 20 to 30 Year Term FHA Fixed Rate Conforming “Standard” Loan
 - 30 Year Term (only) FHA Fixed Rate High Balance Loan
- **The VA Loan** - is designed to offer long-term financing to eligible American veterans or their surviving spouses. VA Loans are often made without any upfront payment(s) and frequently offer lower interest rates than typically available with other types of loans.
- **The GoalBuilder** - home equity line of credit (HELOC) is designed to help customer reach financial goals, even if they are still building equity in their home. GoalBuilder is a more affordable borrowing option than most credit cards and personal loans, so customers can maintain their longer-term savings.
- **NeighborhoodLIFT** – the NeighborhoodLIFT program offers homebuyer education plus \$15,000 for eligible homebuyers to use toward down payment and/or closing costs on qualified homes. Citizens is NeighborhoodLIFT approved lender.

Community Development Lending Programs

Given below are examples of Citizens Bank programs available to meet the needs of the community:

- Construction and Permanent Financing for Commercial and Multifamily Developments- loans to finance construction and re-development of commercial and multifamily properties. Citizens Bank can also extend letters of credit providing credit enhancement for municipal bond financing used to fund property development.

- Low Income Housing Tax Credit (LIHTC) Loans- construction financing made in conjunction with project receiving federal and/or state LIHTC's. Citizens Bank also provides construction-bridge financing which enables the construction and rehabilitation of affordable housing developments. Various terms and options are available.
- New Market Tax Credit Leveraged Loans- Construction and seven-year permanent financing for project which are being developed using the federal New Market Tax Credits program.
- Tax Credit Bridge Loan- Construction financing providing bridge financing for commercial and multifamily projects being developed using federal and state LIHTC and historic tax credits. Loans are typically secure by a pledge of future equity investments from the tax credits rather than a 1st mortgage on the property. Tax Credit Bridge Loans may be made at the property level or may bridge the Bank's equity commitment to upper tier syndicator partnership entities.
- Loans to Qualified Community Development Financial Institutions (CDFI)- Loans to community development financial institutions that provide credit and financial services to underserved markets and populations. Bank credit facilities to CDFI's may be direct lines of credit or participation in loan pools.
- Historic Tax Credits- A federal program which gives financial incentives to developers of historic rehabilitation properties. Citizens provides construction and renovation financing for rehabilitation of historic properties in low to moderate income communities.