PUBLIC DISCLOSURE

April 23, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Boston Private Bank & Trust Company
RSSD ID # 964700

10 Post Office Square
Boston, Massachusetts 02109

Federal Reserve Bank of Boston

600 Atlantic Avenue
Boston, Massachusetts 02210

NOTE: 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 federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION'S CRA RATING

INSTITUTION'S CRA RATING: Outstanding

The following table indicates the performance level of Boston Private Bank & Trust Company with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	BOSTON PRIVATE BANK & TRUST COMPANY		
	PERFORMANCE TESTS		
	Lending Test*	**Investment Test**	**Service Test**
Outstanding		X	X
High Satisfactory	X		
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

**Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.*

Summary of Major Factors Supporting Rating:

LENDING TEST

- Lending levels reflect good responsiveness to assessment area credit needs.
- A high percentage (83.7 percent) of loans are made in the bank's assessment areas.
- The geographic distribution of loans reflects good penetration through the assessment areas.
- The borrower distribution reflects, given the product lines offered, adequate penetration among retail customers of different income levels and businesses of different sizes.
- The bank exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses consistent with safe and sound banking practices.
- The bank is a leader in making community development loans.
- The bank uses innovative and/or flexible lending practices in serving assessment area credit needs.

INVESTMENT TEST

- The bank has an excellent level of qualified community development investments and grants, often in a leadership position, particularly those not routinely provided by private investors.

- The bank makes extensive use of innovative and/or complex investments to support community development initiatives.
- The bank exhibits excellent responsiveness to credit and community economic development needs.

SERVICE TEST

- Delivery systems are readily accessible to all portions of the bank's assessment areas.
- To the extent changes have been made, the record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies and/or individuals.
- Services do not vary in a way that inconveniences certain portions of its assessment areas, particularly low- and moderate-income geographies and/or low- and moderate-income individuals.
- The bank is a leader in providing community development services.

INSTITUTION

DESCRIPTION OF INSTITUTION

Founded in 1987, Boston Private Bank & Trust Company (Boston Private or the bank) is a state-chartered stock-owned commercial bank headquartered in Boston, Massachusetts, wholly-owned by Boston Private Financial Holdings, Inc. The bank offers investment, wealth, deposit, cash, and trust management services through its subsidiaries including BPB Capital; BPB Securities Corporation; BPB Securities Corporation II; BPB-IMT & CO, LLP; LEROB LLC; BP Wealth Management LLC; and Ten Winthrop Properties.

The bank was established as a wealth management company to provide private banking, wealth advisory, and investment management services to the high net worth market place, selected institutions, key intermediaries, and private companies. Despite this primary business model centered on high net-worth customers and wealth management, the bank also focuses on affordable housing, first-time homebuyers, economic development, social services, community revitalization, and small business services. This dichotomy in differing business focuses was taken in consideration in the overall evaluation of the bank's performance.

The bank is headquartered and maintains centralized operations at 10 Post Office Square in Boston, MA. In addition to its primary geographic market in New England, Boston Private operates in the San Francisco Bay area and Southern California. Boston Private operates 23 full service locations, with 11 in MA and 12 in CA. In addition, the bank operates a loan production office (LPO) in MA and a LPO in Los Angeles. All locations are equipped with automated teller machines (ATMs). During the examination period, the bank closed and opened two branches in California.

Boston Private has delineated three separate, noncontiguous assessment areas for CRA purposes: one in Massachusetts (Greater Boston AA) and two in California including one in the Los Angeles area (Greater Los Angeles AA) and the second in the San Francisco Bay assessment area (San Francisco Bay AA). At the previous evaluation, the bank maintained branches in the State of Washington (through its ownership of Charter Private Bank, Bellevue, WA (Charter Private)). The bank has since discontinued its activities in that state due to the sale of the Charter Private branches. The three assessment areas are among the highest cost areas in the country with limited stock of housing units affordable to low- and moderate-income individuals. The bank has, therefore, concentrated its activity to provide affordable housing to low- and moderate-income individuals with its substantial investments in community development lending to organizations that provide these opportunities.

As of December 31, 2017, the bank's assets totaled \$8.2 billion, of which \$6.5 billion (79.7

percent) represent net loans. Refer Table 1 for further information regarding the bank's loan portfolio.

Table 1 Loan Distribution as of December 31, 2017		
Loan Type	**Dollar Amount $(000's)**	**Percent of Total Loans (%)**
1-4 Family- Closed-End	2,812,432	43.2
Commercial Real Estate	1,674,481	25.7
Obligations of states and political subdivisions	652,789	10.0
Multi-Family	438,979	6.7
Commercial & Industrial	414,865	6.4
Consumer Loans	174,472	2.7
Construction & Land Development	120,135	1.9
Other Loans	116,318	1.8
1-4 Family- Revolving	104,572	1.6
Farm Loans	682	0.0
Total Gross Loans	***6,509,725***	***100.0***

Consolidated Report of Condition and Income as of 12/31/2017.

There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its assessment area

At the previous evaluation, conducted by the Federal Deposit Insurance Corporation (FDIC) on October 14, 2014, the bank was rated Satisfactory overall under the CRA, and High Satisfactory by the Commonwealth of Massachusetts Division of Banks.

SCOPE OF EXAMINATION

Boston Private's CRA performance review was based on activities within its assessment areas using the Federal Financial Institutions Examination Council's (FFIEC) Large Institution Examination Procedures. The bank's three assessments areas were evaluated for lending, investment, and service performances. The evaluations assess the bank's responsiveness and effectiveness in meeting the credit and community needs of its assessment areas. Full scope reviews were conducted for each assessment area. Because the bank's lending and community development activities were heavily concentrated in Massachusetts, where the bank's headquarters is located, its performance in Massachusetts was weighted more heavily than in California.

The evaluation period for the bank's CRA performance is from October 15, 2014 through April 23, 2018. Specifically, the tables reflecting the bank's lending performance were based on 2015 and 2016 residential and small business loans as these were the bank's major products. The lending performance was compared to the aggregate of all lenders within the assessment areas for these two years and the demographic characteristics of the assessment areas using the 2010

United States (U.S.) Census Bureau's American Community Survey (ACS), as well as Dun & Bradstreet, Short Hills, NJ (D&B) data. In addition, 2017 residential and small business lending were reviewed for trends as the aggregate for this year was not available as of the date of this examination. For the geographic and borrower distribution conclusions, Home Mortgage Disclosure Act (HMDA)-reportable loans were weighted more than CRA-reportable small business loans as HMDA-reportable loans comprise 73.0 percent of all reportable loans. Although the number and dollar volume of the bank's loans were reviewed, the number of originations was weighed more heavily than the dollar volume, as the number of loans has a more direct correlation to the number of borrowers served. Community development loans, investments, and community development services were evaluated for the period of October 15, 2014 through April 23, 2018.

Third-party community organizations were contacted to provide additional insight into the credit needs of each assessment area. Based on discussions with the community contacts, common needs were identified in all assessment areas that could provide opportunities for bank participation included financial literacy, affordable housing, and additional small business lending.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The Lending Test evaluates the bank's efforts in meeting the credit needs of its assessment area under the following performance criteria: number and dollar volume of loans in the assessment area, geographic distribution of loans, lending to borrowers of different incomes and small businesses of different sizes, and community development loans.

Boston Private's overall performance relative to the Lending Test is rated High Satisfactory. A high percentage of the bank's HMDA- and CRA-reportable loans was made within its overall assessment area. Individually, within Massachusetts and California, the bank's performance was good and rated High Satisfactory. The bank's geographic distribution of HMDA- and CRA-reportable lending is considered good in both states. Distribution of borrowers of different income levels was considered adequate in Massachusetts and good in California. Further, loans to businesses of different sizes are adequate in both states. The bank exhibits a good record of serving the credit needs of low-income individuals and very small businesses. The bank was a leader in making community development loans within the two states during the evaluation period. Finally, to enhance its performance, the bank uses innovative and flexible lending practices in serving assessment area credit needs.

Lending Activity

The bank's overall lending level reflects good responsiveness to combined assessment area credit needs given the bank's market share of deposits, competition, economic environment, and other performance context factors in the assessment area.

Table 2 summarizes Boston Private's lending activity for 2015 and 2016. As the data indicates in the table, the bank originated more HMDA-related loans than small business loans. During the review period, the bank originated 2,493 HMDA- and CRA-reportable loans totaling approximately $2.0 billion.

Table 2 - Summary of Lending Activity				
Loan Type	**#**	**%**	**$(000s)**	**%**
Home Improvement	121	4.9	118,930	5.9
Home Purchase	971	38.9	745,657	37.0
Multi-Family Housing	57	2.3	210,495	10.5
Refinancing	670	26.9	678,746	33.7
Total HMDA related	**1,819**	**73.0**	**1,753,828**	**87.0**
Small Business	674	27.0	260,501	13.0
Total Small Business related	**674**	**27.0**	**260,501**	**13.0**
TOTAL LOANS	**2,493**	**100**	**2,014,329**	**100.0**

Note: Percentages may not total to 100.0 percent due to rounding

Assessment Area Concentration

Table 3 provides the bank's levels of lending inside and outside the combined assessment area for 2015 and 2016. With 83.7 percent by number and 81.5 percent by dollar amount, a high percentage of loans was originated inside the bank's three assessment areas. In comparison to each product, HMDA-reportable loans and small business loans displayed little variance in percentages by number and dollar.

Table 3

Lending Inside and Outside the Assessment Area												
Loan Type	Inside				Outside				Total			
	#	%	$(000s)	%	#	%	$(000s)	%	#	%	$(000s)	%
Home Purchase	821	84.6	626,194	84.0	150	15.4	119,463	16.0	971	100.0	745,657	100.0
Home Improvement	100	82.6	93,306	78.5	21	17.4	25,624	21.5	121	100.0	118,930	100.0
Multi-Family Housing	39	68.4	145,495	69.1	18	31.6	65,000	30.9	57	100.0	210,495	100.0
Refinancing	551	82.2	566,650	83.5	119	17.8	112,096	16.5	670	100.0	678,746	100.0
Total HMDA related	**1,511**	**83.1**	**1,431,645**	**81.6**	**308**	**16.9**	**322,183**	**18.4**	**1,819**	**100.0**	**1,753,828**	**100.0**
Small Business	576	85.5	209,290	80.3	98	14.5	51,211	19.7	674	100.0	260,501	100.0
Total Small Business	**576**	**85.5**	**209,290**	**80.3**	**98**	**14.5**	**51,211**	**19.7**	**674**	**100.0**	**260,501**	**100.0**
TOTAL LOANS	**2,087**	**83.7**	**1,640,935**	**81.5**	**406**	**16.3**	**373,394**	**18.5**	**2,493**	**100.0**	**2,014,329**	**100.0**

HMDA data 1/1/2015-12/31/2017 and CRA data 1/1/2015-12/31/16
Total percentages shown may vary by 0.1 percent due to automated rounding differences

Geographic and Borrower Distribution

The overall geographic distribution of HMDA and small business lending reflects good penetration throughout the bank's assessment areas including low- and moderate-income geographies. In the three full-scope assessment areas, the bank outperformed the aggregate within low-income geographies with respect to HMDA- and CRA-reportable loans in 2015 and 2016, except the 2015 lending of small businesses in the Greater Boston AA. The bank was successful in addressing credit needs as evidenced by its performance in extending home purchase loans in low- and moderate-income geographies in all assessment areas. The bank's loans within moderate-income geographies were below aggregate, although exceeding the aggregate in 2016 in the Los Angeles assessment area. Further, the bank fell below the aggregate in middle-income geographies but exceeded the aggregate in upper-income geographies in all the assessment areas.

The distribution of borrowers reflects, given the product lines offered, adequate penetration among customers of different income levels and businesses of different sizes. In the Greater Boston AA, the bank's performance fell below the aggregate for HMDA loans to low- and moderate-income borrowers in 2015 and moderate-income borrowers in 2016. The bank, however, exceeded the aggregate in loans to low-income borrowers in 2016. In the Greater Los Angeles AA, the bank's performance fell below the aggregate for HMDA loans to low- and moderate-income borrowers in 2015, and significantly exceeded the aggregate in loans to those income borrowers in 2016. The bank's percentages were below those of families by family income in both the low-and moderate-income categories in the Greater Boston AA and Greater Los Angeles AA. Within the San Francisco Bay AA, the bank significantly outperformed the aggregate in loans to low- and moderate-income borrowers in both years. The performance in this assessment area only exceeded the families by family income percentage in moderate-income in 2016. Loans to middle-income borrowers were below that of the aggregate but exceeded the aggregate in loans to upper-income borrowers in all three assessment areas. Further, the bank's CRA loan performance by business revenue and loan size in all assessment areas fell below the aggregate.

The bank made extensive use of innovative and flexible residential and small business-related lending practices in serving the needs of the assessment areas. The bank participates in various federal and state government-assisted loan programs tailored to meet the needs of the assessment area as well as its in-house programs focusing on low- and moderate-income individuals throughout the three assessment areas. These programs are included in Table 4; however, detailed description of the programs is presented in Appendix C.

Table 4

Flexible Lending	#	$
Greater Boston		
Massachusetts Housing Partnership ONE Mortgage Program	126	28,666,079
MassHousing Mortgage Programs	22	7,746,149
Boston Department of Neighborhood Development	32	257,384
Cambridge Housing Division	4	301,875
Other Municipal First-Time Homebuyer Programs	3	20,375
Federal Home Loan Bank of Boston Jobs for New England	4	308,000
Small Business Administration	26	5,792,535
Business Loan Express	10	838,000
		43,930,397
San Francisco Bay		
Special Municipal and Related Programs	54	30,203,743
Mayor's Office of Housing and Community Development - Downpayment Assistance Loan Program (BMR DALP)	32	1,395,771
Mayor's Office of Housing and Community Development - Teacher Next Door Program (TND)	3	60,000
The MCC Program CalHFA	8	2,641,812
City and County of San Francisco	31	8,156,083
San Mateo BMR Downpayment Assistance Program	8	474,937
Small Business Administration	16	1,759,236
Business Loan Express	15	1,766,500
		46,458,082
Greater Los Angeles		
Greater Los Angeles Boston Private Bank Community Homeowner Fixed Rate Program	88	18,439,962
Boston Private Downpayment Closing Cost Assistance Program (D-CAP)	39	299,909
City of Los Angeles Income Purchase Assistance (LIPA) and MCC	12	651,713
The MCC program	24	6,740,750
County of Los Angeles MCC	33	7,418,810
County of Los Angeles Homeownership Program (HOP)	4	240,000
County of Los Angeles Affordable Homeownership Program (AHOP)	1	95,000
Habitat for Humanity Greater Los Angeles (Habitat LA) CalHOME Mortgage Assistance:	40	2,138,830
Habitat for Humanity Lynwood	4	843,485
Habitat for Humanity Montebello	8	867,800
City of San Dimas Ownership Housing Program	2	317,600
City of Compton Down payment Assistance	8	699,750
Fannie Mae's HomeReady Mortgage Program	5	1,402,855
		40,156,464
Massachusetts and California		
Boston Private Bank Community Homeowner Fixed Rate Program	215	54,275,120
Equity Builder Program	15	205,000
		54,480,120
California		
Workforce Initiative Subsidy for Homeownership (WISH) Program	31	459,300
		459,300

Source: 2015 and 2016 Bank data

Community Development Lending[1]

The bank's community development lending activities are evaluated pursuant to the following criteria: 1) the number and dollar amount of community development loans in the bank's assessment area(s); 2) the extent to which community development lending opportunities have been made available to the bank; 3) the responsiveness to the opportunities for community development lending; 4) the extent of leadership the bank has demonstrated in community development lending; and 5) the innovativeness or complexity involved.

The bank's community development lending performance demonstrated good responsiveness to community development needs throughout its assessment areas. The bank is a leader in providing these loans to respond to community needs and, particularly, to address the shortage and unaffordability of housing to low- and moderate-income individuals. Overall, the bank increased its community development lending from the 2014 evaluation (212 loans at $544 million inside and outside the assessment areas). Tables 5 and 6 include an itemization of the bank's community development activities in all of its assessment areas. During the review period, the bank originated or renewed 229 community development loans within the assessment areas, totaling $549.2 million, from October 15, 2014 through December 31, 2017. In addition, the bank originated a substantial number (104) of community development loans, totaling $68 million in the broader regional area of the combined assessment area. Massachusetts and California have close concentration of community development loans by state, with $325.5 million and $291.7 million, respectively. The community development loans originated or renewed during the evaluation period were for a variety of purposes. These include financing of affordable housing for low- and moderate-income individuals, community services targeted to low- and moderate-income individuals, promoting economic development by financing small businesses that resulted in job creation and/or retention, and revitalization/stabilization of targeted low- and moderate-income census tracts or other qualified geographies. According to community representatives, these areas are the major community development needs within the assessment area. Further information with respect to community development activities is provided in the full review of each assessment area.

Table 5 displays the total dollar amounts of community development loans by category in the assessment areas.

1 As defined in the CRA regulation, a community development loan has as its primary purpose: affordable housing for low- and moderate-income individuals; community services targeted to low- and moderate-income individuals; activities that promote economic development by financing small businesses or small farms; or activities that revitalize or stabilize low- and moderate income geographies. Furthermore, the loan must benefit the bank's assessment area or a broader statewide area that also includes the assessment area. Loans required to be reported as home mortgage loans or small business loans cannot also be reported as community development loans unless the loan is for a multi-family dwelling (five or more units), and meets the community development definition, and benefits the bank's assessment area or a broader statewide area that includes the assessment area.

Table 5 - Total Community Development Loans by Category										
Assessment Areas	**Affordable Housing**		**Economic Development**		**Community Services**		**Revitalize and Stabilize**		**Total**	
	$(000)	**%**	**$(000)**	**%**	**$(000)**	**%**	**$(000)**	**%**	**$(000)**	**%**
Greater Boston	167,981	56.1	54,219	30.0	75,670	91.8	27,674	50.7	325,544	52.8
San Francisco Bay	57,570	19.2	77,364	42.8	3,155	3.8	15,030	27.5	153,119	24.8
Greater Los Angeles	73,874	24.7	49,050	27.2	3,654	4.4	11,899	21.8	138,477	22.4
Total	**299,425**	**100.0**	**180,633**	**100.0**	**82,479**	**100.0**	**54,603**	**100.0**	**617,140**	**100.0**

Source: Bank data

Table 6 displays the number and dollar amount of community development loans by assessment area.

Table 6 - Qualified Community Development Loans Inside Assessment Areas October 15, 2014 – December 31, 2017										
Assessment Areas	**2014**		**2015**		**2016**		**2017**		**Total**	
	#	**$**	**#**	**$**	**#**	**$**	**#**	**$**	**#**	**$**
Greater Boston	13	3,946,551	44	120,498,950	39	67,593,192	37	83,857,872	131	275,896,265
San Francisco Bay	2	6,055,000	22	68,222,734	14	30,162,626	13	38,020,000	51	142,460,360
Greater Los Angeles	2	11,375,000	17	50,534,334	15	43,816,981	13	25,095,677	47	130,821,992
Total	17	21,376,551	83	239,256,018	68	141,572,799	63	146,973,549	229	549,178,617

Source: Bank data

INVESTMENT TEST

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment areas through qualified investments that benefit the assessment areas or a broader statewide or regional area that includes the assessment areas.

