

PUBLIC DISCLOSURE

April 1, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Boston Trust & Investment Management Company
Certificate Number: 18342

One Beacon Street, 33rd Floor
Boston, MA 02108

Division of Banks
1000 Washington Street, 10th Floor
Boston, Massachusetts 02118

This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the Division of Banks concerning the safety and soundness of this financial institution.

GENERAL INFORMATION

The Community Reinvestment Act (“CRA”) requires the Massachusetts Division of Banks (“Division”) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting its needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the CRA performance of **BOSTON TRUST & INVESTMENT MANAGEMENT COMPANY** (“**Boston Trust**” or the “**Bank**”) prepared by the Division, the institution's supervisory agency.

INSTITUTION’S CRA RATING: The institution is rated **Satisfactory**.

An institution in this group has a Satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Boston Trust’s Satisfactory Community Reinvestment Act (CRA) performance under Community Development Test supports the overall rating. Boston Trust demonstrated adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution’s capacity and the need and availability of such opportunities for community development in the assessment area.

SCOPE OF EVALUATION

Boston Trust’s CRA performance was evaluated using Division of Banks Regulation 209 CMR 46.25 for Wholesale and Limited Purpose Institutions and the Community Reinvestment Act (CRA) Examination Procedures for Limited Purpose and Wholesale Institutions, as issued by the Federal Financial Institutions Examination Council. The examination covers the period from November 29, 2011 to April 1, 2019.

Boston Trust’s level of community development activity within its assessment area was evaluated. Boston Trust’s loans, investments, grants, and services provided during the examination period were evaluated as qualifying community development activity. While Boston Trust is evaluated on its community development activities, performance context is also considered. The performance context is a broad range of economic, demographic, institution and community-specific information that an examiner reviews to understand the context in which an institution’s record of performance should be evaluated. Examiners also conducted an interview with a representative of a community development organization in order to gain an understanding of local needs.

DESCRIPTION OF INSTITUTION

Boston Trust is a state-chartered bank and trust company headquartered in Boston, MA and has a focus on investment management and fiduciary services to individuals and institutional investors. As of December 31, 2018, Boston Trust had total assets of \$47.7 million

Boston Trust does not extend home mortgage, small business, or consumer credit to retail customers or to the public. Boston Trust's continued qualification for status as a CRA wholesale bank was confirmed as part of this review. The previous CRA examination of Boston Trust was conducted as of November 29, 2011 and was evaluated as a designated CRA wholesale bank and its performance was rated "Satisfactory".

There are no financial or legal factors that would prevent Boston Trust from fulfilling its obligations under the CRA.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Boston Trust's assessment area is Suffolk County within the Boston Metropolitan Statistical Area and includes Boston, Chelsea, Revere, and Winthrop, Massachusetts.

Economic and Demographic Data

According to the 2018 demographic data, the assessment area contains 204 census tracts. There are 47 (23.0 percent) low-income census tracts, 64 (31.1 percent) moderate, 45 (22.0 percent) middle, 35 (17.2 percent) upper, and 13 census tracts where income is not available. These tracts reflect the income designations according to the 2015 ACS U.S. Census: The low and moderate-income census tracts are primarily located throughout Boston, Chelsea and Revere.

There are no underserved or distressed nonmetropolitan middle-income geographies or designated disaster areas within the assessment area. Nevertheless, there are several opportunity zones within the assessment area. These zones are recommended by the Governor of Massachusetts and approved by the U.S. Department of Treasury. The opportunity zones are identified as areas of economic need, with many opportunity zones having the lowest median family income within the state of MA. Within Boston Trust's assessment area, there are a total of 18 census tracts designated as opportunity zones in Boston, Chelsea, Revere, and Winthrop.

The following table illustrates select demographic characteristics of the assessment area according to ACS Census data.

Demographic Information of the Assessment Area						
Boston Trust Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	204	23.0	31.4	22.1	17.2	6.4
Population by Geography	758,919	22.2	38.0	23.8	14.9	1.1
Housing Units by Geography	321,386	19.4	36.0	24.1	19.2	1.3
Owner-Occupied Units by Geography	105,671	9.8	33.6	32.6	23.0	1.0
Occupied Rental Units by Geography	191,001	24.6	37.4	20.1	16.6	1.3
Vacant Units by Geography	24,714	20.6	35.4	19.0	23.3	1.7
Businesses by Geography	57,558	13.3	22.6	16.7	45.3	2.2
Farms by Geography	371	8.9	29.9	29.6	31.0	0.5
Family Distribution by Income Level	147,054	38.1	17.6	15.9	28.4	0.0
Household Distribution by Income Level	296,672	35.9	14.9	15.1	34.1	0.0
Median Family Income MSA - 14454 Boston, MA MD		\$90,699	Median Housing Value			\$406,607
			Median Gross Rent			\$1,312
			Families Below Poverty Level			16.3%
<i>Source: 2015 ACS Census and 2018 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0</i>						
<i>(* The NA category consists of geographies that have not been assigned an income classification.</i>						

Income Characteristics

According to demographic data, the assessment area includes approximately 147,054 households that are families. Approximately 38% of those families are classified as low-income, 17.6% families as moderate-income, 15.9% as middle-income, and 28.4% as upper-income. Approximately 16.3% of families are below poverty in the assessment area. The elevated poverty levels throughout the assessment area demonstrate a need for community development activities for LMI individuals and families.

According to the demographic data, the median family income (“MFI”) for the assessment area is \$71,390. The FFIEC MFI in 2018 for the Boston MD 14454 is \$99,300.

