

Sovereign



December 22, 2010

Michael Delaney, Esquire
Attorney General of New Hampshire
State House Annex
33 Capitol Street
Concord, NH 03301-6397

Dear Attorney General Delaney:

On October 15, 2010, Sovereign Bank (the "Bank"), a federally chartered savings bank, became aware of unusual activity based on IP traffic. Upon discovery of the issue, the Bank launched an investigation, and performed due diligence which was completed in December.

It was determined that an unknown entity placed a keylogger on a laptop that allowed the information of two New Hampshire customers to be viewed inappropriately. The accessed information included the customer name, address and Social Security Number. The customers have been notified in writing. In a separate letter, the customers have also been offered a free credit monitoring service for one year. Copies of the letters are enclosed.

Please let me know if you have any further questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Carol S. Pockrus".

Carol S. Pockrus
SVP/Chief Privacy Officer
Mail Code: 11-900-CO2
1130 Berkshire Boulevard
Wyomissing, PA 19610

Tel: 610-320-8433 (658433)
cpockrus@sovereignbank.com

Sovereign



December 22, 2010

Dear,

We regret to inform you that there was unauthorized access by a third party to your personal information, including your name, address and Social Security Number. This is an unfortunate situation for which we most sincerely apologize.

Be assured that safeguarding our customers' personal data is a top priority at Sovereign Bank. Under separate cover, we will send you an offer for one year of free credit monitoring.

In addition, we highly recommend that you consider the following steps to protect yourself:

- Regularly check account activity by using Online Banking and by carefully reviewing your monthly statements;
- Report any suspected incidents of identity theft to local law enforcement and to us immediately;
- Request a free credit report annually from each of the three main credit reporting agencies by going online at www.annualcreditreport.com;
- You may also contact the credit reporting agencies to place a freeze on your credit. For more information, go online and type "security freeze" into the search box on each site.
 - Equifax: 1-877-322-8228; www.equifax.com; Security Freeze, P.O. Box 105788, Atlanta, GA 30348
 - Experian: 1-888-397-3742; www.experian.com; P.O.Box 9554, Allen, TX 75013
 - TransUnion: 1-888-909-8872; www.transunion.com; P.O. Box 6790, Fullerton, CA 92834

Again, please accept our sincerest apology for this unfortunate situation, and please know that Sovereign Bank is here to assist you in any way necessary. Please feel free to contact me with any questions or concerns you have regarding this matter.

Sincerely,

Christine Ramoutar
Loss Prevention & Security
2 Morrissey Blvd.
Dorchester, MA 02125
Tel # 877-906-7500
Fax #617-533-1945

Sovereign



[date]

Name
Address
City, State, Zip Code

Dear Mr. or Mrs. XXXXXXXXX ,

As indicated in our letter to you regarding an incident involving _____, we are offering you a free one-year subscription to Identity Guard® CreditProtectSM, a credit monitoring and identity theft protection service. This service will provide you with a copy of your credit report, monitor your credit file at Equifax and notify you of certain suspicious activities that could indicate potential identity theft. This program is provided by Intersections Inc., a leading provider of identity theft protection and recovery services to the customers of many of North America's largest financial services companies.

CreditProtect features include:

- Comprehensive Credit Report comprised from data at Equifax
- Daily Monitoring of Equifax data with NOTIFY EXPRESSSM Alerts
- Equifax Credit Score
- Credit Analyzer/Comparison - online
- Quarterly Credit Update & Credit Score
- 'No News is Good News' Notifications
- Identity Theft Recovery Unit
- Credit Education Specialists
- Online Resources and Tools
- Up to \$2,500 Identity Theft Insurance at no additional cost to you (less deductible)*

If you wish to take advantage of this comprehensive monitoring service, you must enroll by _____.

To activate this coverage please call the toll-free number or go to the Internet address listed below and enter the redemption code.

Toll Free Number: 1-866-442-7145
Internet Address: www.identityguard.com/alert
Redemption Code: XXXXX-XXXX-XXXX

When you call or log on to enroll, you will need to provide the following information:

- MAILING ADDRESS
- PHONE NUMBER
- SOCIAL SECURITY NUMBER
- E-MAIL ADDRESS
- REDEMPTION CODE

We also highly recommend that you check your accounts regularly to ensure there have not been any unauthorized transactions. Again, we apologize for any inconvenience this incident has caused and urge you to enroll today. If you have any further questions regarding the enrollment, call me at 617-533-1429 or Sovereign Bank's Loss Prevention & Security department at 877-906-7500 Monday – Friday 8:30 a.m. to 5:00 p.m., and Saturday from 8:30 a.m. to 1:00 p.m.

Sincerely,

Christine Ramoutar
SITAC Manager
Loss Prevention & Security Department
Sovereign Bank

*Insurance underwritten by Travelers Casualty and Surety Company of America and its property casualty affiliates, Hartford, CT 06183. Coverage for all claims or losses depends on actual policy provisions. Availability of coverage can depend on underwriting qualifications and state regulations.