The bank's overall Investment Test performance is Outstanding. Individually, the bank's performance in Massachusetts and in California was rated Outstanding. Examiners reviewed the bank's qualified investment activity from January 2015 through December 2017. Examiners formed conclusions based on the bank's resources and the availability of qualified investments in the assessment areas. The Outstanding rating is an upgrade from the previous examination, which rated the Investment Test High Satisfactory. Boston Private has an excellent level of qualified community development investments and grants, often in a leadership position. The bank exhibits excellent responsiveness to the credit and community economic development needs. In addition, the bank makes significant use of innovative or complex investments to support community development initiatives.

Qualified Investments and Donations

The bank made 34 new equity type investments during the time period totaling $44,483,169. This includes complex investments such as Low Income Housing Tax Credits (LIHTC) projects and tax credit purchases. LIHTC are an important resource for developing affordable rental housing for low-income households nationally and in Massachusetts and California; and given the tax structures, underwriting, and long-term administrative costs, LIHTC projects are less likely to be funded by other corporations. Smaller institutions are also less likely to provide these types of investments. Boston Private seeks investment opportunities in LIHTC funds with investments targeted to preserve and create affordable rental homes located within its assessment areas. The bank's investments were considered responsive to the need for affordable housing in both its California and Massachusetts assessment areas.

In addition, the bank exhibits good responsiveness to assessment area credit needs through its provision of grants and donations. The bank has provided $2.0 million in qualified grants and donations, for a total qualified investments and donations of $46.4 million in new activity. The level of activity increased significantly from the time of the 2014 examination when the bank had $20.5 million in new investments and donations. The bank's capacity has also increased since that time, as evidenced by an increase in asset size from $6.2 billion to $8.2 billion. When evaluating an institution's qualified investment record, consideration is given to investments that were made prior to the current examination, but are still outstanding. Factors relevant to the bank's CRA performance context, such as the effect of outstanding long-term qualified investments, the pay-in schedule, and the amount of any cash call, on the capacity of the bank to make new investments are also considered. The bank holds $22.1 million in outstanding equity investments on its books as compared to $13.2 million at the time of the 2014 examination. In addition, Boston Private is certified as eligible to hold Interest on Lawyers' Trust Accounts (IOLTA) funds in Massachusetts and in California. A total of $198.6 thousand of IOLTA account interest was donated for eligible charitable purposes from 2015 through 2017.

The evaluation includes examples of qualified investments and donations within the discussion of bank performance by assessment area.

SERVICE TEST

The Service Test evaluates an institution's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of an institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. Boston Private's performance under the Service Test is rated Outstanding. Individually, the bank's performance within Massachusetts was Outstanding and within California, High Satisfactory.

Retail Services

Retail delivery systems are readily accessible to the geographies and individuals of different income levels. Banking services and business hours do not vary in a way that inconveniences any portion of Boston Private's assessment areas, particularly low- and moderate-income geographies and individuals. The bank operates 24 full-service branches each equipped with ATMs. The bank has three branches in low-income geographies, six in moderate-income geographies and 14 in upper-income geographies that are open for at least seven hours Monday to Friday. Three branches in the low-income geographies are located in California and one in Massachusetts. During the exam period Boston Private sold 2 branches and opened 3 in California. The bank's opening and closing of branches has not adversely affected the accessibility of banking services to low- and moderate-income geographies.

Community Development Services

Community development services are evaluated pursuant to the following criteria: 1) The extent to which the bank provides community development services; 2) the innovativeness, including whether the bank serves low- or moderate-income customers in new ways or serves groups of customers not previously served; and 3) the degree to which they serve low- and moderate-income community development services.

Boston Private is a leader in providing community development services, given the assessment areas' needs and opportunities, as well as the size and resources of the bank. While activities were considered responsive to the identified needs of affordable housing and economic development within the three assessment areas, none was particularly innovative or served low- and moderate-income individuals in new ways. The bank has been an active participant of a high level of homebuyer seminars across all the assessment areas during the review period. The evaluation includes examples of specific community development services within the discussion of bank performance by assessment area.

Boston Private actively uses the Federal Home Loan Bank of Boston (FHLBB) services, including its Equity Builder Program (EBP), Affordable Housing Program (AHP), and Community Development Advance (CDA) program. The programs are available in both Massachusetts and California. Within the Greater Boston AA, the bank also participated in the Jobs for New England Partnerships program, which provides lower cost financing for small business, promoting job creation or economic development.

- During 2015 through 2017, the bank received four new awards through the affordable housing program, which totaled $2,655,147, and helped to finance the preservation of 355 units of affordable housing. One project was located in the Greater Boston AA, the others supported projects in Providences, RI, Framingham, MA and Melbourne, FL.

- The bank received approval from the FHLBB for 13 CDAs, totaling $124,967,500 from 2015 through 2017, for loans associated with affordable housing, economic development initiatives, and services for low- and moderate-income people as summarized below. This allowed the bank to offer a lower cost source of capital to benefit the San Francisco Bay AA and the Greater Boston AA.
- The FHLBB Jobs for New England Partnerships (JNEP) program was first offered by the FHLBB in 2015 to support small businesses that create or retain jobs or contribute to economic development. The program offers a subsidy to member institutions that in turn pass along the saving to their small business borrowers. The bank uses the FHLBB JNEP Program in conjunction with its Business Loan Express (BLE) product, a bank portfolio product designed with the particular focus of enhancing the bank's efforts to meet the credit needs of businesses located in low- and moderate-income and predominately minority areas. During 2015 through 2017, the bank received four JNEP awards.
- The FHLBB's EBP is a grant program designed to support residential lending by member financial institutions to home-buying households earning no more than 80 percent of the area median income, as determined and published annually by the U.S. Department of Housing and Urban Development (HUD). Participating member banks enroll potential homebuyers into the EBP program while working with them to obtain home-mortgage financing. To be eligible for funding, homebuyers must complete a mandatory homebuyer-counseling program through an approved, experienced home-buyer-counseling agency. The bank assisted 15 first time homebuyers, including five in the San Francisco Bay AA, four in the Greater Boston AA and six in the Greater Los Angeles AA through this program.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Concurrent with this CRA evaluation, a review of the bank's compliance with consumer protection laws and regulations was conducted, and no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

MASSACHUSETTS

CRA RATING FOR Massachusetts: ***Outstanding***
The Lending Test is rated: ***High Satisfactory***
The Investment Test is rated: ***Outstanding***
The Service Test is rated: ***Outstanding***

Major factors supporting the rating include the following:

- The geographic distribution of loans reflects good penetration in the Greater Boston AA;
- The distribution of borrowers reflects adequate penetration among individuals of different income levels and among businesses of different sizes;
- The bank is a leader in making community development loans;
- The bank uses innovative and/or flexible lending practices in serving the assessment area credit needs.
- The bank provides an excellent level of qualified community development investments and grants in the assessment areas and is occasionally in a leadership position in response to the community development needs of the assessment areas.
- Delivery services are readily accessible to all portions of the bank's assessment area.
- The bank is a leader in providing community development services throughout the assessment areas.

SCOPE OF EXAMINATION

A full scope review of Boston Private's performance in the Greater Boston AA was conducted for Massachusetts, consistent with the products and timeframes described in the Institution section of this report.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MASSACHUSETTS

Within Massachusetts, Boston Private has delineated the Greater Boston AA, which includes a portion of the Boston-Cambridge-Newton, MA-NH MSA. This MSA is comprised of three subdivisions: the Boston, MA Metropolitan Division (MD), the Cambridge-Newton-Framingham, MA MD, and the Rockingham County-Strafford County, NH MD. The Greater Boston AA includes a portion of the Boston, MA MD and a portion of the Cambridge-Newton-Framingham, MA MD as detailed below:

- **Boston, MA MD:**
  - Suffolk County, MA – Boston, Chelsea, Revere, and Winthrop.
  - Norfolk County, MA – Braintree, Brookline, Canton, Cohasset, Dedham, Dover,

Milton, Needham, Norwood, Quincy, Randolph, Wellesley, Westwood, and Weymouth.
    - Plymouth County, MA – Hanover, Hingham, Hull, Marshfield, Norwell, Rockland, and Scituate.

- **Cambridge-Newton-Framingham, MA MD:**
    - Middlesex County, MA – Acton, Arlington, Bedford, Belmont, Billerica, Burlington, Cambridge, Carlisle, Chelmsford, Concord, Everett, Framingham, Hudson, Lexington, Lincoln, Lowell, Malden, Marlborough, Maynard, Medford, Melrose, Natick, Newton, North Reading, Reading, Sherborn, Somerville, Stoneham, Stow, Sudbury, Tewksbury, Wakefield, Waltham, Watertown, Wayland, Weston, Wilmington, Winchester, and Woburn.
    - Essex County, MA – Beverly, Danvers, Hamilton, Lynn, Lynnfield, Manchester, Marblehead, Middleton, Nahant, Peabody, Salem, Saugus, Swampscott, Topsfield, and Wenham.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MASSACHUSETTS

The bank's performance within Massachusetts is discussed in the Greater Boston AA in the Boston-Cambridge-Newton, MA-NH MSA analysis in the following section of the evaluation.

BOSTON-CAMBRIDGE-NEWTON, MA-NH MSA

(Full scope review)

SCOPE OF EXAMINATION

A full scope review of Boston Private's performance in the Boston-Cambridge-Newton, MA-NH MSA was conducted, consistent with the products and timeframes described in the Institution section of this Report.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN GREATER BOSTON AA

Based on the FDIC Summary of Deposits as of June 30, 2017, the assessment area had 120 FDIC-insured commercial institutions operating 1,397 offices within the Greater Boston AA. The bank operates 11 branches, 12 ATMs, and 1 loan center. The bank holds total deposits of \$4.4 billion representing 1.5 percent market share, ranking 9th of 120 FDIC-insured financial institutions operating in Essex, Middlesex, Norfolk, Plymouth, and Suffolk counties. By comparison, the top three institutions by market share in this assessment area were: State Street Bank and Trust Company (27.0 Percent), Bank of America, NA (22.5 percent), and Citizens Bank, NA (11.6 percent). In 2016, the bank ranked 58th in the assessment area among 612 HMDA reporting institutions and 32nd among 167 CRA reporting institutions.

The assessment area contains 675 census tracts, of which 79 (11.7 percent) are low-income, 144 (21.3 percent) are moderate-income, 240 (35.6 percent) are middle-income, 199 (29.5 percent) are upper-income, and 13 (1.9 percent) are unknown tracts. The unknown tracts generally have nominal populations and represent a zoo, a horse race track, parks, cemeteries, and golf courses.

Relevant demographic data for the bank's assessment area for 2016 is provided in Table 7 below.

Table 7 - Assessment Area Demographics

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	79	11.7	58,188	8.4	16,451	28.3	164,125	23.7
Moderate-income	144	21.3	136,817	19.8	17,050	12.5	112,212	16.2
Middle-income	240	35.6	275,855	39.8	12,975	4.7	136,267	19.7
Upper-income	199	29.5	221,857	32.0	5,491	2.5	280,134	40.4
Unknown-income	13	1.9	21	0	0	0.0	0	0.0
Total Assessment Area	**675**	**100.0**	**692,738**	**100.0**	**51,967**	**7.5**	**692,738**	**100.0**
	Housing Units by Tract	**Housing Types by Tract**						
		Owner-Occupied			**Rental**		**Vacant**	
		#	%	%	#	%	#	%
Low-income	115,017	22,732	3.4	19.8	81,651	71.0	10,634	9.2
Moderate-income	265,906	99,546	15.1	37.4	145,611	54.8	20,749	7.8
Middle-income	493,949	288,274	43.6	58.4	175,851	35.6	29,824	6.0
Upper-income	365,773	250,589	37.9	68.5	93,221	25.5	21,963	6.0
Unknown-income	79	55	0.0	69.6	24	30.4	0	0.0
Total Assessment Area	**1,240,724**	**661,196**	**100.0**	**53.3**	**496,358**	**40.0**	**83,170**	**6.7**
	Total Businesses by Tract		**Businesses by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	%	#	%	#	%	#	%
Low-income	10,184	6.5	8,953	6.4	1,180	7.0	51	5.7
Moderate-income	22,350	14.2	20,202	14.5	2,056	12.2	92	10.3
Middle-income	57,247	36.4	50,750	36.4	6,251	37.0	246	27.5
Upper-income	67,174	42.7	59,403	42.6	7,277	43.0	494	55.3
Unknown-income	410	0.3	258	0.2	141	0.8	11	1.2
Total Assessment Area	**157,365**	**100.0**	**139,566**	**100.0**	**16,905**	**100.0**	**894**	**100.0**
	Percentage of Total Businesses:			**88.7**		**10.7**		**.6**

2016 FFIEC Census Data and 2016 D&B data.
Total percentages shown may vary by 0.1 percent due to automated rounding differences

Housing

According to the Harvard Joint Center for Housing Studies[2] (2017 State of the Nation's Housing report), the housing market in general experienced an increase in home sales since 2005. Housing markets continued to strengthen in 2016, with new and existing home sales, prices and construction levels on the rise. Inventory for single-family homes, however, remains historically low. The depletion in inventory of listed properties has resulted in rising home prices.

Based on the 2016 FFEIC Census Data, the assessment area contains 1,240,724 housing units, of which 53.3 percent are owner-occupied, 40.0 percent are rental, and 6.7 percent are vacant units. The assessment area has a lower percentage of owner-occupied units and a higher percentage of rental units than the statewide figures, at 57.7 percent and 32.5 percent, respectively. There are 661,196 owner-occupied housing units in the assessment area, of which 3.4 percent and 15.1 percent are located in low- and moderate-income census tracts, respectively, 43.6 percent are in middle-income tracts, and 37.9 percent are in upper-income tracts. The ability to extend mortgage credit in low-income tracts may be limited by the low percentage of families (8.4 percent) in those tracts. Opportunities, however, for mortgage lending exist in moderate-income census tracts where 19.8 percent of families reside.

Low-income census tracts in the assessment area have lower rates of home ownership (19.8 percent) and higher rates for rental housing (71.0 percent). In addition, vacant units account for 9.2 percent of the units in low-income tracts. In moderate-income tracts, 37.4 percent of the housing units are owner-occupied, 54.8 percent are rental, and 7.8 percent are vacant units. Middle- and upper-income tracts in the assessment area have the highest owner-occupancy rates, at 58.4 percent and 68.5 percent, respectively. Further, middle- and upper-income census tracts have the lowest rental rates (35.6 percent and 25.5 percent, respectively) and vacancy rates (6.0 percent each, respectively). For these reasons, greater lending opportunities exist in this assessment area for mortgage originators.

Approximately 71.7 percent of the housing units in the assessment area are 1-4 family properties, and 28.0 percent are multifamily units. The median age of housing in the assessment area is 61 years, compared to that of Massachusetts, at 52 years.

Home values also have a significant impact on an institution's ability to lend and on the opportunity for individuals to borrow. According to the 2010 ACS data, the median housing value in the combined assessment area is $414,272, above that of the median housing value of $352,300 for Massachusetts. Further, the affordability ratio for the assessment area is 16.4 percent, compared to Massachusetts, at 18.3 percent. The affordability ratio is defined as the median household income divided by the median housing value. A higher ratio means housing is

2 http://www.jchs.harvard.edu/research/state_nations_housing

generally considered more affordable while a lower ratio reflects less affordable housing; housing in the Greater Boston AA is less affordable than it is within Massachusetts.

Business Characteristics

According to D&B data, there are 157,365 businesses operating within the Greater Boston AA. The majority of those businesses, at 88.7 percent, have gross annual revenues less than or equal to $1 million. The majority of businesses are located in upper-income census tracts, at 42.7 percent, and middle-income census tracts, at 36.4 percent. Primary industries in this assessment area include health care, retail services, and education. According to the Massachusetts Labor and Workforce Development website, major employers within the Boston-Cambridge-Newton, MA MSA, New England City and Town Area (NECTA) Division, include Brigham and Women's Hospital, Children's Hospital, Massachusetts General Hospital, Massachusetts Institute of Technology, and Boston University.

Population

The assessment area has a population of 2,985,161 individuals, representing 45.6 percent of the entire statewide population. The population is distributed as follows: 9.8 percent in low-income tracts, 21.2 percent in moderate-income tracts, 38.7 percent in middle-income tracts and 30.3 percent in upper-income tracts. Further, the assessment area includes 1,157,554 households. Of these households, 9.0 percent are low-income, 21.2 percent are moderate-income, 40.1 percent are middle-income, and 29.7 percent are upper-income. As shown, the percentages of the population within the geographies parallel the percentages of income levels of households in the assessment area.

Since the last Census in 2010, the Massachusetts population has increased by 4.0 percent as of July 1, 2016. As a result, counties within this assessment area (Middlesex and Suffolk) have experienced population growth as reported by UMass Donahue Institute[3], Hadley, MA. According to the estimates, Suffolk County has grown by 8.6 percent, followed by Middlesex County, by 5.8 percent, Essex County by 4.8 percent, Norfolk County by 3.9 percent, and Plymouth County by 3.8 percent. A greater number of births and migration (specifically international) drove the growth between July 1, 2015 and July 1, 2016 in these counties. The population growth may contribute to stronger residential real estate loans, but it may also be offset by the affordability ratio, which may lead to somewhat weaker loan demand.

3 http://www.massbenchmarks.org/statedata/data/MA_CountyPop2016.pdf (page 4)

Income

The FFIEC adjusts the median family income (MFI) of metropolitan areas annually, based on estimates. The MFI for low-income is defined as family income less than 50 percent of the area median income; moderate-income is defined as income of at least 50 percent and less than 80 percent of median income; middle-income is defined as income of at least 80 percent but less than 120 percent of median income; and upper-income is defined as 120 percent of median income and above. Table 8 displays the MFI incomes for the assessment area.

Table 8
Median Family Income

MSA/MD	FFIEC Estimated MFI	
	2015	2016
Boston, MA (MD)	$90,000	$90,800
Cambridge-Newton-Framingham, MA (MD)	$101,700	$98,600

FFIEC MFI Estimates

The MFI for the Boston, MA (MD) nominally increased from 2015 to 2016, while the Cambridge-Newton-Framingham, MA (MD) slightly decreased.

Based on the 2015 MFI estimates, approximately 23.7 percent of families in the assessment area were low-income, 16.2 percent were moderate-income, 19.7 percent were middle-income, and 40.4 percent were upper-income. Comparably, approximately 22.2 percent of the families in Massachusetts were low-income, 16.5 percent were moderate-income, 20.6 percent were middle-income, and 40.7 percent were upper-income. Further, the percentage of assessment area families with incomes below the poverty level is the same as the state at 7.5 percent.

