

PUBLIC DISCLOSURE

April 19, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Boston Trust Walden Company
Certificate Number: 18342

One Beacon Street
Boston, MA 02108

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

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. 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.

INSTITUTION RATING

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 WALDEN 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.

DESCRIPTION OF INSTITUTION

Boston Trust Walden Company, (Boston Trust) formerly Boston Trust & Investment Management Company, is an independent, employee-owned firm providing investment management services to institutional investors and private wealth clients. Boston Trust is headquartered in Boston, MA and has maintained a state charter since 1960. As of March 31, 2022, Boston Trust Walden Company had total assets of \$50.7 million.

Boston Trust does not extend 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 April 1, 2019, 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 2021 demographic data, the assessment area contains 204 census tracts. There are 47 (23.0 percent) low-income census tracts, 64 (31.4 percent) moderate, 45 (22.1 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 as of 2021.

Demographic Information of the Assessment Area						
Assessment Area: Boston Trust Walden Company						
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	83,746	13.3	24.0	16.9	44.0	1.8
Farms by Geography	572	10.1	29.9	27.3	31.5	1.2
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 - 12700 Barnstable Town, MA MSA		\$80,751	Median Housing Value			\$406,607
Median Family Income MSA - 14454 Boston, MA		\$90,699	Median Gross Rent			\$1,312
Median Family Income MSA - 44140 Springfield, MA MSA		\$67,203	Families Below Poverty Level			16.3%
<i>Source: 2015 ACS, 2021 D&B Data, and FFIEC Estimated Median Family Income;</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 55.7 percent are low and moderate-income families and approximately 16.3 percent of families are below poverty level in the assessment area. The significant percentage of low and moderate-income families and 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 FFIEC MFI in 2020 and 2021 for the Boston MD 14454 is \$109,800 and \$113,700. These median family income figures have increased since the prior examination when the median family income represented \$99,300.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Boston, MA Median Family Income (14454)				
2020 (\$109,800)	<\$54,900	\$54,900 to <\$87,840	\$87,840 to <\$131,760	≥\$131,760
2021 (\$113,700)	<\$56,850	\$56,850 to <\$90,960	\$90,960 to <\$136,440	≥\$136,440
<i>Source: FFIEC</i>				

Housing

According to 2015 ACS Census data, the assessment area has approximately 321,386 housing units, of which 32 percent are owner-occupied and 61 percent 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.

Community Contact

Community Contacts 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 nonprofit housing and community service organization serving part of Boston Trust’s assessment area. The contact referenced high housing costs, especially rental costs. As a result, many residents are being evicted and forced from their communities as the cost-of-living rises. The contact cited the primary needs in the assessment area are affordable housing and affordable rental housing. Additional needs include “fresh start” deposit accounts for those individuals with impaired account histories, financial literacy courses, and credit counseling.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that affordable housing and affordable rental housing continue to represent primary community development needs for the assessment area. The rapidly rising real estate costs and diminishing number of affordable housing units supports this need. Additionally, there is also a need for deposit products that accommodate individuals with damaged account histories, financial literacy, and credit counseling for low- and moderate-income individuals.

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 April 1, 2019, to April 19, 2022.

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.

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 renewed commitments to three to community development loan funds totaling \$50,000.

Boston Trust continues its commitment to the Boston Community Loan Fund. In 2021, the loan was renewed for \$40,000. 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.

During the exam period, Boston Trust renewed a commitment totaling \$5,000 to the Boston Community Capital SUN Initiative with a term of 3 years. 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 financed a \$5,000 unsecured term loan to the Local Enterprise Assistance Fund (LEAF) for a term of two years. 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

Boston Trust made qualified investments totaling approximately \$266,520. This total includes qualified equity investments of \$172,721 and donations totaling \$93,800.

From 2020 to 2021, the annual CRA budget for donations and grants were increased to meet the Boston Trust's CRA initiative in addressing affordable housing and financial literacy. The bank's investment and donation activity supported affordable housing initiatives and community development organizations that assist low- and moderate-income individuals.

Municipal Bonds and Certificate of Deposits

As of March 2022, Boston Trust has six municipal bonds totaling \$160,000 that are invested in the Massachusetts Housing Finance Agency. The purpose of this investment benefits the creation of affordable housing projects throughout the assessment area and benefiting a broader statewide regional area. This investment is responsive as the community contact emphasized affordable housing as being a need in the assessment area. This is a decrease in municipal bond activity from the last exam totaling \$235,000 as several bonds were sold in anticipation of interest rate increases.

Boston Trust maintains one certificate of deposit in a local Community Development Financial institution. The amount considered for CRA totals \$12,721.

CRA Donations

CRA Donations are allocated by the Bank's CRA Committee each year and are aligned with the Bank's CRA objectives. Boston Trust maintained existing relationships and established new ones. A total of \$93,800 were considered qualified donations and grants.

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 continues its commitment to Boston youth and the contribution assists low and moderate-income youth.

Urban Edge- Urban Edge builds and preserves high quality affordable housing for low- and moderate-income families across Boston. The bank's contribution to this organization is new for the exam period and supports an affordable housing purpose. Given the assessment area's high population of LMI families these contributions are considered responsive to the needs.

Bridge Over Troubled Waters- Bridge Over Troubled Waters provides effective and innovative services to runaway, homeless and high-risk youth and enables youth to transform their lives and build fulfilling, meaningful futures. Boston Trust's contribution supports the many youth programs and services offered. The majority of the youth served are ages 18-21 and are from Boston.

Community Development Services

Officer and directors have participated with community development organizations over the examination period. The Bank continues its commitment to Year Up Boston. Approximately six representatives of the Bank participated with Year Up as volunteers, mentors, guest lecturers, and a literacy training coach.

Boston Trust's support to Urban Edge goes beyond financial contributions. A senior portfolio manager serves on the Investment Committee of Urban Edge. This level of involvement is valuable in securing affordable housing opportunities.

Additionally, an investment analyst presented financial literacy training to youths and adults of the Boston Private Industry Council (PIC). PIC connects youth and adults with education and employment opportunities that align with the needs of area employers. The goal of PIC is to increase the number of youth and adults who earn the credentials necessary to secure career-oriented employment and achieve financial independence, along with the opportunity to advance professionally. This involvement is responsive as it meets the needs of financial education in the assessment area and is also aligned with Boston Trust's CRA objectives.

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

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 Boston, Massachusetts 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.