Housing

According to 2015 ACS Census data, the assessment area has approximately 321,386 housing units, of which 32% are owner-occupied and 61% are rental units. The 2010 Census data estimated that the median housing value in the assessment area is approximately \$406,607 and the median gross rent equals \$1,302.

In the assessment area, housing is expensive relative to income levels, which causes significant affordability issues for the LMI population. Community contacts also emphasized the need for affordable housing for LMI individuals in the city.

Competition

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows available credit and community development opportunities.

Examiners contacted a representative of a housing and community service organization serving the assessment area. The organization provides emergency shelter and affordable housing for homeless and low-income individuals and families. The contact cited a dire need for affordable housing and affordable rental housing in the assessment area and would like to see financial institutions invest in low-income housing developments. The contact stated that real estate prices in the area are exorbitantly high making home ownership for low-income individuals very difficult. Further, it has caused landlords to increase rent in the area. The contact also noted recent developments in the area have caused further increases in the cost of real estate. The contact also noted a need for financial literacy, credit counseling, and a need for products that would allow individuals to build and repair their credit. In addition, the contact stated there is a need for larger grant donations to community service organizations, bank involvement on fundraising committees, and bank sponsorship of fundraising events.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, management, and demographic and economic data, examiners determined that affordable housing and affordable rental housing represents a primary community development need for the assessment area. Additionally there is a need for financial literacy and credit counseling for low-income individuals.

CONCLUSIONS ON PERFORMANCE CRITERIA

COMMUNITY DEVELOPMENT TEST

The Community Development Test evaluates number and amount of community development loans, qualified investments, or community development services; the use of innovative or complex qualified investments, community development loans, or community development services and the extent to which the investments are not routinely provided by private investors; and the institution's responsiveness to credit and community development needs.

Boston Trust demonstrated adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area.

Community Development Loans

Boston Trust does not generally engage in lending activities. However, Boston Trust granted three loans to community development loan funds totaling \$50,000.

At the last examination, Boston Trust granted a loan of \$25,000 to the Boston Community Loan Fund. In July 2018, the loan was renewed and increased to \$40,000 with a modified the interest rate from 1.0% to 0.5%. The Boston Community Loan Fund provides financing for the creation and preservation of affordable housing, community and economic development and is considered responsive to the assessment area.

The Boston Community Loan Fund also supports foreclosure prevention work through Stabilizing Urban Neighborhoods (SUN) Initiative. Boston Trust made a loan commitment of \$5,000 to this fund with a term of 2 years at an interest rate of 4.25%. The loan to SUN assists families who are facing foreclosure remain in their homes. SUN helps reduce monthly housing expenses to homeowners and reduced their average principal balance.

Boston Trust is a lender in a \$5,000 unsecured term loan to the Local Enterprise Assistance Fund for a term of two years with an interest rate of 0.5%. LEAF is a nonprofit corporation whose charitable purpose is to create and maintain quality jobs by assisting the development of employee owned, community owned and cooperate-owned entities as well as other small businesses in low income or historically disadvantage community in Massachusetts.

Qualified Investments

Municipal Bonds and Certificate of Deposits

As of January 2019, Boston Trust has six municipal bonds totaling \$235,000 that are invested in the Massachusetts Housing Finance Agency. The purpose of this investment benefits the creation of affordable housing projects through the assessment area and benefiting a broader statewide regional area. This is an increase in municipal bond investments from the last exam totaling approximately \$120,000. This investment is responsive as the community contact emphasized affordable housing as being a need in the assessment area.

Boston Trust maintains one certificate of deposit in a local Community Development Financial institution. The CD matured during the exam period. The amount considered for CRA totals \$12,347.

CRA Donations

CRA Donations are allocated by the Bank's CRA Committee each year and contribution are also done by employee matching. A total \$257,118 were considered qualified donations. Boston Trust's CRA objectives focus on Boston area youth, including leadership and workforce development.

Year Up Boston - Year Up Boston's mission is to close the opportunity divide by providing urban young adults with the skills, experience, and support that will empower them to reach their potential through professional careers and higher education. Boston Trust's contribution supports Boston youth involved in this program. The Greater Boston Year Up has three locations in downtown Boston, Roxbury Community College, and a Quincy campus.

Sociedad Latina- Sociedad Latina has been working in partnership with Latino youth and families to end the destructive cycle of poverty, inequality to access of health services, and lack of educational and professional opportunities in our community. Boston Trust's contribution supports the programs and initiatives to help Latinos succeed through education, civic engagement, workforce development and arts and culture.

YouthBuild Boston- YouthBuild Boston (YBB) provides underserved young people with the support and credentials needed to successfully enter the building trades. The Bank's contribution assists YouthBuild Boston area with essential programs. The programs offered provide opportunities in vocational education, counseling, and other life skills that readily strengthen and prepare students for the workforce upon graduation.

Community Development Services

Numerous officers and directors have participated in qualifying community organizations over the examination period:

A Portfolio Manager served for three years on Sociedad Latina's Workforce Development Advisory Board. During this term, Boston Trust hosted one staff member and three youths from Sociedad Latina for a career workshop event.

Managing Director and former CEO; served on the Board of Playworks Boston for a three year term and led an educational session at the Pacific Rim Charter School in Hyde Park. Playworks Boston serves low-income schools across Boston by providing on site support services.

The Bank continues its commitment to Year Up Boston. Approximately ten representatives of the Bank participated with Year Up as volunteers, mentors, guest lecturers, and literacy training coach. Other Year Up Boston involvement includes hiring a Year Up graduate for full-time employment in 2017 and another student was enrolled in an internship at Boston Trust.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations, require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at One Beacon Street, 33rd Floor, Boston, MA 02108"

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee, which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agencies, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.