Employment Statistics

According to the December 2017 release by the U.S. Bureau of Labor Statistics[4], the national unemployment rate was 4.4 percent, while the employment rate for the Commonwealth of Massachusetts was 3.5 percent. Based on the Massachusetts Executive Office of Labor and Workforce Development[5], the unemployment rate (not seasonally adjusted) by county in this assessment area compared favorably to the Massachusetts and national rates: Essex County, at 3.2 percent, Middlesex County, at 2.5 percent, Norfolk County, at 2.7 percent, Plymouth County, at 3.2 percent, and Suffolk County, at 2.7 percent.

4 https://www.bls.gov/lau/
5 http://lmi2.detma.org/lmi/lmi_lur_a.asp

Community Contact

As part of the CRA evaluation process, third parties active in community outreach are contacted to assist in assessing the housing and business needs of the bank's assessment area. Relevant information from this practice assists in determining whether local financial institutions are responsive to the credit needs of the community, and what further opportunities, if any, are available.

Information from two community representatives, interviewed in relation to other recent examinations and representing interests in economic development and affordable housing in Suffolk and Middlesex counties within the Greater Boston AA were utilized. Both contacts have extensive knowledge of the counties they serve. Both community representatives were concerned with increases in home prices resulting from a dwindling supply of housing stock in the assessment area. Thus, they cited a need for multi-family units with affordable rents for low- and moderate-income residents in these counties. As far as economic development opportunities, one community representative stated the need for banks to assist in the entrepreneurial spirit of the community to help startup businesses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN GREATER BOSTON AA

LENDING TEST

The overall rating for the lending test for the Greater Boston AA is High Satisfactory. This rating is based on geographic distribution of loans, which reflects a good penetration throughout the assessment area. The distribution of borrowers reflects adequate penetration among borrowers of different income levels and businesses of different revenue sizes. In addition, the bank is a leader in making community development loans.

During the review period, the bank reported 921 HMDA loans and 311 small business loans in the Greater Boston AA. Based on this volume, the evaluation focused more heavily on the performance of HMDA lending than small business lending. The Greater Boston AA contains 61.0 percent of the bank's total HMDA lending and 54.0 percent of its total small business lending by number of loans.

Geographic Distribution of Loans

For this analysis, the geographic distribution of HMDA and small business lending, including both originations and purchases, was compared with available demographic information. Based on performance context information including unemployment rates, poverty rates, the level of owner-occupied units, and the volume of small businesses in low- and moderate-income census tracts and aggregate lending data, Boston Private's geographic distribution of HMDA- reportable in conjunction with small business loans together reflects good penetration throughout the Greater Boston assessment area.

Residential Lending

Table 9 provides a comparison of the bank's lending by census tract income level to the aggregate lending data and demographics of the Greater Boston AA.

Table 9

Boston AA - Geographic Distribution of HMDA Loans														
PRODUCT TYPE	Tract Income Levels	Owner Occupied Units	Bank & Aggregate Lending Comparison											
			2015						2016					
			Count			Dollar			Count			Dollar		
			Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg
		%	#	%	%	$ (000s)	$ %	$ %	#	%	%	$ (000s)	$ %	$ %
HOME PURCHASE	Low	3.4%	27	10.4%	4.6%	$8,712	4.5%	4.1%	17	6.2%	4.7%	$26,655	11.8%	4.0%
	Moderate	15.1%	30	11.5%	16.4%	$11,452	5.9%	12.8%	38	13.8%	16.8%	$13,833	6.1%	13.4%
	Middle	43.6%	52	20.0%	42.5%	$23,422	12.0%	35.1%	58	21.0%	43.4%	$29,377	13.0%	35.9%
	Upper	37.9%	151	58.1%	36.4%	$151,462	77.7%	47.9%	163	59.1%	35.1%	$155,708	69.0%	46.6%
	Unknown	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*100.0%*	*260*	*100.0%*	*100.0%*	*$195,048*	*100.0%*	*100.0%*	*276*	*100.0%*	*100.0%*	*$225,573*	*100.0%*	*100.0%*
REFINANCE	Low	3.4%	8	5.7%	3.8%	$4,691	4.0%	3.2%	7	3.8%	3.6%	$2,609	1.5%	3.3%
	Moderate	15.1%	10	7.1%	14.5%	$15,049	12.7%	11.5%	19	10.4%	14.5%	$15,974	9.3%	11.7%
	Middle	43.6%	23	16.3%	42.8%	$8,691	7.4%	36.3%	22	12.1%	43.5%	$12,953	7.5%	37.2%
	Upper	37.9%	100	70.9%	38.9%	$89,647	75.9%	49.0%	134	73.6%	38.4%	$140,167	81.6%	47.8%
	Unknown	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*100.0%*	*141*	*100.0%*	*100.0%*	*$118,078*	*100.0%*	*100.0%*	*182*	*100.0%*	*100.0%*	*$171,703*	*100.0%*	*100.0%*
HOME IMPROVEMENT	Low	3.4%	1	2.9%	3.1%	$325	1.4%	2.8%	0	0.0%	3.0%	$0	0.0%	3.2%
	Moderate	15.1%	3	8.8%	13.5%	$1,207	5.1%	10.5%	5	29.4%	13.2%	$1,768	15.8%	10.9%
	Middle	43.6%	6	17.6%	41.8%	$2,717	11.5%	31.4%	3	17.6%	43.0%	$2,135	19.1%	33.2%
	Upper	37.9%	24	70.6%	41.6%	$19,377	82.0%	55.3%	9	52.9%	40.7%	$7,293	65.1%	52.7%
	Unknown	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*100.0%*	*34*	*100.0%*	*100.0%*	*$23,626*	*100.0%*	*100.0%*	*17*	*100.0%*	*100.0%*	*$11,196*	*100.0%*	*100.0%*
MULTI FAMILY	Low	15.9%	2	33.3%	17.5%	$8,320	22.6%	19.5%	1	20.0%	14.7%	$1,120	3.0%	13.0%
	Moderate	23.0%	2	33.3%	33.9%	$17,920	48.6%	19.5%	2	40.0%	39.5%	$22,300	58.9%	20.0%
	Middle	36.5%	1	16.7%	32.6%	$8,000	21.7%	30.8%	1	20.0%	28.1%	$1,754	4.6%	39.4%
	Upper	24.6%	1	16.7%	16.0%	$2,625	7.1%	30.2%	1	20.0%	17.7%	$12,670	33.5%	27.6%
	Unknown	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*100.0%*	*6*	*100.0%*	*100.0%*	*$36,865*	*100.0%*	*100.0%*	*5*	*100.0%*	*100.0%*	*$37,844*	*100.0%*	*100.0%*
HMDA TOTALS	Low	3.4%	38	8.6%	4.2%	$22,048	5.9%	4.7%	25	5.2%	4.1%	$30,384	6.8%	4.2%
	Moderate	15.1%	45	10.2%	15.4%	$45,628	12.2%	12.6%	64	13.3%	15.5%	$53,875	12.1%	12.9%
	Middle	43.6%	82	18.6%	42.5%	$42,830	11.5%	35.2%	84	17.5%	43.3%	$46,219	10.4%	36.6%
	Upper	37.9%	276	62.6%	37.8%	$263,111	70.4%	47.5%	307	64.0%	37.1%	$315,838	70.8%	46.3%
	Unknown	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*100.0%*	*441*	*100.0%*	*100.0%*	*$373,617*	*100.0%*	*100.0%*	*480*	*100.0%*	*100.0%*	*$446,316*	*100.0%*	*100.0%*

2010 U.S. Census, 2015 and 2016 Aggregate HMDA Data, 2015 and 2016 HMDA LARs.
Total percentages shown may vary by 0.1 percent due to automated rounding differences

In 2015 and 2016, approximately 3.4 percent of owner-occupied housing units were located in low-income tracts, and 15.1 percent were in moderate-income tracts. In 2015, the bank originated 8.6 percent by number, and 5.9 percent by dollar amount in low-income tracts. The bank's performance exceeded that of the 2015 aggregate, which originated 4.2 percent by number and 4.7 percent by dollar amount of loans within low-income census tracts. The bank's performance decreased in 2016, whereby the bank originated 5.2 percent by number and 6.8 percent by dollar amount in low-income tracts overall. Nonetheless, the bank performed better than the aggregate at 4.1 percent by number and 4.2 percent by dollar amount. The performance also exceeded the owner-occupied demographics in these tracts. As noted above, the bank's assessment area has a higher percentage of rental units than the statewide average. This lending therefore is indicative of the bank's solid and consistent efforts to serve these geographic markets.

The bank lagged the aggregate in lending within moderate-income census tracts in 2015, extending 10.2 percent by number, and 12.2 percent by dollar amount in moderate-income tracts, compared to the aggregate, which extended 15.4 percent by number and 12.6 percent by dollar amount of loans within these tracts. While loans decreased in 2016 within the low-income tracts, the bank's lending performance within moderate-income census tracts increased to 13.3 percent by number but nominally fell to 12.1 percent by dollar amount from 2015. The bank's performance in moderate-income tracts, however, fell below the aggregate with 15.5 percent by number and 12.9 percent by dollar amount and the demographics at 15.1 percent.

As displayed in Table 9, the majority of the bank's loans were originated in middle- and upper-income tracts. In 2015 and 2016, the bank extended 18.6 percent and 17.5 percent, respectively, of loans in middle-income tracts, significantly lagging the aggregate and demographics. Loans in upper-income tracts exceeded the aggregate and demographics in 2015 and 2016.

The bank's lending performance for 2017 is provided in Appendix B. Due to the changes in the census data, low-income census tracts increased within the assessment area from 79 tracts to 84 low-income census tracts. Moderate-income census tracts decreased from 144 to 143 tracts. Middle-income census tracts increased from 235 to 240, while upper-income census tracts remained at 199 tracts. The 2017 data was used for trend purposes, as aggregate data was not available at the time of this evaluation. The bank originated 23 home mortgage loans, or 5.8 percent, in low-income tracts, which is consistent with lending in 2016, and 44 home mortgage loans, or 11.1 percent, in moderate-income tracts, which was below lending in 2016 but consistent with lending in 2015. These numbers are reasonable given the tract changes in 2017. Please see Appendix B for the distribution of HMDA loans in 2017 and the Combined Demographic Report.

HMDA-reportable loans slightly increased between 2015 and 2016 by 8.0 percent. By loan category, home purchase lending represented 57.7 percent and 57.5 percent of all mortgage loans in 2015 and 2016, respectively, and refinance lending represented 32.0 percent and 37.9 percent, respectively. Further, home improvement lending represented 7.7 percent and 3.5 percent, respectively; multi-family lending was a much smaller portion of total lending, representing 1.4 percent and 1.0 percent of the bank's lending in 2015 and 2016, respectively.

As presented in Table 9, the bank's originations of home purchase and home refinancing loans constitute the majority of its lending, where the bank exceeded the aggregate and the demographics in low-income tracts, but lagged the aggregate and demographics in moderate-income tracts in 2015 and 2016. Home improvement loans within low- and moderate-income geographies were slightly below the aggregate and demographics in 2015. In 2016, no home improvement loans were reported in low-income tracts; however, the bank substantially exceeded the aggregate and demographics in moderate-income tracts.

The bank's home purchase, refinance, and home improvement lending in middle-income tracts was less than the percentages of aggregate and owner-occupied units in those tracts throughout the review period, while lending in upper-income tracts was greater than the percentages of the aggregate and owner-occupied units. Due to the low multi-family loan volume, no analysis is included.

Small Business Lending

Boston Private's geographic distribution of small business loans in the assessment area is adequate. In 2015, the bank originated 5.3 percent of its loans to businesses in low-income census tracts, which slightly lagged both the aggregate (6.0 percent) and total businesses by tract (6.4 percent). However, in 2016, the bank originated 6.2 percent of the loans to businesses in low-income census tracts, which was slightly above the aggregate (5.8 percent) and at par with total businesses.

In 2015 and 2016, the bank originated 4.7 percent and 5.6 percent of its loans, respectively, in moderate-income tracts. These percentages lagged the aggregate, which was in line with the percentage of small businesses in those tracts.

The majority of the bank's loans were originated in middle- and upper-income tracts, as displayed in Table 10 for 2015 and 2016. The bank, however, lagged the aggregate and demographics within middle-income tracts, and exceeded the aggregate and demographics in upper-income tracts.

Table 10 below represents the distribution of small business loans by census tract income level.

Table 10

Boston AA - Geographic Distribution of Small Business Loans															
PRODUCT TYPE	Tract Income Levels	Small Businesses	Bank & Aggregate Lending Comparison												
			2015						2016						
			Count			Dollar			Count			Dollar			
			Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
		%	#	%	%	$ 000s	$ %	$ %	#	%	%	$ 000s	$ %	$ %	
SMALL BUSINESSES	Low	6.4%	8	5.3%	6.0%	$1,459	2.7%	5.7%	10	6.2%	5.8%	$4,353	7.0%	6.0%	
	Moderate	14.5%	7	4.7%	14.9%	$2,985	5.4%	13.7%	9	5.6%	15.0%	$3,454	5.6%	14.4%	
	Middle	36.4%	34	22.7%	38.5%	$13,602	24.8%	39.1%	34	21.1%	38.0%	$14,123	22.7%	38.3%	
	Upper	42.6%	97	64.7%	40.2%	$35,207	64.2%	40.9%	102	63.4%	40.9%	$38,123	61.3%	40.6%	
	Unknown	0.2%	4	2.7%	0.4%	$1,555	2.8%	0.5%	6	3.7%	0.3%	$2,149	3.5%	0.6%	
	Tr Unknown		0	0.0%	0.1%	$0	0.0%	0.0%	0	0.0%	0.1%	$0	0.0%	0.0%	
	Total	*100.0%*	*150*	*100.0%*	*100.0%*	*$54,808*	*100.0%*	*100.0%*	*161*	*100.0%*	*100.0%*	*$62,202*	*100.0%*	*100.0%*	

D&B 2015 & 2016 Aggregate CRA Data, 2015and 2016 Small Business Loan Registers
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

The 2017 data was used for trend purposes, as aggregate data was not available at the time of this evaluation. The bank originated 9 small business loans, or 6.1 percent, in low-income tracts and 9 small business loans, or 6.1 percent, in moderate-income tracts. These numbers are reasonable given the tract changes in 2017. Loans are at par with the 2016 loans at 19 to both income tracts. Please see Appendix B for the distribution loans in 2017 and the Combined Demographic Report.

Gap Analysis

Overall, there were some conspicuous gaps in lending as areas of low or no penetration were noted. The bank originated residential loans and small businesses within 18 or 22.8 percent of its low-income tracts (79), and 40 or 27.8 percent within the moderate-income tracts (144) in the assessment area. However, both the geographic expanse of the assessment area relative to the bank's size and its business focus were considered. Moreover, it is noted that only 3.4 percent and 15.1 percent of owner-occupied units are, respectively, located in the low- and moderate-income tracts in the assessment area. In addition, 71.0 percent and 54.8 percent of the units are rentals within low- and moderate-income tracts, respectively. Similarly, only 6.4 percent and 14.5 percent of small businesses less than or equal to $1 million are, respectively, are located in low- and moderate-income tracts. Therefore, opportunity for lending in these tracts is limited.

Borrower Distribution of Loans

The distribution of loans to borrowers reflects an adequate penetration among retail customers of different income levels including low- and moderate-income individuals and businesses of different sizes when compared to area demographics and aggregate performance.

Residential Lending

Table 11 provides a comparison of the bank's lending by income level of the borrower to the income distribution of families in the assessment area and peer data. The table further outlines the bank's performance by loan type in comparison to the aggregate group.

Table 11

Boston AA - Borrower Distribution of HMDA Loans														
PRODUCT TYPE	Borrower Income Levels	Families by Family Income	Bank & Aggregate Lending Comparison											
			2015						2016					
			Count			Dollar			Count			Dollar		
			Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg
		%	#	%	%	$(000s)	$ %	$ %	#	%	%	$(000s)	$ %	$ %
HOME PURCHASE	Low	23.7%	13	5.0%	3.9%	$2,317	1.2%	1.7%	17	6.2%	3.6%	$2,592	1.1%	1.5%
	Moderate	16.2%	41	15.8%	15.2%	$10,292	5.3%	9.5%	39	14.1%	14.8%	$7,945	3.5%	8.9%
	Middle	19.7%	30	11.5%	20.6%	$9,465	4.9%	16.5%	38	13.8%	22.0%	$14,554	6.5%	17.0%
	Upper	40.4%	172	66.2%	41.4%	$165,254	84.7%	52.3%	177	64.1%	46.7%	$177,920	78.9%	57.0%
	Unknown	0.0%	4	1.5%	18.9%	$7,720	4.0%	20.0%	5	1.8%	13.0%	$22,562	10.0%	15.6%
	Total	*100.0%*	*260*	*100.0%*	*100.0%*	*$195,048*	*100.0%*	*100.0%*	*276*	*100.0%*	*100.0%*	*$225,573*	*100.0%*	*100.0%*
REFINANCE	Low	23.7%	0	0.0%	3.5%	$0	0.0%	1.7%	3	1.6%	3.1%	$461	0.3%	1.5%
	Moderate	16.2%	8	5.7%	13.0%	$2,918	2.5%	8.5%	7	3.8%	12.1%	$1,223	0.7%	7.9%
	Middle	19.7%	18	12.8%	21.6%	$5,413	4.6%	17.6%	20	11.0%	23.3%	$7,014	4.1%	18.9%
	Upper	40.4%	112	79.4%	41.5%	$96,032	81.3%	51.6%	147	80.8%	49.5%	$153,007	89.1%	59.5%
	Unknown	0.0%	3	2.1%	20.4%	$13,715	11.6%	20.7%	5	2.7%	12.1%	$9,998	5.8%	12.2%
	Total	*100.0%*	*141*	*100.0%*	*100.0%*	*$118,078*	*100.0%*	*100.0%*	*182*	*100.0%*	*100.0%*	*$171,703*	*100.0%*	*100.0%*
HOME IMPROVEMENT	Low	23.7%	0	0.0%	4.4%	$0	0.0%	1.7%	0	0.0%	3.5%	$0	0.0%	1.4%
	Moderate	16.2%	2	5.9%	13.7%	$655	2.8%	7.4%	1	5.9%	12.3%	$189	1.7%	7.0%
	Middle	19.7%	3	8.8%	24.0%	$862	3.6%	15.6%	2	11.8%	23.2%	$307	2.7%	16.9%
	Upper	40.4%	28	82.4%	49.9%	$21,484	90.9%	61.0%	13	76.5%	53.8%	$10,260	91.6%	64.1%
	Unknown	0.0%	1	2.9%	7.9%	$625	2.6%	14.2%	1	5.9%	7.2%	$440	3.9%	10.6%
	Total	*100.0%*	*34*	*100.0%*	*100.0%*	*$23,626*	*100.0%*	*100.0%*	*17*	*100.0%*	*100.0%*	*$11,196*	*100.0%*	*100.0%*
MULTI FAMILY	Low	23.7%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Moderate	16.2%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Middle	19.7%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Upper	40.4%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Unknown	0.0%	6	100.0%	100.0%	$36,865	100.0%	100.0%	5	100.0%	100.0%	$37,844	100.0%	100.0%
	Total	*100.0%*	*6*	*100.0%*	*100.0%*	*$36,865*	*100.0%*	*100.0%*	*5*	*100.0%*	*100.0%*	*$37,844*	*100.0%*	*100.0%*
HMDA TOTALS	Low	23.7%	13	2.9%	3.7%	$2,317	0.6%	1.6%	20	4.2%	3.3%	$3,053	0.7%	1.4%
	Moderate	16.2%	51	11.6%	13.9%	$13,865	3.7%	8.3%	47	9.8%	13.1%	$9,357	2.1%	7.8%
	Middle	19.7%	51	11.6%	21.2%	$15,740	4.2%	15.8%	60	12.5%	22.6%	$21,875	4.9%	16.7%
	Upper	40.4%	312	70.7%	41.8%	$282,770	75.7%	48.8%	337	70.2%	48.3%	$341,187	76.4%	54.9%
	Unknown	0.0%	14	3.2%	19.5%	$58,925	15.8%	25.5%	16	3.3%	12.8%	$70,844	15.9%	19.2%
	Total	*100.0%*	*441*	*100.0%*	*100.0%*	*$373,617*	*100.0%*	*100.0%*	*480*	*100.0%*	*100.0%*	*$446,316*	*100.0%*	*100.0%*

2010 U.S. Census, 2015and 2016 Aggregate HMDA Data, 2015 and 2016 HMDA LARs.
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

In 2015, the bank originated 2.9 percent of its total mortgage loans to low-income borrowers and 11.6 percent to moderate-income borrowers. The bank's percentage of loans originated to these borrowers is slightly below the aggregate, which originated 3.7 percent and 13.9 percent, respectively, of loans to low- and moderate-income borrowers. In 2016, the bank originated 4.2 percent of its total mortgage loans to low-income borrowers and 9.8 percent to moderate-income borrowers. With this performance, the bank exceeded the aggregate (3.3 percent) for loans to low-income borrowers, but lagged the aggregate (13.1 percent) for loans to moderate-income borrowers.

The percentages of total loans originated to low- and moderate-income borrowers by the bank and by the aggregate for 2015 and 2016 were below the percentages of low- and moderate-income families in the assessment area at 23.7 percent and 16.2 percent, respectively. The performance level of the aggregate with regard to demographics may be indicative of affordability challenges facing low- and moderate-income families in the assessment area. Low- and moderate-income households in the assessment area make $56,953 and $87,320, respectively based on the 2010 ACS data. In addition, 24.0 percent and 30.0 percent, respectively, of low- and moderate-income households have incomes below the poverty level making homeownership difficult. With respect to individual product lines, the bank's home purchase lending to low-income borrowers exceeded the aggregate in 2015 and 2016 but was below the percentage of low-income families located in the assessment area. The bank exceeded the aggregate in 2015 for loans to moderate-income borrowers. However, the bank fell below the aggregate and families in 2016 for loans to those income borrowers. Refinance and home improvement lending to low- and moderate-income borrowers were significantly below the aggregate and families.

As indicated in the Table 11, originations of loans to middle-income borrowers also fell below the aggregate and demographics in 2015. This performance remained consistent in 2016 with loans to these income level borrowers. Loans to upper-income borrowers exceeded the aggregate and demographics in 2015 and 2016. The bank's lending to borrowers for whom incomes were unknown was lower than the aggregate's percentages in both years.

The bank's home purchase, refinance, and home improvement lending to middle-income borrowers was less than the percentages of aggregate and families in in the assessment area throughout the review period, while lending to upper-income borrowers was greater than the percentages of the aggregate and families.

The 2017 data was reviewed for trend purposes. The bank extended 13.6 percent of HMDA loans by number to low- and moderate-income borrowers, slightly below the bank's performance in 2015 (14.5 percent) and 2016 (14.0 percent). It should be noted that the bank's total loans extended in 2017 decreased overall from 480 in 2016 to 397 in 2017 as did lending to low- and moderate-income borrowers from 67 to 54. Please see Appendix B for the distribution of HMDA loans in 2017 and the Combined Demographic Report.

Despite the bank lagging the aggregate and demographics as noted above, the bank's loan product offerings are conducive to serving the low and moderate-income individuals. The bank offers several flexible loan programs to assist low- and moderate-income individuals and families to effectively attain and sustain homeownership. In addition to those products and programs available in all assessment areas, the following programs are specific to cities and towns within the Greater Boston AA: Massachusetts Housing Partnership ONE Mortgage Program, MassHousing Mortgage Programs, Boston Department of Neighborhood Development, Cambridge Housing Division, and other municipal first-time homebuyer programs, These flexible programs offered through the bank contributed to the ability of low- and moderate income borrowers to qualify for home mortgage loans. Please refer to Appendix C for more details.

Small Business Lending

The bank's small business loans originated within the assessment area were analyzed to determine the distribution among businesses of various sizes. Table 12 compares the bank's lending to the aggregate data and small businesses according to revenue size. Overall, the distribution of small business loans among business customers of different sizes is adequate. It should be noted that aggregate data is not available for businesses with revenues over $1 million or with unknown revenues as this information is not reported.

In the assessment area, 88.7 percent of small businesses reported annual revenues of less than $1 million. While the bank's percentage of small business lending lagged this figure, the bank's small business lending is also compared to an aggregate group of lenders, as this is a better indicator of loan demand and performance in the assessment area. The bank's distribution of loans to small businesses by revenue size also lags the aggregate by number in 2015 and 2016. The bank made 20.0 percent of loans by number and 14.5 percent by dollar amount to small businesses, compared to the aggregate with 48.4 percent by number and 31.0 percent by dollar amount in 2015. Further, of those bank loans made to small businesses, 24.7 percent were made in amounts less than or equal to $100,000, which is considered the most impactful loan size to small businesses and indicates the bank makes loans accessible to small businesses. This falls well below the aggregate lenders, who originated 93.7 percent in amounts less than or equal to $100,000.

In 2016, the bank made 17.4 percent of loans by number and 9.6 percent by dollar amount to small businesses, compared to the aggregate with 44.9 percent by number and 33.0 percent by dollar amount. Further, of those bank loans made to small businesses, 19.9 percent were made in amounts less than or equal to $100,000, which is considered the most impactful loan size to small businesses. This falls well below the aggregate lenders, who originated 94.5 percent in amounts less than or equal to $100,000. Both the bank and aggregate lenders were below the 88.7 percent of the assessment area's businesses that report income of $1 million or less

While the aggregate exceeded the bank by business revenue and loan size in 2015 and 2016, the bank substantially exceeded the aggregate for loans over $100,001 to $1 million or less. This category of loans reflects lines of credit the bank made available to small businesses. Overall, the bank is responsive to the credit needs of smaller businesses within the assessment area, as it competes with institutions that tend to originate small business loans in the form of credit cards.

Because these loans tend to be much smaller than traditional small business loans, they can somewhat skew the performance of the aggregate, particularly in the less than $100,000 range.

Further, the bank's small business flexible lending programs, such as FHLBB Jobs for New England, Small Business Administration, and Business Loan Express, presented in Table 4 for the Greater Boston AA, provided needed credit to small businesses. Please refer to Appendix C for more details.

Table 12

Boston AA - Small Business Loans by Revenue & Loan Size															
Business Revenue & Loan Size		Total Businesses	Bank & Aggregate Lending Comparison												
			2015						2016						
			Count			Dollar			Count			Dollar			
			Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
		%	#	%	%	$ 000s	$ %	$ %	#	%	%	$ 000s	$ %	$ %	
Revenue	$1 Million or Less	88.7%	30	20.0%	48.4%	$7,938	14.5%	31.0%	28	17.4%	44.9%	$5,977	9.6%	33.0%	
	Over $1 Million	10.7%	119	79.3%					130	80.7%					
	Total Rev. available	99.4%	149	99.3%					158	98.1%					
	Rev. Not Known	0.6%	1	0.7%					3	1.9%					
	Total	*100.0%*	*150*	*100.0%*					*161*	*100.0%*					
Loan Size	$100,000 or Less		37	24.7%	93.7%	$2,490	4.5%	38.0%	32	19.9%	94.5%	$2,323	3.7%	41.3%	
	$100,001 - $250,000		40	26.7%	3.0%	$8,239	15.0%	14.0%	41	25.5%	2.8%	$7,700	12.4%	14.0%	
	$250,001 - $1 Million		73	48.7%	3.3%	$44,079	80.4%	48.0%	88	54.7%	2.8%	$52,179	83.9%	44.7%	
	Total		*150*	*100.0%*	*100.0%*	*$54,808*	*100.0%*	*100.0%*	*161*	*100.0%*	*100.0%*	*$62,202*	*100.0%*	*100.0%*	

D&B 2015 and 2016 Aggregate CRA Data, 2015 and 2016 Small Business Loan Registers
Total percentages shown may vary by 0.1 percent due to automated rounding differences

The 2017 data indicated that the bank originated 35 small business loans or 23.6 percent to businesses with annual revenues of less or equal to $1 million. The bank's total for 2017 is above the total for 2016 at 28 or 17.4 percent. Please see Appendix B for the distribution of loans in 2017 and the Combined Demographic Report.

Community Development Lending

The bank is a leader in making community development loans. During the review period, Boston Private originated 131 community development loans, totaling $275.9 million. The majority of these loans are related to affordable housing and revitalization provided by government agencies and non-profits in connection with housing developments within or in proximity to the assessment area. Community contacts identified these areas to be in high need. Loans related to economic development and community services were also provided to non-profit organizations. In addition, 66 community development loans, totaling $49.6 million, were originated for projects within a broader regional area.

Table 13 details the community development loans by category within the Greater Boston AA.

Table 13

Greater Boston - Qualified Community Development Loans											
Type	**2014**		**2015**		**2016**		**2017**		**Total**	
	#	**$**	**#**	**$**	**#**	**$**	**#**	**$**	**#**	**$**
Affordable Housing	4	3,848,911	20	72,963,932	13	43,563,501	12	20,978,426	49	141,354,770
Economic Development	0	0	2	3,265,255	18	16,339,691	4	29,348,471	24	48,953,417
Community Services	0	0	13	26,360,270	5	2,800,000	6	29,100,000	24	58,260,270
Revitalize & Stabilize	9	97,640	9	17,909,493	2	4,890,000	14	4,430,975	34	27,328,108
Total	**13**	**3,946,551**	**44**	**120,498,950**	**38**	**67,593,192**	**36**	**83,857,872**	**131**	**275,896,565**

Source: Bank data

A sample of the bank's community development lending activity within the Greater Boston AA during the review period is provided below:

- A $15,200,000 financing for a retail plaza located in a moderate-income census tract in the Hyde Park neighborhood of Boston. The bank financed the loan with a FHLBB Community Development Advance. The financing has led to job creations for local residents, important services in the community, and had a transformative impact contributing to the revitalization of this neighborhood.

- The bank led a $16,000,000 construction/term loan to support the new construction of a mixed-use, transit-oriented development in a moderate-income neighborhood in downtown Beverly, MA, adjacent to the Beverly Depot commuter rail station. The project site is located within the designated Rantoul Street Urban Center Housing and Tax Increment Financing district created by the City of Beverly to spur residential development in downtown Beverly. The bank is participating $6,000,000 of its loan to a third party bank, retaining $10,000,000 of exposure. The development includes 67 mixed-income housing units, 20.0 percent of which are affordable to low- and moderate-income households.

- The bank is lead lender renewing $18,500,000 of acquisition/construction financing for the conversion of a vacant, dilapidated mill building in a low-income neighborhood of Lowell, MA, into a 70-unit mixed-income family housing development. The project is part of the historic redevelopment of the Massachusetts Mills complex that contributes to the ongoing revitalization of the neighborhood and the City of Lowell. The bank's share is $6,167,900 (later refinanced balance of $4,231,500 in 2018.) The remainder was participated out to the mission driven affordable housing lenders Massachusetts Housing

Investment Corporation (MHIC) and the Property Casualty Initiative.

- The bank led a $17,972,500 financing deal to construct and rehabilitate new manufacturing facilities located in a moderate-income neighborhood in the city of Lowell, MA, a state-designated "Gateway/Working City". The project is a high value economic development to create and preserve significant jobs, and a priority for the city of Lowell. The properties are located within the Lowell and Chelmsford Economic Target Area, as designated by the Commonwealth of Massachusetts, and near a transit node. The bank's share was $9,972,500 and the remaining $8,000,000 was participated out to a third party.

INVESTMENT TEST

The bank's performance under the Investment Test for the Greater Boston AA is Outstanding. The bank made an excellent level of qualified community development investments and grants, particularly those not routinely provided by private investors, occasionally in a leadership position. The bank makes extensive use of innovative and/or complex investments to support community development initiatives. Additionally, the bank exhibits excellent responsiveness to credit and community economic development needs. New investments, including grants and donations in the Greater Boston AA totaled $23.5 million during the review period. In addition, the bank holds $16.4 million in prior period investments on its books.

Equity Type Investments

The bank exhibits an excellent responsiveness to the assessment area's need for affordable housing through its participation in projects within Massachusetts involving tax credits and LIHTC. Given the capacity of the bank, it is positioned to provide this funding, which is not routinely provided by private investors. New investments that specifically benefited the Greater Boston AA totaled $22,409,469. These included nine LIHTC projects totaling $16,436,944; and two Historic Tax Credit projects, which supported affordable housing totaling $1,037,250. In addition, the bank made a $1,000,000 investment in an economic development project and several investments, which provided services for low- and moderate-income individuals totaling $3,935,275.

The following examples detail some of the bank's investments:

- The bank invested $3,000,000 in the Massachusetts Housing Investment Corporation's (MHIC) Massachusetts Housing Equity Fund (MHEF) XXIII to provide critical LIHTC equity resources that support the creation and preservation of affordable rental housing in Massachusetts managed by the Commonwealth of Massachusetts. MHEF is a critical financing resource on which many Massachusetts affordable housing developers rely.

The investment is considered responsive to the identified need for affordable housing within the assessment area.

- The bank invested $2,000,000 in Boston Capital Corporate Tax Credit Fund XLII to provide critical LIHTC equity resources that support the creation of affordable rental housing. The bank's investment is allocated to support the new construction of a 71-unit mixed-income development in Lynn, MA, in which 51 units will be affordable to low- and moderate-income households.
- The bank invested $74,950 to support 24 community development nonprofits throughout Greater Boston AA using the Massachusetts Community Investment Tax Credit Program (CITC). This innovative state program, first implemented in 2014, promotes local partnerships and private investment in community development initiatives of state-approved nonprofits serving low- and moderate-income communities. The Commonwealth created this unique financing model that incents both companies and individuals (locally and nationally) to invest in community development activity in the state using a special funding structure that leverages private "investments/donations" with tax credits resulting in a tax benefit or cash return to the investor.
- The bank invested $1,000,000 in the Healthy Neighborhoods Equity Fund (HNEF), sponsored by MHIC in partnership with the Conservation Law Foundation. This innovative fund seeks to achieve significant neighborhood revitalization and health benefits primarily in low- and moderate-income communities throughout Massachusetts, with investments in large scale, transformative transit-oriented developments. The Fund also focuses on addressing health disparities existing between the lower-income neighborhoods in which it invests and wealthier neighborhoods. The Fund was designed by MHIC to promote private investment to fill a critical community development financing gap currently existing in Massachusetts.

Prior Period

As noted above, consideration is given to investments that were made prior to the current examination, but are still outstanding. Factors relevant to the bank's CRA performance context, such as the effect of outstanding long-term qualified investments, the pay-in schedule, and the amount of any cash call on the capacity of the bank to make new investments are also considered. Prior period investments total $16,439,502 and consist of investment in funds such as the MHIC Loan Pool, Boston Capital LIHTC Funds, MHEF as well as a Qualified Zone Academy Bond (QZAB) for a charter school in a low-income neighborhood of Boston.

Donations

The bank extended $1,101,438 in qualified donations in the Greater Boston AA during the review period, with $390,807 in 2015, $359,688 in 2016, and $350,880 in 2017. Table 14 displays a breakout of the bank's donations based on community development purpose, however it is noted that many of the organizations the bank contributes to have dual purposes. Following Table 14 is a sampling of organizations, which have benefited from the bank's donations.

Table 14 - Greater Boston Donations

Category	Affordable housing		Economic Development		Revitalize/ Stabilize LMI Geographies		Community Development Services		Total	
Year	#	$	#	$	#	$	#	$	#	$
2015	14	$33,875.00	17	$74,504.00	4	$10,436.00	110	$272,055.00	145	$390,870.00
2016	16	$39,838.00	12	$35,750.00	3	$11,500.00	104	$272,600.00	135	$359,688.00
2017	13	$44,800.00	10	$35,500.00	5	$13,500.00	113	$257,080.00	141	$350,880.00
Total	43	$118,513.00	39	$145,754.00	12	$35,436.00	327	$801,735.00	421	$1,101,438.00

Source: Bank data

Some examples of organizations represented in Table 14 above include:

- ***Inquillinos Boricuas en Accion (IBA)*** is a non-profit organization and a dynamic community-building agency that started in the South End neighborhood of Boston to address displacement of low-income families due to urban development. IBA offers affordable housing and supportive programs to improve the knowledge, life skills and health of participants of all ages.
- ***Caritas Communities*** prevents homelessness by providing very low-income individuals with permanent housing, support, a sense of community and expanded opportunities.
- ***Citizens Housing and Planning Association's*** mission is to encourage the production and preservation of housing that is affordable to low- and moderate-income families and individuals and to foster diverse and sustainable communities through planning and community development.
- ***Dorchester Bay Economic Development Corporation*** acts to build a strong, thriving, and diverse community in Boston's Dorchester neighborhoods and create sustainable economic development.
- ***Just-A-Start Corporation*** is a Community Development Corporation dedicated to building the housing security and economic stability of low- to moderate-income people in Cambridge and nearby communities.
- ***Metro Housing Boston's*** *(formerly known as Metropolitan Boston Housing Partnership)* mission is to provide affordable housing for low- and moderate-income individuals and increase economic development and quality of life.

In addition, Boston Private donated $75,229 of IOLTA account interests in Massachusetts for eligible charitable purposes from 2015 through 2017.

SERVICE TEST

Boston Private's performance under the Service Test is Outstanding in the Greater Boston AA.

Retail Banking Services

The bank operates 11 full-service branches in this assessment area, each equipped with an ATM. Eight of the branches are located in upper-income census tracts, two in middle-income census tracts, and one in low-income census tracts. There were no branches located in moderate-income tracts. The bank maintains a loan center in a middle-income tract in Cambridge. The branches in upper-income census tracts are located in Boston, Newton, Wellesley, Lexington, and Hingham. Branches in middle-income census tracts are located in Beverly and Jamaica Plain; and the branch in a low-income tract is located in Cambridge. Table 15 displays the distribution of the bank's current branch network compared to the percentage of census tracts within the assessment area as well as the percentage of total population that resides in those tracts.

Table 15
Distribution of Branch Offices by Income Category

Census Tract Income Category	Assessment Area Demographics		Bank Offices by Tract Location	
	Total Census Tracts % of #	Total Population % of #	Bank Branches	
			#	%
Low	11.7	9.8	1	9.1
Moderate	21.3	21.2	0	0.0
Middle	35.6	38.7	2	18.2
Upper	29.5	30.3	8	72.7
Unknown	1.9	0.0	0	0.0
Total	100.0	100.0	11	100.0

2010 United States (U.S.) Census Data

With only 11 branches servicing metropolitan Boston, the bank does not have a significant branch presence in low- and moderate-income census tracts. However, delivery systems are readily accessible to all portions of the assessment area. The bank has not opened or closed any branches since the last examination in 2014 in this assessment area.

Services do not vary in a way that inconveniences portions of its assessment area, particularly low-income and moderate-income geographies and/or low-income and moderate-income individuals. Bank branch hours are similar in all locations, and branches are open for at least seven hours Monday through Friday. The bank offers a wide range of services for its retail, small business, and commercial customers. The bank also provides alternative delivery systems. The bank provides, among other services, phone, internet banking, bill pay, mobile banking, bank-by-mail, remote deposit capture, and the SUM program which allows customers to access their accounts from over 7,500 SUM ATMs nationwide.

Community Development Services

The bank is a leader in providing community development services within the Greater Boston AA. Community investment officers, as well as commercial and residential loan officers have served in various capacities including board members, directors, officers, treasurers, and committee members throughout the review period. In addition, these individuals and others within the bank have participated with community development organizations to provide financial expertise on economic development, social service, housing and educational related matters. The bank has participated in a high level of homebuyer seminars and counseling events, although not in a leadership role. In total, employees have spent approximately 2,718 total hours of involvement in qualified community development service activity during the period, with 996 hours in 2015, 904 hours in 2016, and 817.5 hours in 2017.

Board Involvement

Within the Greater Boston AA, 15 employees served on boards and committees in which they provided financial expertise between 2015 and 2017. This represents a decrease since the previous CRA examination, 47 employees were involved with community development organizations during that review period. Despite the decrease in the number of employees involved, these individuals, primarily community investment staff, spent significant time, approximately 2,083.5 hours, involved with approximately 50 organizations during the review period. Some examples include:

- ***Citizens Housing and Planning Association*** - A commercial loan officer serves on the Public/Affordable Housing Committee for Citizens Housing and Planning Association. The Association's mission is to encourage the production and preservation of housing that is affordable to low- and moderate-income families and individuals and to foster diverse and sustainable communities through planning and community development. The director of community investment serves on the board of directors and multiple committees of this organization.
- ***Hyde-Jackson Square Main Street*** - The bank's community investment coordinator and an account executive serve on the board of The Hyde-Jackson Square Main Street Program. This program is an economic development initiative by merchants and local residents working cooperatively with the City of Boston to revitalize this low-income area of Jamaica Plain.
- ***The Boston Private Industry Council (PIC)*** - The community investment officer serves on the board of PIC. This organization is both the city's Workforce Development Board

and its school-to-career intermediary organization. The majority of the PIC's participants are low-income.

- ***Metro Housing Boston*** – The director of community investment serves on the board and various other committees of this organization. Metro Housing Boston is a non-profit organization whose purpose is to convene and provide leadership for community-based organizations involved in developing and advocating programs that meet the shelter needs of low- or moderate-income neighborhoods in Metropolitan Boston. Metro Housing Boston helps organizations working in low-income communities to be more effective through a combination of technical assistance, direct training, program advocacy, and information and resource training. .
- ***MHIC*** – A community investment officer serves on the loan committee for MHIC, which specializes in financing affordable housing and community development throughout New England.
- ***The Neighborhood Developers (TND)*** –A commercial loan officer serves on the board of TND, which promotes economic diversity, affordable housing, opportunity and quality of life in struggling communities.
- ***CREW Boston*** - The director of community investment serves on the Affordable Housing Committee of CREW Boston, which supports women in real estate including women-owned businesses.

Seminars/Workshops and Trainings

Bank staff have participated in a high number of homeownership education classes and events, although not in a leadership role, as well as small business seminars and youth training events. During the review period, staff volunteered 634.5 hours participating in approximately 227 qualified community development outreach activities. Some examples include:

- <u>Homebuyer Counseling</u> – The bank's CRA residential loan officers regularly serve as guest speakers at first-time homebuyer education workshops hosted by nonprofit partners, sharing their expertise regarding the home-buying process and readiness, available special assistance programs, and details of the bank's programs. Bank staff have participated in 79 events during the review period in partnership with organizations such as Somerville Community Corporation, Allston Brighton Community Development Corporation, Asian Community Development Corporation, and the Neighborhood of Affordable Housing amongst others.

- <u>Small Business Workshops</u> - Bank staff have participated in small business workshops and training events in partnership with the City of Boston Department of Neighborhood Development, Dudley Square Main Street, the U.S. Small Business Administration, Center for Women and Enterprise, and Sustainable Business Network of Massachusetts, amongst others. These events range from one-on-one small business coaching, to access to finance workshops and meet the lender events.

- *Financial Education* - Bank staff have participated in financial education events in collaboration with various non-profits. Some examples included:
    - Bank staff have participated in several financial education events with Jewish vocational services, including Financial Health Workshops.
    - Bank staff have participated in financial education workshops aimed at addressing key financial needs affecting low- and moderate-income families and individuals by the Midas Collaborative.
    - Bank staff have participated in teaching Junior Achievement events at schools where a majority of students are low- and moderate-income.
    - PIC – Bank staff volunteered in PIC's Youth Job Interview Training program.

Other Services Activities

Community Investment Series - The bank hosts Community Investment Series seminars featuring speakers who are experts in their industry to enhance the ability and build capacity of nonprofit organizations that primarily serve low- and moderate-income populations in the Greater Boston AA. Most of the seminars are offered in partnership with the Lawyers Clearinghouse. Some topics included: cyber security, corporate governance, pay equity law, on-line fundraising and unrelated business income tax, employment and immigration law, advocacy, lobbying and political activities rules of engagement, succession planning, employment law, overtime rules, sick leave rules, financing charter schools, cultural inclusion programs, Rental Assistance Demonstration implementation, and federal grant compliance. Bank community investment staff coordinate and facilitate these well attended seminars that are hosted at the bank as breakfast events. The bank's nonprofit partners consider the seminars, which are free of charge, as valued resource. The bank hosted 10 of these events in 2015, 9 in 2016, and 6 in 2017.

CALIFORNIA

CRA RATING FOR CALIFORNIA:	***Satisfactory***
The Lending Test is rated:	***High Satisfactory***
The Investment Test is rated:	***Outstanding***
The Service Test is rated:	***High Satisfactory***

Major factors supporting the rating include the following:

- The geographic distribution of loans reflects good penetration in the San Francisco Bay and Greater Los Angeles AAs;
- The distribution of borrowers reflects good penetration among retail customers of different income levels and adequate penetration among business customers of different sizes;
- The bank is a leader in making community development loans;
- The bank uses innovative and/or flexible lending practices in serving the assessment area credit needs.
- The bank provides an excellent level of qualified community development investments and grants in the assessment areas and is often in a leadership position in response to the community development needs of the assessment areas.
- Delivery systems are accessible to essentially all portions of the bank's the assessment areas.
- The bank provides a relatively high level of community development services throughout the assessment areas.

SCOPE OF EXAMINATION

The performance within the state of California was evaluated in the San Francisco Bay AA within the San Jose-San Francisco-Oakland, CA Combined Statistical Area (CSA), and the Greater Los Angeles AA within the Los Angeles-Long Beach, CA CSA. The performance criteria and review periods are consistent with the scope described in the institution section of this report.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN CALIFORNIA

Boston Private maintains operations in the state of California through 12 full-service offices, each of which is equipped with an ATM. The bank operates in two assessment areas: the Greater Los Angeles AA and the San Francisco Bay AA.

The Los Angeles AA comprised:

- **Los Angeles-Long Beach, CA CSA**
    - Los Angeles County – Agoura Hills-Malibu, Inglewood, Los Angeles, Palos Verdes, Pasadena, San Fernando Valley, Santa Monica, South Bay Cities, Torrance, Compton, Downey-Norwalk, East San Gabriel Valley, Long Beach-Lakewood, Newhall, North Antelope Valley, South Antelope Valley, South Gate-East Los Angeles, Southwest San Gabriel Valley, Upper San Gabriel Valley, and Whittier.

The San Francisco Bay AA comprised:

- **San Jose-San Francisco-Oakland, CA CSA**
    - Ventura County - Moonpark, Simi Valley, Thousand Oaks, Triunfo Pass-Point Mugu, Camarillo, Fillmore, Las Posas, Los Padres, Ojai-Mira Monte, Oxnard, Santa Paula, and Ventura.

HMDA-reportable lending in California represented 39.1 percent of the bank's total HMDA-reportable lending, while small business lending represented 46.0 percent of the bank's total small business. Information regarding relevant demographic and economic conditions is discussed under each individual assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CALIFORNIA

LENDING TEST

Boston Private's performance relative to the Lending Test in California is rated High Satisfactory. A detailed discussion of the borrower and geographic distribution of lending for the each full-scope assessment area is included in the next section of this report.

Geographic and Borrower Distribution

The geographic distribution of the bank's HMDA and small business loans reflects good penetration throughout the Greater Los Angeles and San Francisco Bay AAs, given the excellent performance in low-income geographies. The distribution of loans by borrower's income is good for both assessment areas and revenue size of business is adequate for both assessment areas.

The bank also uses innovative and/or flexible lending practices. The bank utilizes federal, municipal and state government-assisted loan programs tailored to meet the needs of the assessment area such as Mortgage Credit Certificate program, Fannie Mae's HomeReady Mortgage Program, and Small Business Administration Programs. The bank also created its own flexible lending program, Boston Private Bank Community Homeowner Fixed Rate Program.

Community Development Lending

The bank is a leader in making community development loans in the California assessment areas. Specifically, the bank originated 98 qualified loans totaling $311.3 million. Community development loans supported efforts to provide affordable housing, community services, economic development, and revitalization and stabilization.

INVESTMENT TEST

The bank's performance under the Investment Test for the California assessment areas is Outstanding. The bank made an excellent level of qualified community development investments and grants, particularly those not routinely provided by private investors, occasionally in a leadership position. The bank makes extensive use of innovative and/or complex investments to support community development initiatives. Additionally, the bank exhibits excellent responsiveness to credit and community development needs. New investments, including grants and donations in the California assessment areas totaled $22.0 million during the review period. In addition, the bank holds $5.6 million in prior period investments on its books. The bank extended $959,007 in qualified grants and donations and donated $123,389 of IOLTA account interests in the California assessment areas for eligible charitable purposes from 2015 through 2017.

The evaluation includes examples of community development investments within the discussion of bank performance by assessment area.

SERVICE TEST

The bank's performance under the Service Test for California is rated High Satisfactory. .

Retail Services

The bank's delivery systems are accessible to essentially all portions of the bank's assessment areas, including low- and moderate-income individuals and geographies. The bank operates 12 offices each equipped with an ATM in California. Although branch offices are not evenly

distributed throughout the assessment area, they are accessible to low- and moderate-income individuals throughout the assessment area. Bank hours and services are reasonable and do not vary in a way that inconveniences low- and moderate-income individuals or geographies. Office hours stay open for at least seven hours, Monday through Friday. Alternative delivery systems include phone, internet banking, mobile banking, and expanded no-fee SUM ATM access. Since the previous evaluation, the bank sold 2 branches and opened 3 branches, with 3 ATMs. The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income individuals or geographies.

Community Development Services

Given the assessment area needs and opportunities, as well as the size and resources of the institution, Boston Private provided a relatively high level of community development services in California. Within the state, 21 employees serve on the board or committees of numerous non-profit organizations. Bank staff have participated in high level of homebuyer, small business training and financial literacy events.

LOS ANGELES-LONG BEACH, CA CSA

(Full-scope review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN GREATER LOS ANGELES AA

The Greater Los Angeles AA consists of the entirety of the Oxnard-Thousand Oaks-Ventura, MSA, which includes Ventura County; and a portion of the Los Angeles-Long Beach-Santa Ana MSA, which is Los Angeles County. Both MSAs are part of the Los Angeles-Long Beach, CA CSA. Los Angeles County is located along the Pacific Coast in Southern California, Ventura County is located northwest of Los Angeles County. With a population of more than 10 million people, Los Angeles County is the most highly populated county in the nation; and Ventura County has a population of approximately 850,000.[6]

As of June 30, 2017, the Greater Los Angeles AA had 111 Federal Deposit Insurance Corporation-insured commercial institutions operating 1,931 offices. Boston Private operated five branches in the area, which had total deposits of $456.2 million, representing 0.1 percent of the market.[7] The top three institutions by market share in this assessment area were: Bank of America, NA (19.1 percent), Wells Fargo Bank, NA (14.8 percent), and JPMorgan Bank, NA (12.1 percent). In 2016, the bank ranked 166th in the assessment area among 903 HMDA reporting institutions and 70th among 203 CRA reporting institutions.

The assessment area consists of 2,520 census tracts, of which 220 are low-income, 718 are moderate-income, 697 are middle-income, 846 are upper-income, and 39 are unknown-income. The unknown-income census tracts generally represent undeveloped municipal lands.

Relevant demographic data for the bank's assessment area for 2016 is provided in Table 16 below.

6 U.S. Census Bureau, 2017 Population Estimates, Los Angeles and Ventura Counties; available from: http://quickfacts.census.gov/qfd/index.html
7 Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2017; available from: https://www5.fdic.gov/sod/sodMarketRpt.asp?barItem=2.

Table 16 – Assessment Area Demographics

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	220	8.7	163,394	6.9	58,928	36.1	563,937	23.8
Moderate-income	718	28.5	647,387	27.4	130,283	20.1	390,459	16.5
Middle-income	697	27.7	688,116	29.1	63,917	9.3	422,990	17.9
Upper-income	846	33.6	866,826	36.6	33,691	3.9	988,420	41.8
Unknown-income	39	1.5	83	0.0	0	0.0	0	0.0
Total Assessment Area	**2,520**	**100.0**	**2,365,806**	**100.0**	**286,819**	**12.1**	**2,365,806**	**100.0**

	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	268,561	36,488	2.1	13.6	210,781	78.5	21,292	7.9
Moderate-income	970,273	287,786	16.7	29.7	619,016	63.8	63,471	6.5
Middle-income	1,052,627	520,315	30.1	49.4	474,807	45.1	57,505	5.5
Upper-income	1,411,396	882,819	51.1	62.5	448,212	31.8	80,365	5.7
Unknown-income	2,277	135	0.0	5.9	1,835	80.6	307	13.5
Total Assessment Area	**3,705,134**	**1,727,543**	**100.0**	**46.6**	**1,754,651**	**47.4**	**222,940**	**6.0**

	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	30,107	6.0	26,661	5.9	3,343	7.7	103	4.8
Moderate-income	92,525	18.5	83,288	18.4	8,936	20.6	301	14.2
Middle-income	135,860	27.2	122,487	27.0	12,845	29.6	528	24.8
Upper-income	235,292	47.2	217,276	47.9	16,877	38.9	1,139	53.6
Unknown-income	5,127	1.0	3,742	0.8	1,331	3.1	54	2.5
Total Assessment Area	**498,911**	**100.0**	**453,454**	**100.0**	**43,332**	**100.0**	**2,125**	**100.0**
	Percentage of Total Businesses:			**90.9**		**8.7**		**.4**

2016 FFIEC Census Data and 2016 D&B Information
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

Housing

Based on the 2016 FFEIC Census Data, the assessment area contains 3,705,134 housing units, of which 46.6 percent are owner-occupied, 47.4 percent are rental, and 6.0 percent are vacant units. The assessment area has a lower percentage of owner-occupied units and a higher percentage of rental units than the statewide figures at 52.5 percent and 39.0 percent, respectively. There are 1,727,543 owner-occupied housing units in the assessment area, of which 2.1 percent and 16.7 percent are located in low- and moderate-income census tracts, respectively, 30.1 percent are in middle-income tracts, and 51.1 percent are in upper-income tracts. The ability to extend mortgage credit in low-income tracts may be restricted by the low percentage of owner-occupied housing.

Low-income census tracts in the assessment area have lower rates of home ownership (13.6 percent) and higher rates for rental housing (78.5 percent). In addition, vacant units account for 7.9 percent of the units in low-income tracts. In moderate-income tracts, 29.7 percent of the housing units are owner-occupied, 63.8 percent are rental, and 6.5 percent are vacant units. Middle- and upper-income tracts in the assessment area have the highest owner-occupancy rates, at 49.4 percent and 62.5 percent, respectively. Further, middle- and upper-income census tracts have the lowest rental rates (45.1 percent and 31.8 percent, respectively) and vacancy rates (5.5 percent and 5.7 percent, respectively).

As depicted in Exhibit 1 below, the prices of homes in the assessment area increased during the review period. As of January 2018, the median home price in Los Angeles County was $564,100 and $660,720 in Ventura County. According to the California Association of Realtors' Traditional Housing Affordability Index, only 25.0 percent of families in Los Angeles County and 26.0 percent of families in Ventura County can afford a median priced single-family house compared to 56.0 percent of families in the U.S.[8]

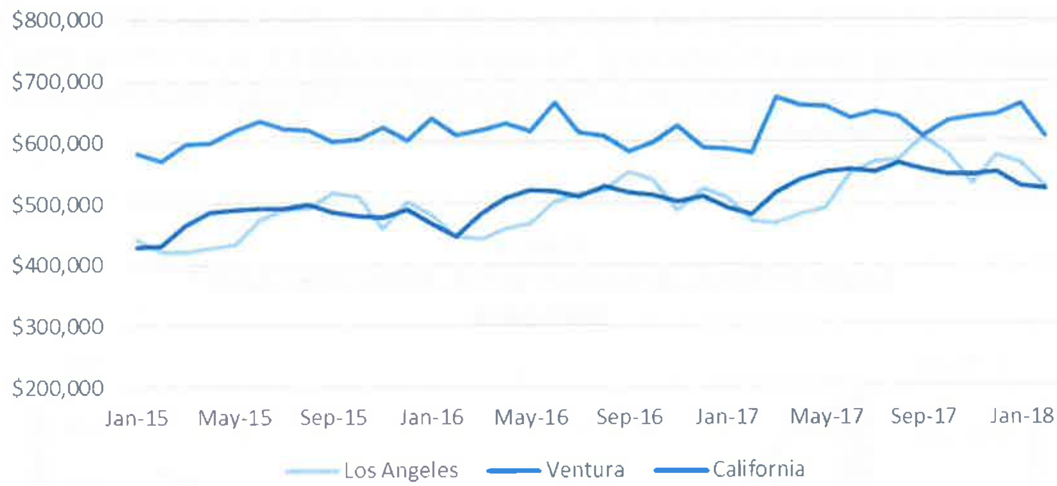
Rental affordability in the Greater Los Angeles AA is also low. According to a rental affordability report, average fair market rents rose faster than average weekly wages in Los Angeles and Ventura counties. In addition, Ventura County was listed as the 13th least affordable county in the nation and the least affordable of all Southern California counties.[9] As wage growth is outpaced by the region's high cost of buying and renting a home, housing is becoming more unaffordable, especially to low-income households.

8 California Association of Realtors, Housing Affordability Index, Q4 2017; available from: https://www.car.org/marketdata/data/haitraditional/
9 ATTOM Data Solutions, 2018 Rental Affordability Report; available from: https://www.attomdata.com/news/affordability/2018-rental-affordability-report/

Exhibit 1

Median Home Prices[10]

2015-2018



Business Characteristics

During the review period, the Greater Los Angeles AA experienced overall economic growth and continued to recover from the Great Recession. Los Angeles County is home to a diverse and dynamic workforce of almost four million people. The area is a major center for manufacturing, trade and technology and is home to the largest manufacturing center in the country.[11] Key economic drivers include high technology, tourism and logistics.[12] Growth in Silicon Beach surpassed expectations and allowed dynamic growth in the tech industry. In the logistics industry, the deep San Pedro Harbor enables Los Angeles to handle megaships that other ports cannot.

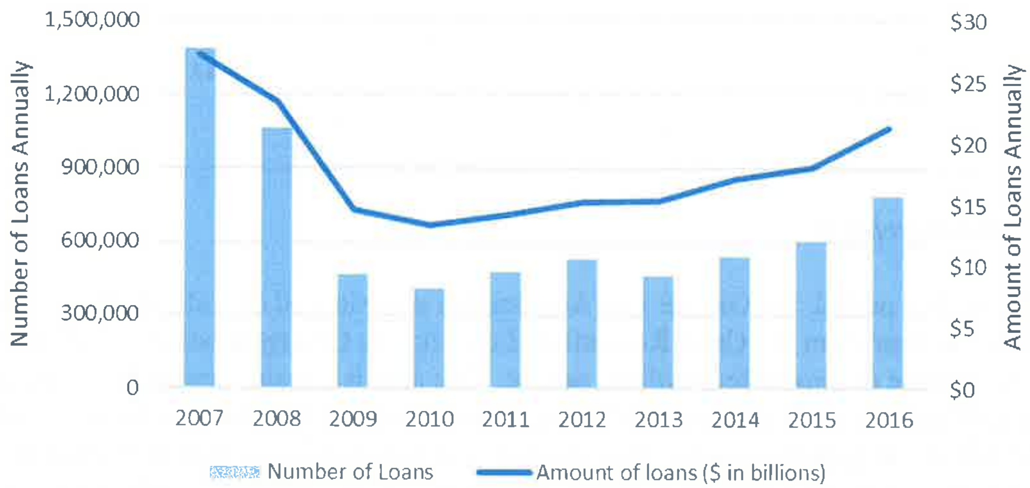
Similar to Los Angeles County, Ventura County experienced economic expansion and payroll employment rose at the fastest pace in nearly five years in the first quarter of 2017.[13] Economic growth was mainly powered by private services, with education/healthcare and leisure/hospitality leading the way.[14] High-tech employment also experienced growth and is close to a three-year

10 California Association of Realtors, Historical Housing Data, Median Prices of Existing Detached Homes; available from: https://www.car.org/en/marketdata/data/housingdata.
11 Los Angeles County Economic Development Corporation, Industry Clusters in Los Angeles, available from: http://laedc.org/documents/industryclusters_online.pdf.
12 Moody's Précis Report, Los Angeles-Long Beach-Glendale, April 2017.
13 Moody's Précis Report, Oxnard-Thousand Oaks-Ventura, April 2017.
14 Ibid.

high due to top employer Amgen and more jobs in pharmaceutical manufacturing.[15] Ventura County's proximity to Los Angeles and lower business costs compared to Los Angeles is a strength that has contributed to the area's growth.

Economic improvements in the assessment area can also be seen in small business lending trends. A review of small business loan data reported by banks subject to the CRA shows that small business lending levels are improving. As depicted in Exhibit 2, from 2015 to 2016, the total number of loans to small businesses in the assessment area increased from 604,655 to 784,718, and the amount increased from $18 billion to $21 billion.

Exhibit 2
Loans to Small Businesses in LA Assessment Area[16]
2007-2016



Population

The Greater Los Angeles AA has a population of 10,641,923 individuals, representing 28.6 percent of the entire California statewide population. The population is distributed as follows: 7.8 percent in low-income tracts, 29.2 percent in moderate-income tracts, 29.2 percent in middle-income tracts, 33.4 percent in upper-income tracts, and 0.4 percent in unknown tracts. Further, the assessment area includes 3,482,194 households. Of these households, 7.1 percent are low-income, 26.0 percent are moderate-income, 28.6 percent are middle-income, and 38.2 percent are

15 Ibid.
16 Aggregate CRA Small Business data reports available from: http://www.ffiec.gov/craadweb/national.aspx.

upper-income. As shown, the percentages of the population within the geographies parallel the percentages of income levels of households in the assessment area.

Income

Table 17 displays the MFI incomes for the assessment area and broken down at the county, MD and state level.

Table 17
Median Family Income Comparison

Year	MSA/MD/Town/County/State	MFI
2016	Assessment Area	63,113
2016	County: 06-037 LOS ANGELES	61,622
2016	County: 06-111 VENTURA	84,364
2016	State: CALIFORNIA	69,322
2016	MSA/MD: 31084 LOS ANGELES-LONG BEACH-GLENDALE, CA (MD)	61,622
2016	MSA/MD: OXNARD-THOUSAND OAKS-VENTURA,CA (MSA)	84,364

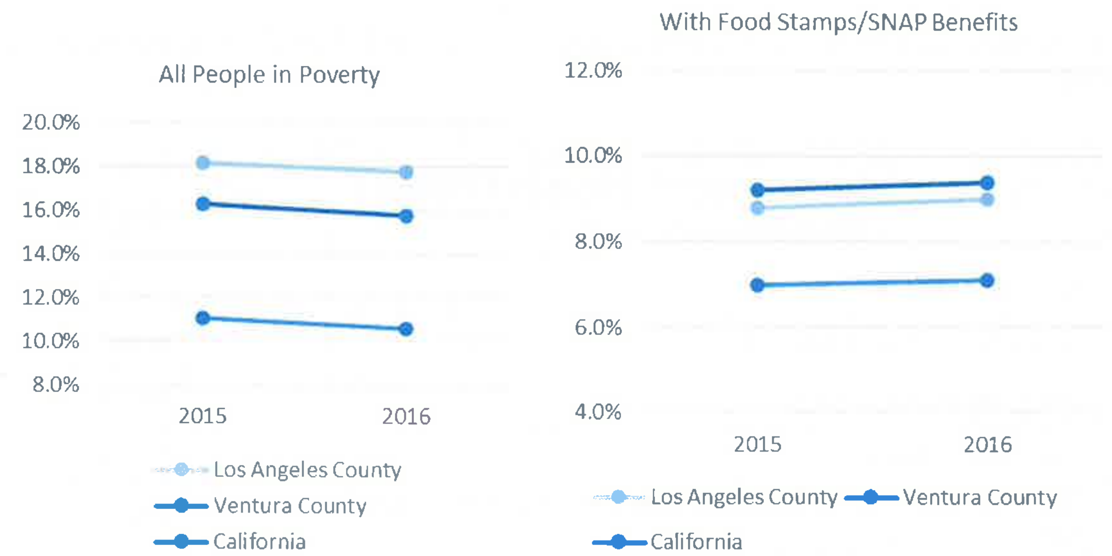
FFIEC data based on estimates.

As depicted in Exhibit 3, from 2015 to 2016, the percentage of people living below the poverty level in the assessment area decreased slightly, while the percentage of households on food stamps slightly increased. Despite the slight decline in the poverty rate, poverty rates in Los Angeles County have been consistently higher than the statewide average, indicating that the area is more poverty stricken in comparison to other areas across the state of California. In addition to rising housing costs, a variety of factors, such as economic and racial inequities, contribute to the county's higher poverty rates. According to a recent study from PolicyLink and the USC Program for Environment and Regional Equity, Los Angeles County ranks seventh in income inequality out of the nation's 150 largest metro regions.[17] Nearly a quarter of the county's African Americans (24.5 percent) and Latinos (23.7 percent) live below the poverty level, compared with about one in ten Whites (10.6 percent).[18]

17 PolicyLink and PERE, An Equity Profile of the Los Angeles Region, 2017; available from: http://bit.ly/laequityprofile.
18 Ibid.

Exhibit 3

Poverty and Food Stamp Usage Rates[19]
2015-2016



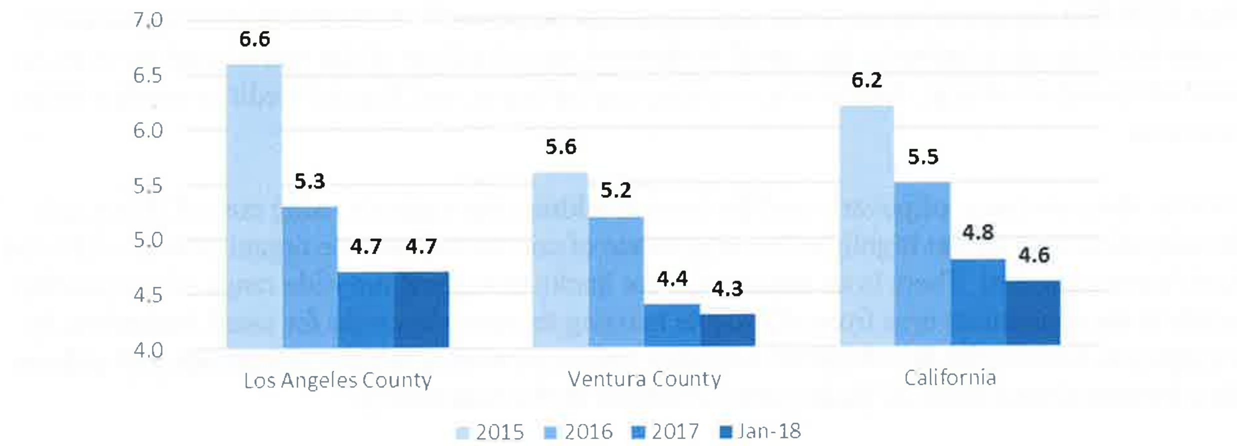
Employment Statistics

As depicted in Exhibit 4, the unemployment rate of both counties in the assessment area has declined significantly during the review period. As of January 2018, both Los Angeles and Ventura counties had unemployment rates below 5.0 percent.

19 U.S. Census Bureau, American Community Survey, 5-Year Estimates, DP03, 2015-2016; available from: http://factfinder2.census.gov.

Exhibit 4

Unemployment Rate[20]
2015-2018



Community Contact

A variety of factors mentioned previously establish the need for affordable housing development and financing within the assessment area. Cuts in annual federal and state funding, including elimination of the California redevelopment agencies, have reduced Los Angeles County's investment in affordable housing production and preservation by more than $440 million annually since 2008, a 62.0 percent reduction.[21] Due to high housing costs and lack of affordable units, Los Angeles County's lowest-income renters spend 71.0 percent of income on rent, leaving little left for food, transportation, health expenses and other needs.[22] In order to meet the needs of its lowest-income renters, the county needs 549,197 more affordable rental homes.[23] One contact that provides affordable housing emphasized the need for permanent loans for affordable housing units.

The economic data previously discussed as well as feedback from community contacts indicate that small businesses in the assessment area face challenges in accessing credit and that some level of small business credit needs remain unmet by area banks. According to the 2016 Small

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20 U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: http://data.bls.gov/cgi-bin/dsrv?la.
21 California Housing Partnership Corporation, Confronting Los Angeles County's Rent and Poverty Crisis, May 2016; available from: https://chpc.net/wp-content/uploads/2016/05/Los-Angeles-County.pdf.
22 California Housing Partnership Corporation, Confronting Los Angeles County's Rent and Poverty Crisis, May 2016; available from: https://chpc.net/wp-content/uploads/2016/05/Los-Angeles-County.pdf.
23 Ibid.

Business Credit Survey, only 33.0 percent of smaller firm applicants received the full amount of financing dollars they sought and 29.0 percent received none.[24] Of the financing and credit products sought by businesses, 86.0 percent of applicants applied for either a business loan or line of credit.[25] In addition, small businesses are most in need of small dollar loans that are less than $100,000 for operating expenses and expansion purposes.[26] A review of three community contacts information indicates that small businesses are priced out of the market and are most in need of startup financing, microloans, working-capital loans, and lines of credit in smaller dollar amounts.

Finally, the prevalence of poverty and the need to address the region's rising cost of living and housing discussed earlier highlight the importance of community service organizations within the bank's communities. There is an opportunity for banks to support the wide range of community needs in the assessment area from affordable housing to access to credit for small businesses by engaging in community development activities and/or partnering with organizations that address the aforementioned needs of those most vulnerable in the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN GREATER LOS ANGELES AA

LENDING TEST

The geographic distribution of loans reflects a good penetration throughout the assessment area. Also, the distribution of borrowers reflects adequate penetration among borrowers of different income levels and businesses of different revenue sizes. In addition, the bank makes a relatively high level of community development loans.

During the review period, the bank reported 341 HMDA loans and 126 small business loans in the Greater Los Angeles AA. Therefore, the evaluation focusses more heavily on the performance of HMDA lending than small business lending. The Greater Los Angeles AA contains 22.0 percent of the bank's total HMDA lending and 21.9 percent of its total small business lending by number of loans.

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24 2016 Small Business Credit Survey, Report on Employer Firms, available from: https://www.newyorkfed.org/medialibrary/media/smallbusiness/2016/SBCS-Report-EmployerFirms-2016.pdf.
25 Ibid.
26 Ibid.

Geographic Distribution of Loans

For this analysis the geographic distribution of HMDA and small business lending, including both originations and purchases, was compared with available demographic information. Based on performance context information including unemployment rates, poverty rates, the level of owner-occupied units, and the volume of small businesses in low- and moderate-income census tracts and aggregate lending data, Boston Private's geographic distribution of loans reflects a good penetration throughout the Los Angeles assessment area.

Residential Lending

The distribution of HMDA-reportable loans reflects a good penetration throughout the assessment area.

Table 18 provides a comparison of the bank's lending by census tract income level to the aggregate lending data and demographics of the assessment area.

Table 18

Los Angeles AA - Geographic Distribution of HMDA Loans														
PRODUCT TYPE	Tract Income Levels	Owner Occupied Units	Bank & Aggregate Lending Comparison											
			2015						2016					
			Count			Dollar			Count			Dollar		
			Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg
		%	#	%	%	$ (000s)	$ %	$ %	#	%	%	$ (000s)	$ %	$ %
HOME PURCHASE	Low	2.1%	4	7.5%	2.7%	$2,888	5.9%	1.9%	4	3.7%	2.7%	$613	0.9%	1.9%
	Moderate	16.7%	4	7.5%	17.6%	$1,981	4.1%	12.0%	44	40.4%	18.0%	$6,451	9.3%	12.6%
	Middle	30.1%	11	20.8%	30.6%	$6,562	13.4%	23.6%	21	19.3%	31.1%	$9,187	13.2%	24.5%
	Upper	51.1%	34	64.2%	49.1%	$37,389	76.6%	62.5%	40	36.7%	48.2%	$53,099	76.6%	61.0%
	Unknown	0.0%	0	0.0%	0.0%	$0	0.0%	0.1%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*100.0%*	*53*	*100.0%*	*100.0%*	*$48,820*	*100.0%*	*100.0%*	*109*	*100.0%*	*100.0%*	*$69,350*	*100.0%*	*100.0%*
REFINANCE	Low	2.1%	1	2.0%	2.0%	$300	0.5%	1.3%	2	2.2%	1.8%	$1,057	0.9%	1.3%
	Moderate	16.7%	5	10.0%	14.8%	$1,834	2.8%	10.1%	12	13.0%	14.7%	$6,608	5.6%	10.3%
	Middle	30.1%	1	2.0%	29.4%	$475	0.7%	22.5%	7	7.6%	29.6%	$3,332	2.8%	23.0%
	Upper	51.1%	43	86.0%	53.8%	$62,441	96.0%	66.0%	71	77.2%	53.8%	$106,460	90.6%	65.4%
	Unknown	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*100.0%*	*50*	*100.0%*	*100.0%*	*$65,050*	*100.0%*	*100.0%*	*92*	*100.0%*	*100.0%*	*$117,457*	*100.0%*	*100.0%*
HOME IMPROVEMENT	Low	2.1%	0	0.0%	2.0%	$0	0.0%	1.2%	0	0.0%	1.8%	$0	0.0%	1.4%
	Moderate	16.7%	1	7.7%	14.7%	$228	1.2%	9.7%	0	0.0%	15.5%	$0	0.0%	10.5%
	Middle	30.1%	1	7.7%	28.9%	$1,200	6.5%	20.3%	0	0.0%	29.5%	$0	0.0%	22.2%
	Upper	51.1%	11	84.6%	54.4%	$17,010	92.3%	68.8%	5	100.0%	53.2%	$6,585	100.0%	65.9%
	Unknown	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*100.0%*	*13*	*100.0%*	*100.0%*	*$18,438*	*100.0%*	*100.0%*	*5*	*100.0%*	*100.0%*	*$6,585*	*100.0%*	*100.0%*
MULTI FAMILY	Low	13.0%	6	42.9%	14.0%	$13,254	40.4%	12.2%	2	40.0%	14.1%	$1,463	6.6%	13.7%
	Moderate	31.7%	5	35.7%	40.2%	$13,518	41.3%	31.3%	0	0.0%	40.4%	$0	0.0%	31.4%
	Middle	25.4%	2	14.3%	24.8%	$2,996	9.1%	27.9%	3	60.0%	23.9%	$20,835	93.4%	25.1%
	Upper	29.8%	1	7.1%	21.0%	$3,000	9.2%	28.5%	0	0.0%	21.7%	$0	0.0%	29.8%
	Unknown	0.1%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*0.0%*	*14*	*100.0%*	*100.0%*	*$32,768*	*100.0%*	*100.0%*	*5*	*100.0%*	*100.0%*	*$22,298*	*100.0%*	*100.0%*
HMDA TOTALS	Low	2.1%	11	8.5%	2.5%	$16,442	10.0%	2.7%	8	3.8%	2.3%	$3,133	1.5%	2.7%
	Moderate	16.7%	15	11.5%	16.3%	$17,561	10.6%	13.0%	56	26.5%	16.2%	$13,059	6.1%	13.0%
	Middle	30.1%	15	11.5%	29.7%	$11,233	6.8%	23.4%	31	14.7%	29.9%	$33,354	15.5%	23.6%
	Upper	51.1%	89	68.5%	51.6%	$119,840	72.6%	61.0%	116	55.0%	51.5%	$166,144	77.0%	60.8%
	Unknown	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*100.0%*	*130*	*100.0%*	*100.0%*	*$165,076*	*100.0%*	*100.0%*	*211*	*100.0%*	*100.0%*	*$215,690*	*100.0%*	*100.0%*

2010 U.S. Census, 2015 and 2016 Aggregate HMDA Data, 2015 and 2016 HMDA LARs.
Total percentages shown may vary by 0.1 percent due to automated rounding differences

In both 2015 and 2016, approximately 2.1 percent of owner-occupied housing units were located in low-income tracts, and 16.7 percent were in moderate-income tracts. In 2015, the bank originated 8.5 percent by number, and 10.0 percent by dollar amount in low-income tracts. The bank's performance significantly exceeded that of the 2015 aggregate, which originated 2.5 percent by number and 2.7 percent by dollar amount of loans within low-income census tracts. The bank's performance significantly decreased in 2016, whereby the bank originated 3.8 percent by number and 1.5 percent by dollar amount in low-income tracts overall. Nonetheless, the bank performed better than the aggregate at 2.3 percent by number but fell below the dollar amount at 2.7 percent. The performance also exceeded the owner-occupied demographics in these tracts. As noted above, the bank's assessment area has a higher percentage of rental units than the statewide average. This lending, therefore, is indicative of the bank's efforts to serve these geographic markets.

The bank lagged the aggregate in lending within moderate-income census tracts in 2015, extending 11.5 percent by number, and 10.6 percent by dollar amount in moderate-income tracts, compared to the aggregate, which extended 16.3 percent by number and 13.0 percent by dollar amount of loans within these tracts. In 2016, the bank's lending performance within moderate-income census tracts increased to 26.5 percent by number and fell to 6.1 percent by dollar amount. This performance in moderate-income tracts exceeded the aggregate with 16.2 percent by number and fell below the dollar amount at 13.0 percent by dollar amount. The bank exceeded the demographics in moderate-income tracts by number.

As displayed in Table 18, the majority of the bank's loans were originated in upper-income tracts, where 51.1 percent of owner-occupied housing units are located. In 2015 and 2016, the bank extended 68.5 percent and 55.0 percent, respectively, of loans in upper-income tracts, exceeding the aggregate and demographics. Loans in middle-income tracts lagged the aggregate and demographics in 2015 and 2016. Percentagewise, loans originated in 2016 slightly increased in middle-income tracts and slightly decreased in upper-income tracts. As noted earlier, areas within the Los Angeles assessment area were among the least affordable regions in the nation where the cost of buying and renting a home is outpacing the wage growth. As a result, housing is becoming more unaffordable to low-income households.

For 2017, the bank originated 13 home mortgage loans, or 6.1 percent, in low-income tracts and 45 home mortgage loans, or 21.0 percent, in moderate-income tracts. The 2017 total in these tracts (58 loans) was slightly above the 2016 total (54 loans). These numbers are reasonable given the tract changes in 2017. Please see Appendix B for the distribution of HMDA loans in 2017 and the Combined Demographic Report.

HMDA-reportable loans increased between 2015 and 2016 by 62.3 percent. By loan category, home purchase lending represented 40.8 percent and 51.6 percent of all mortgage loans in 2015 and 2016, respectively, and refinance lending represented 38.4 percent and 43.6 percent, respectively. Further, home improvement lending represented 10.0 percent and 2.4 percent, respectively; multi-family lending was at par with home improvement, representing 10.8 percent and 2.4 percent of the bank's lending in 2015 and 2016, respectively.

As presented in Table 18, the bank's originations of home purchase and home refinancing loans constituted the majority of its lending, where the bank exceeded the aggregate and the demographics in low- and upper-income tracts, but lagged the aggregate and demographics in moderate- and middle-income tracts in 2015. In 2016, Boston Private exceeded the aggregate and demographics in originating home purchase loans in low- and moderate-income tracts, but lagged the comparators in middle- and upper-income tracts. Refinances to low- and upper-income tracts exceeded the aggregate and demographics, while the bank lagged the comparators within moderate- and middle-income tracts. The bank lagged the aggregate and demographics in originations of home improvement loans in all demographics except in upper-income tracts in both years. The bank's multifamily originations exceeded the aggregate and demographics in 2015 in low-income tracts, but lagged the comparators in all other income tracts. In 2016, there were no loans reported in moderate- and upper-income tracts; however, the bank's performance exceeded the aggregate in low- and middle-income tracts with a very nominal number of loans.

Due to the changes in the census data, low-income census tracts increased within the assessment area from 220 tracts to 230 low-income census tracts. Moderate-income census tracts increased from 718 to 724. Middle-income census tracts decreased from 697 to 644, while upper-income census tracts increased from 846 to 868. Also noted is the increase from 39 to 54 unknown tracts in the assessment area.

Small Business Lending

Boston Private's geographic distribution of small business loans in the assessment area reflects good penetration. In 2015, the bank originated 6.3 percent of its loans to businesses in low-income census tracts, which slightly exceeded both the aggregate (5.5 percent) and total businesses by tract (5.9 percent). In 2016, the bank originated 12.8 percent of the loans to businesses in low-income census tracts, which significantly exceeded the aggregate (5.1 percent) and total businesses.

In 2015 and 2016, the bank originated 10.4 percent and 30.8 percent of its loans, respectively, in moderate-income tracts. The bank lagged the aggregate and total businesses in 2015, but significantly exceeded the aggregate and total businesses in 2016. Refer to Table 19 below.

The majority of the bank's loans were originated in upper-income tracts, as displayed in Table 19 for 2015 and 2016. The bank lagged the aggregate within middle-income tracts, and exceeded the aggregate in upper-income tracts in both years.

Table 19 represents the distribution of small business loans by census tract income level.

Table 19

Los Angeles AA - Geographic Distribution of Small Business Loans														
Tract Income Levels	Small Businesses	Bank & Aggregate Lending Comparison												
		2015							2016					
		Count			Dollar				Count			Dollar		
		Bank		Agg	Bank		Agg		Bank		Agg	Bank		Agg
	%	#	%	%	$ 000s	$ %	$ %		#	%	%	$ 000s	$ %	$ %
Low	5.9%	3	6.3%	5.5%	$1,050	7.0%	7.2%		10	12.8%	5.1%	$2,180	11.2%	6.6%
Moderate	18.4%	5	10.4%	17.7%	$987	6.6%	18.6%		24	30.8%	17.0%	$3,908	20.2%	18.3%
Middle	27.0%	12	25.0%	26.7%	$5,328	35.6%	27.0%		12	15.4%	26.1%	$4,174	21.5%	26.3%
Upper	47.9%	28	58.3%	48.4%	$7,594	50.8%	44.4%		32	41.0%	49.9%	$9,116	47.0%	46.1%
Unknown	0.8%	0	0.0%	0.8%	$0	0.0%	1.9%		0	0.0%	0.7%	$0	0.0%	1.7%
Tr Unknown		0	0.0%	0.9%	$0	0.0%	0.8%		0	0.0%	1.3%	$0	0.0%	1.1%
Total	*100.0%*	*48*	*100.0%*	*100.0%*	*$14,959*	*100.0%*	*100.0%*		*78*	*100.0%*	*100.0%*	*$19,378*	*100.0%*	*100.0%*

D&B 2015&2016 Aggregate CRA Data, 2015 and 2016 Small Business Loan Registers
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

The 2017 data showed the bank originated 4 small business loans, or 5.6 percent, in low-income tracts and 17 small business loans, or 23.6 percent, in moderate-income tracts. These numbers are reasonable given the tract changes in 2017. Loans were slightly below the 2016 loans at 10 and 24, respectively, to those income tracts. Please see Appendix B for the distribution loans in 2017 and the Combined Demographic Report.

Gap Analysis

Overall, there were some conspicuous gaps in lending as areas of low or no penetration were noted. The bank originated residential loans and small businesses within 11 or 5.0 percent of its low-income tracts (220) and 45 or 6.3 percent within the moderate-income tracts (718) in the assessment area. It is noted that only 2.1 percent and 16.7 percent of owner-occupied units are, respectively, located in the low- and moderate-income tracts in the assessment area. In addition, 78.5 percent and 63.8 percent of the units are rentals within low- and moderate-income tracts, respectively. Similarly, only 8.9 percent and 18.4 percent of small businesses are, respectively, located in low- and moderate-income tracts. Therefore, opportunity for lending in these tracts is limited.

<u>Borrower Distribution of Loans</u>

The distribution of borrowers reflects adequate penetration among retail customers of different income levels including low- and moderate-income individuals and business customers of different sizes when compared to area demographics and aggregate performance. While a reasonable penetration of individuals and businesses of all income levels and sizes is desirable under this criterion, a bank's ability to serve low- and moderate-income individuals and smaller businesses is consistent with stronger performance under the CRA by granting credit to an often-underserved population.

Residential Lending

Overall, the distribution of loans reflects adequate penetration among retail customers of different income levels, including low- and moderate-income levels.

Table 20 provides a comparison of the bank's lending by income level of the borrower to the income distribution of families in the assessment area and peer data. The table further outlines the bank's performance by loan type in comparison to the aggregate group.

Table 20

Los Angeles AA - Borrower Distribution of HMDA Loans

PRODUCT TYPE	Borrower Income Levels	Families by Family Income	Bank & Aggregate Lending Comparison 2015 Count Bank		Agg	Dollar Bank		Agg	2016 Count Bank		Agg	Dollar Bank		Agg
		%	#	%	%	$(000s)	$ %	$ %	#	%	%	$(000s)	$ %	$ %
HOME PURCHASE	Low	23.8%	0	0.0%	0.9%	$0	0.0%	0.4%	6	5.5%	0.7%	$415	0.6%	0.3%
	Moderate	16.5%	0	0.0%	5.7%	$0	0.0%	2.5%	24	22.0%	4.6%	$2,436	3.5%	2.0%
	Middle	17.9%	7	13.2%	15.2%	$1,499	3.1%	9.3%	27	24.8%	14.8%	$5,209	7.5%	8.8%
	Upper	41.8%	46	86.8%	60.8%	$47,321	96.9%	71.1%	52	47.7%	66.1%	$61,290	88.4%	75.4%
	Unknown	0.0%	0	0.0%	17.3%	$0	0.0%	16.8%	0	0.0%	13.8%	$0	0.0%	13.4%
	Total	*100.0%*	*53*	*100.0%*	*100.0%*	*$48,820*	*100.0%*	*100.0%*	*109*	*100.0%*	*100.0%*	*$69,350*	*100.0%*	*100.0%*
REFINANCE	Low	23.8%	0	0.0%	2.2%	$0	0.0%	0.9%	3	3.3%	2.0%	$351	0.3%	0.9%
	Moderate	16.5%	2	4.0%	6.8%	$448	0.7%	3.4%	7	7.6%	6.1%	$1,111	0.9%	3.1%
	Middle	17.9%	3	6.0%	14.8%	$789	1.2%	9.7%	2	2.2%	14.5%	$672	0.6%	9.5%
	Upper	41.8%	42	84.0%	57.0%	$55,188	84.8%	66.7%	79	85.9%	62.6%	$113,623	96.7%	71.0%
	Unknown	0.0%	3	6.0%	19.2%	$8,625	13.3%	19.3%	1	1.1%	14.8%	$1,700	1.4%	15.5%
	Total	*100.0%*	*50*	*100.0%*	*100.0%*	*$65,050*	*100.0%*	*100.0%*	*92*	*100.0%*	*100.0%*	*$117,457*	*100.0%*	*100.0%*
HOME IMPROVEMENT	Low	23.8%	0	0.0%	2.4%	$0	0.0%	0.8%	0	0.0%	2.6%	$0	0.0%	1.2%
	Moderate	16.5%	0	0.0%	8.8%	$0	0.0%	4.4%	0	0.0%	8.0%	$0	0.0%	4.0%
	Middle	17.9%	1	7.7%	17.5%	$228	1.2%	11.0%	0	0.0%	17.4%	$0	0.0%	11.0%
	Upper	41.8%	12	92.3%	64.6%	$18,210	98.8%	75.5%	5	100.0%	68.1%	$6,585	100.0%	77.0%
	Unknown	0.0%	0	0.0%	6.7%	$0	0.0%	8.3%	0	0.0%	3.9%	$0	0.0%	6.8%
	Total	*100.0%*	*13*	*100.0%*	*100.0%*	*$18,438*	*100.0%*	*100.0%*	*5*	*100.0%*	*100.0%*	*$6,585*	*100.0%*	*100.0%*
MULTI FAMILY	Low	23.8%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Moderate	16.5%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Middle	17.9%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Upper	41.8%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Unknown	0.0%	14	100.0%	100.0%	$32,768	100.0%	100.0%	5	100.0%	100.0%	$22,298	100.0%	100.0%
	Total	*100.0%*	*14*	*100.0%*	*100.0%*	*$32,768*	*100.0%*	*100.0%*	*5*	*100.0%*	*100.0%*	*$22,298*	*100.0%*	*100.0%*
HMDA TOTALS	Low	23.8%	0	0.0%	1.8%	$0	0.0%	0.6%	9	4.3%	1.6%	$766	0.4%	0.6%
	Moderate	16.5%	2	1.5%	6.4%	$448	0.3%	2.8%	31	14.7%	5.6%	$3,547	1.6%	2.5%
	Middle	17.9%	11	8.5%	14.7%	$2,516	1.5%	8.6%	29	13.7%	14.4%	$5,881	2.7%	8.5%
	Upper	41.8%	100	76.9%	57.3%	$120,719	73.1%	61.3%	136	64.5%	62.7%	$181,498	84.1%	65.9%
	Unknown	0.0%	17	13.1%	19.8%	$41,393	25.1%	26.7%	6	2.8%	15.7%	$23,998	11.1%	22.5%
	Total	*100.0%*	*130*	*100.0%*	*100.0%*	*$165,076*	*100.0%*	*100.0%*	*211*	*100.0%*	*100.0%*	*$215,690*	*100.0%*	*100.0%*

2010 U.S. Census, 2015 and 2016 Aggregate HMDA Data, 2015 and 2016 HMDA LARs.
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

In 2015, the bank did not originate any loans to low-income borrowers, while the aggregate originated 1.8 percent to those income borrowers compared to the 23.8 percent of families in that income category. Loans to moderate-income borrowers represented 1.5 percent compared to 6.4

percent for the aggregate and 16.5 percent for demographics. The performance level of the aggregate with regard to demographics may be indicative of affordability challenges facing low- and moderate-income families in the assessment area, which community contacts have acknowledged as caused by high housing costs and lack of affordable housing units. In 2016, the bank significantly exceeded the aggregate in originations to low- and moderate-income borrowers. The bank originated 4.3 percent of its total mortgage loans to low-income borrowers and 14.7 percent to moderate-income borrowers. The aggregate originated 1.6 percent of loans to low-income borrowers and 5.6 percent to moderate-income borrowers.

As indicated in the Table 20, originations of loans to middle-income borrowers also fell below the aggregate and demographics in 2015. This performance remained consistent in 2016 with loans to these income level borrowers. Loans to upper-income borrowers exceeded the aggregate and demographics in both years, as these borrowers constitute the core clients of the bank. The bank's lending to borrowers for whom incomes were unknown was lower than the aggregate's percentages in both years.

In 2015, the bank did not originate any home purchase loans to low- and moderate-income borrowers. However, the bank substantially exceeded the aggregate in 2016 in originating loans to those income borrowers. Refinance to low- and moderate income borrowers were below the aggregate in 2015, but slightly exceeded the aggregate in 2016. The bank did not originate any home improvement loans to low- and moderate-income borrowers in both years.

The bank's home purchase, refinance, and home improvement lending to middle-income borrowers was less than the percentages of aggregate and families in 2015, while lending to upper-income borrowers was greater than the percentages of the aggregate and families. In 2016, the bank exceeded the aggregate and families in home purchase to middle-income borrowers but fell below the upper-income category of this product. Refinance and home improvement loans to middle-income borrowers also fell below the aggregate and families, while upper-income borrowers received the majority of the loans in those products.

For 2017, the bank extended 14.0 percent of HMDA loans by number to low- and moderate-income borrowers. Also, it should be noted that the bank's total loans increased slightly, overall, from 211 in 2016 to 214 in 2017 while lending to low- and moderate-income borrowers decreased from 40 to 30. Please see Appendix B for the distribution of HMDA loans in 2017 and the Combined Demographic Report.

Despite the bank lagging the aggregate and demographics, the bank offers several flexible loan programs to assist low- and moderate-income individuals and families to effectively attain and sustain homeownership. In addition to those available in all assessment areas, the following programs are specific to cities and towns within the Los Angeles assessment areas: Greater Los Angeles Boston Private Bank Community Homeowner Fixed Rate Program, Boston Private

Downpayment Closing Cost Assistance Program (D-CAP), City of Los Angeles Income Purchase Assistance (LIPA) and Mortgage Credit Certificate (MCC), The MCC program, County of Los Angeles MCC, County of Los Angeles Homeownership Program (HOP), County of Los Angeles Affordable Homeownership Program (AHOP), Habitat for Humanity Greater Los Angeles (Habitat LA) CalHOME Mortgage Assistance (Habitat for Humanity Lynwood, Habitat for Humanity Montebello), City of San Dimas Ownership Housing Program, City of Compton Down payment Assistance, Fannie Mae's HomeReady Mortgage Program. These flexible programs offered through the bank contributed to the ability of low- and moderate income borrowers to qualify for or obtain home mortgage loans. Please refer to Appendix C for more details.

Small Business Lending

Overall, the bank's small business loan distribution by revenue size is adequate.

Table 21 compares the bank's small business lending to the aggregate data and total small businesses according to revenue size. It should be noted that aggregate data is not available for businesses with revenues over $1 million or with unknown revenues as this information is not reported.

In the assessment area, 90.9 percent of small businesses reported annual revenues of less than $1 million. While the bank's percentage of small business lending lagged this figure, the bank's small business lending is also compared to an aggregate group of lenders, as this is a better indicator of loan demand in the assessment area. The bank's distribution of loans to small businesses by revenue size also lags the aggregate by number in 2015 and 2016. The bank made 33.3 percent of loans by number and 18.5 percent by dollar to small businesses, compared to the aggregate with 54.1 percent by number and 33.7 percent by dollar amount in 2015. Of the loans the bank made to small businesses, 25.0 percent were made in amounts less than or equal to $100,000, which is considered the most impactful loan size to small businesses and indicates the bank makes loans accessible to small businesses. This falls well below the aggregate lenders, who originated 95.7 percent in amounts less than or equal to $100,000.

In 2016, the bank made 38.5 percent of loans by number and 31.3 percent by dollar to small businesses, compared to the aggregate with 44.9 percent by number and 31.2 percent by dollar amount. Of the loans bank made to small businesses, 32.1 percent were made in amounts less than or equal to $100,000 indicating the bank makes loans accessible to small businesses. This falls well below the aggregate lenders, who originated 96.4 percent in amounts less than or equal to $100,000. Both the bank and aggregate lenders were below the 90.9 percent of the assessment area's businesses that report income of $1 million or less, indicating opportunities to either lend or lack of loan demand.

While the aggregate exceeded the bank by business revenue and loan size in 2015 and 2016, the bank substantially exceeded the aggregate for loans over $100,000 to $1 million or less. Nonetheless, as indicated earlier, community representatives have identified small businesses to be most in need of small dollar loans less than $100,000 for operating expenses and business expansion. Overall, the bank is responsive to the credit needs of smaller businesses within the assessment area, as it competes with institutions that tend to originate small business loans in the form of credit cards.

Further, the bank's small business flexible lending programs were used to provide needed credit to small businesses. Please refer to Appendix C for more information.

Table 21 provides the distribution of small business by revenue and loan size.

Table 21

Los Angeles - Small Business Loans by Business Revenue & Loan Size														
Business Revenue & Loan Size			Bank & Aggregate Lending Comparison											
			2015						2016					
			Count			Dollar			Count			Dollar		
		Total Businesses	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg
		%	#	%	%	$ (000s)	$ %	$ %	#	%	%	$ (000s)	$ %	$ %
BUSINESS REVENUE	$1million or Less	90.9%	16	33.3%	54.1%	$2,771	18.5%	33.7%	30	38.5%	44.9%	$6,066	31.3%	31.2%
	Over $1 Million	8.7%	28	58.3%					45	57.7%				
	Total Rev. available	99.6%	44	91.6%					75	96.2%				
	Rev. Not Known	0.4%	4	8.3%					3	3.8%				
	Total	*100.0%*	*48*	*100.0%*					*78*	*100.0%*				
LOAN SIZE	$100,000 or Less		12	25.0%	95.7%	$956	6.4%	44.7%	25	32.1%	96.4%	$1,605	8.3%	51.3%
	$100,001 - $250,000		16	33.3%	2.0%	$3,050	20.4%	11.8%	32	41.0%	1.8%	$5,548	28.6%	11.0%
	$250,001 - $1 Million		20	41.7%	2.2%	$10,953	73.2%	43.5%	21	26.9%	1.8%	$12,225	63.1%	37.7%
	Total		*48*	*100.0%*	*100.0%*	*$14,959*	*100.0%*	*100.0%*	*78*	*100.0%*	*100.0%*	*$19,378*	*100.0%*	*100.0%*

D&B 2015 and 2016 Aggregate CRA Data, 2015 and 2016 Small Business Loan Registers
Total percentages shown may vary by 0.1 percent due to automated rounding differences

For 2017, the bank originated 27 or 37.5 percent small business loans to businesses with annual revenues of less or equal to $1 million. The bank's total for 2017 is trending below the total for 2016 at 30 or 38.5 percent. Please see Appendix B for the distribution of loans in 2017 and the Combined Demographic Report.

Community Development Lending

The bank is a leader in making community development loans. During the review period, Boston Private originated 47 community development loans, totaling $130.8 million, in the Greater Los Angeles AA. The majority of these loans are related to affordable housing provided by government agencies and non-profits in connection with housing developments within or in proximity of the assessment area, an area the community contact identified as in high need. Loans related to economic development, revitalization, and community services were also provided to non-profit organizations. In addition, 24 community development loans, totaling $7.7 million, were originated for projects within a broader regional area.

Table 22 details the community development loans by category within the Greater Los Angeles AA.

Table 22

Los Angeles - Qualified Community Development Loans										
Type	2014		2015		2016		2017		Total	
	#	$	#	$	#	$	#	$	#	$
Affordable Housing	2	11,375,000	14	21,934,334	10	18,013,485	10	16,646,677	36	67,969,496
Economic Development	0	0	1	15,000,000	3	25,500,000	2	6,800,000	6	47,300,000
Community Services	0	0	1	3,600,000	1	53,496	0	0	2	3,653,496
Revitalize & Stabilize	0	0	1	10,000,000	1	250,000	1	1,649,000	3	11,899,000
Total	**2**	**11,375,000**	**17**	**50,534,334**	**15**	**43,816,981**	**13**	**25,095,677**	**47**	**130,821,992**

Source: Bank data

A sample of the bank's community development lending activity within the assessment area during the review period is provided below:

- The bank provided a $15,000,000 tax-exempt term loan for the acquisition and rehabilitation of two multifamily affordable housing developments with a total of 110 apartments affordable to low- and moderate-income households and 51 apartments further restricted to very low-income households with maximum income of 35.0 percent of the area median income. Financing includes LIHTC equity, and the California Department of Housing and Community Development holds a regulatory agreement on both properties to maintain affordability to low- and moderate-income households. Loan proceeds will be used for renovations, with improvements to all apartment units in each development.

- The bank provided a $5,000,000 revolving line of credit to support the operations of a business located in a moderate-income census tract in the Greater Los Angeles AA that also preserves and creates jobs for low- and moderate-income individuals, with 40.0 percent of the full time equivalent positions earning $50,000 or less annually.

- A $17,600,000 financing that includes a $14,000,000 tax exempt loan and a $3,600,000 taxable loan to acquire and rehabilitate an occupied 121 apartment affordable housing development in the City of Lancaster, located within the bank's Greater Los Angeles AA. The development is subject to a 55-year affordability covenant and receives rental assistance through a long-term, project-based Section 8/Housing Assistance Payments Contract through HUD.

- The bank provided a $7,000,000 permanent loan to promote economic development and provide services for the surrounding community of low- and moderate-income neighborhoods through a six tenant commercial development that provides retail, social and workforce services, and restaurants. These businesses stabilize low- and moderate-income neighborhoods immediately adjacent to the site by offering job opportunities and essential services. The subject property is located in an 80.0 percent minority census tract.

INVESTMENT TEST

The bank made an excellent level of qualified community development investments and grants, particularly those not routinely provided by private investors. The bank makes extensive use of innovative and/or complex investments to support community development initiatives. Additionally, the bank exhibits excellent responsiveness to credit and community development needs. New investments, including grants and donations in the Greater Los Angeles AA totaled $12.1 million during the review period. In addition, the bank holds $4.6 million in prior period investments on its books.

Equity Type Investments
New investments benefiting the Greater Los Angeles AA totaled $11,770,000 during the review period. Of these, 11 of the bank's investments totaling $11,250,000 were LIHTC projects that supported affordable housing projects throughout California, and the bank specifically agreed to have its investments dollars allocated to support projects within this assessment area. These investments were considered complex and responsive to the identified need for affordable housing within the assessment area. There were also three investments, which supported economic development in the assessment area. As stated, a community contact indicated that small businesses were being priced out of this market due to rising rents. The bank's investments that provided support and financing to small business were also considered

responsive to the needs in this assessment area. During previous review periods, the bank also invested in similar housing and economic development funds and carried a balance of $4.6 million in previous CRA qualified investments on its books.

Below are a few examples of funds the bank invested in during the review period:

- Invested $3,000,000 in the Boston Capital California Corporate Tax Credit Fund VII, half of which is allocated to this assessment area. The fund provides LIHTC equity to support the production and rehabilitation of rental housing developments affordable to primarily low-income individuals and households in California, including within the Greater Los Angeles AA. The fund invested in the new construction of 20 affordable units in Huntington Park in the Greater Los Angeles AA targeted low-income populations.

- Invested $5,000,000 in the Boston Capital Intermediate Term Income Fund II, half of which is allocated to this assessment area. The fund is a revolving construction loan fund that invests exclusively in affordable multifamily apartment developments supported by Low-Income Housing Tax Credits. This innovative fund is expected to invest in and contribute to the preservation and creation of 20 to 30 LIHTC affordable projects nationwide, including in Southern California. The fund financed the new construction of 32 units of senior housing affordable to low-income households in Oceanside, California, within the broader Southern California region of the bank's Greater Los Angeles AA.

- Invested $1,000,000 in California Equity Fund 2016, LP. The fund provides equity capital for the development and rehabilitation of rental housing affordable to low- and moderate-income households in California. The fund will support the new construction of PSH Campus, a new permanent supportive housing residence with 49 studio apartments for homeless adults in North Hollywood. All 49 units will be supported with project-based rental assistance. LA Family Housing Corporation, the largest provider of affordable housing in the San Fernando Valley, is developing the project.

- Invested $10,000 to capitalize a small business loan program of the South Central Los Angeles Regional Center (SCLARC), a micro loan fund targeting businesses located within low- and moderate-income areas in Los Angeles County that contract with Friends of SCLARC (a SCLARC affiliate). Loans are typically between $250 and $5,000 and are available for working capital, equipment purchases, and other business-related needs. Technical assistance is also available for participating small businesses, including one-on-one counseling and entrepreneurial training with topical workshops and seminars to educate vendors and help grow their businesses.

Prior Period

As noted above, consideration is given to investments that were made prior to the current examination, but are still outstanding. Factors relevant to the bank's CRA performance context, such as the effect of outstanding long-term qualified investments, the pay-in schedule, and the amount of any cash call, on the capacity of the bank to make new investments are also considered. Prior period investments total $2.8 million and consist of investment in funds such as the Merritt Community Capital Fund XVI (2014) and the Clearinghouse CDFI (2011).

Grants and Donations

The bank extended a significant level of grants and donations to community development organizations within the Greater Los Angeles AA during the review period. Table 23 breaks out the bank's contribution by year and community development purpose. As shown below, the bank's donations were responsive to the need for affordable housing and economic development, and provided critical services for low- and moderate-income individuals and families within the assessment area. While shown according to the organizations primary purpose, many organizations serve dual purposes and may touch upon all community development categories.

Table 23 - Greater Los Angeles AA Qualified Donations

Category	Affordable housing		Economic Development		Revitalize/ Stabilize LMI Geographies		Community Development Services		Total	
Year	#	$	#	$	#	$	#	$	#	$
2015	9	$29,100	4	$9,980	2	$5,500	25	$74,325	40	$118,905
2016	9	$18,534	5	$15,000	3	$7,500	31	$89,150	48	$130,184
2017	11	$34,875	7	$15,500	2	$5,800	21	$53,850	41	$110,025
Total	**29**	**$82,509**	**16**	**$40,480**	**7**	**$18,800**	**77**	**$217,325**	**129**	**$359,114**

Source: Bank data

The following are some examples of organizations, which benefited from the bank's support:

- ***Reach. Invest. Succeed. Earn. (RISE)*** - RISE is a non-profit Community Development Financial Institution (CDFI) offering comprehensive and innovative ways to build wealth for historically underserved residents and small business owners in South Los Angeles and across Los Angeles County. The organization provides commercial lending opportunities- including micro loans, peer lending, and small business loans – along with business training, asset development programs, and banking programs. The organization has served nearly 100,000 low-income clients since its inception in 1992.
- ***Kids Community Dental (KCDC)*** - KCDC provides low-cost treatments to children ages 18 and younger from low-income families all over Southern California.

- ***The Opportunity Fund*** - The opportunity fund offers micro loans to low-income entrepreneurs to help them build their businesses.
- ***Coalition for Responsible Community Development (CRCD)*** – The organization's mission is to better sustain, coordinate and improve local planning, development and community services that address the needs of low-income and working-class residents and small businesses in South Los Angeles.
- ***Urban League of Los Angeles*** - Services from the Urban League of Los Angeles help low-income families. The assistance includes housing programs, advice for renters, and employment.

In addition, Boston Private donated $61,694 of IOLTA account interests in the Greater Los Angeles assessment area for eligible charitable purposes from 2015 through 2017.

SERVICE TEST

The bank's delivery systems are accessible to essentially all portions of the assessment area, and services do not vary in a way that inconveniences particular individuals or areas. The bank provides a relatively high level of community development services.

Retail Banking Services

The bank operates five full-service branches each equipped with an ATM. Two of the branches are located in upper-income census tracts, two in middle-income census tracts, and one in low-income census tracts. There were no branches in moderate-income tracts. The bank maintains a loan center in a middle-income tract in Los Angeles. The branches in upper-income census tracts are located in Encino and Westlake. Branches in middle-income are located in Los Angeles and Pasadena. The branch in low-income is located in Santa Monica. Table 24 displays the distribution of the bank's current branch network compared to the percentage of census tracts within the assessment area as well as the percentage of total population that resides in those tracts.

Table 24
Distribution of Branch Offices by Income Category

Census Tract Income Category	Assessment Area Demographics		Bank Offices by Tract Location	
	Total Census Tracts % of #	Total Population % of #	Bank Branches	
			#	%
Low	8.7	7.8	1	20.0
Moderate	28.5	29.2	0	0.0
Middle	27.7	29.2	2	40.0
Upper	33.6	33.4	2	40.0
Unknown	1.5	0.4	0	0.0
Total	100.0	100.0	5	100.0

2010 United States (U.S.) Census Data

Although the bank does not have branches in all income tracts, delivery systems are accessible to essentially all portions of the assessment area. The bank opened a branch at the same location as the loan center in Los Angeles in 2017 in a middle-income tract, which is easily accessible to low- and moderate-income minority areas, and sold two branches: one in a moderate-income tract in Burbank, and one in an upper income tract in Granada Hills.

Services do not vary in a way that inconveniences portions of its assessment area, particularly low-income and moderate-income geographies and/or low-income and moderate-income individuals. Bank branch hours are similar in all locations, and branches are open for at least seven hours Monday through Friday. The bank offers a wide range of services for its retail, small business, and commercial customers.

The bank also provides alternative delivery systems. The bank provides, among other services, phone, internet banking, bill pay, mobile banking, bank-by-mail, remote deposit capture, and the SUM program, which allows customers to access their accounts from over 7,500 SUM ATMs nationwide.

Community Development Services

The bank provides a relatively high level of community development services. Performance in this assessment area is consistent with the overall performance. Within the Greater Los Angeles AA, service hours totaled 923 hours with 391 in 2015, 227 qualified hours in 2016 and 305 hours in 2017. Service hours consisted of board and committee involvement, but the majority of qualified activity in this assessment area consisted of first time homebuyer, financial literacy trainings and small business fairs and seminars.

Board Involvement

Within the Greater Los Angeles AA during the review period, six employees served on boards and various committees of approximately 18 community development organizations. These individuals have spent 393 hours involved with these organizations. A sample is presented below:

- ***Holman Community Development Corporation (HCDC)*** **-** The HCDC exists to provide solutions to inequities in youth employment, and job readiness training, housing and education. The organizations serve primarily low- and moderate-income populations. A bank vice president and community investment officer is on the board and fundraising committee of this organization.
- ***Small Business Financial Development Corporation of Orange County*** – The organization focuses on the economic development of underserved communities in California with the mission to assist small businesses access capital to grow their companies and create jobs. A commercial loan officer serves on the loan committee of this organization.
- ***Asian Pacific Islander Small Business Program (API SBP)*** **-** The mission of the API SBP is to assist the development of small and micro businesses in Los Angeles with a particular focus on the Chinese, Korean, Japanese, Thai, and Filipino business communities, especially immigrants of low income.
- ***LAPD Hollenbeck Police Activities League (Hollenbeck PAL)*** – Hollenbeck PAL is a non-profit organization, founded through a partnership between community residents and law enforcement, with a mission of nurturing young people to become responsible, productive, law abiding citizens, by offering sports, workshops on financial literacy, technology and nutrition, life enhancing programs and providing crisis intervention and counseling and integrated mental health programs, to low- and moderate-income families.

Seminars/Workshops and Trainings

Bank staff has participated in numerous homeownership education classes and events, although not in a leadership role, as well as small business seminars and youth training events. During the review period, staff volunteered at 189 different events for a total of 530 hours participating in qualified community development outreach activities. Some examples of these activities are included below:

Homebuyer Counseling

The bank's CRA residential loan officers regularly serve as guest speakers at first time homebuyer education workshops hosted by nonprofit partners. Within the Greater Los Angeles assessment area, the bank has participated in 120 of these events in conjunction with non-profit partners including Habitat for Humanity, Operation HOPE, NID-Housing Counseling Agency of LA and the Montebello Housing Development Corporation, among others.

Small Business

In partnership with non-profits small business organizations, bank staff has provided information on how banks evaluate loan applications and how businesses prepare to apply for financing with non-profit organizations. Some of these discussions may have resulted in lending opportunities and community development loans. Examples of organizations include West Angeles Community Development Corporation, Small Business Association Export Express, and Pacific Asian Consortium on Employment Business Development Center.

Financial Education

- **Junior Achievement at Finance Park**: Boston Private collaborated with the Junior Achievement (JA) for their "A Day in the Park – Putting Learning to Work" program, which is a hands-on experimental simulation that helps students build a foundation for making intelligent, lifelong personal financial decisions. At the event, Boston Private staff helped teach financial skills to low- and moderate-income students.
- **Executive Preparatory Academy of Finance** – A community investment officer participated in Executive Preparatory Academy of Finance's annual Career Day. The academy is a charter high school located in Gardena, CA, with a focus on closing the financial literacy gap within the minority community, 87 percent of the students are low- and moderate-income and eligible for free or reduced meals.
- **Boston Private and Los Angeles Local Initiatives Support Corporation (LA LISC)**: The LISC mission is to support projects to revitalize low-income communities. Boston Private and LA LISC co-hosted the Careers as Changemakers Leadership Series program. As part of the program, the Emerging Leaders Series acts as a catalyst to stimulate the engagement of young professionals under the age of 35 within a range of careers throughout the community development sector.

Community Investment Series Seminars

In Greater Los Angeles, Boston Private offers Community Investment Series seminars to support the work of partner nonprofit organizations that contribute to the strength and vitality of the community. The bank hosts and sponsors these seminars with nonprofit organizations that are mission-driven and align with Boston Private's community investment objectives. During the review period, the bank hosted 12 of these events during the three-year period. Topics included Introduction to Revenue Generating Models for Nonprofits, Key Non-Profit Strategies for 2015 and Intellectual Property 101 for Nonprofits, among others.

SAN JOSE-SAN FRANCISCO-OAKLAND, CA CSA

(Full-scope review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN SAN FRANCISCO BAY AA

The San Francisco Bay AA includes a portion of the San Francisco-Oakland-Hayward, CA MSA and a portion of the San Jose-Sunnyvale-Santa Clara, CA MSA. The San Francisco-Oakland-Hayward, CA MSA is comprised of three subdivisions: the Oakland-Hayward-Berkeley, CA MD, the San Francisco-Redwood City-South Francisco, CA MD, and the San Rafael, CA MD. Of these MDs, the assessment area includes the entirety of the San Francisco-Redwood City-South Francisco, CA MD, which includes the San Francisco and San Mateo counties. Within the San Jose-Sunnyvale-Santa Clara, CA MSA, the assessment area includes Santa Clara County. The three counties comprising the assessment area are part of the San Francisco-Oakland-Hayward MSA and San Jose-San Francisco-Oakland, CA CSA. The assessment area is located in the San Francisco Bay Area in Northern California. With a population of more than 1,781,642 million people, Santa Clara is the most populous county in the Bay Area. San Francisco County has a population of approximately 805,235, and San Mateo County has a population of approximately 718,451.

Based on the FDIC Summary of Deposits as of June 30, 2017, the assessment area had 66 FDIC-insured commercial institutions operating 795 offices. Boston Private Bank and Trust Company operated six branches in the area, which had total deposits of $1.5 billion, representing 0.4 percent of the market. In 2016, the bank ranked 106th in the assessment area among 640 HMDA reporting institutions and 43rd among 153 CRA reporting institutions.

Relevant demographic data for the bank's assessment area for 2016 is provided in Table 25 below.

Table 25 - Assessment Area Demographics

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	76	10.5	58,503	7.9	11,422	19.5	175,206	23.5
Moderate-income	143	19.7	145,855	19.6	13,485	9.2	120,527	16.2
Middle-income	270	37.1	293,557	39.4	13,584	4.6	140,103	18.8
Upper-income	232	31.9	246,255	33.1	6,126	2.5	308,353	41.4
Unknown Income	6	0.8	19	0.0	0	0.0	0	0.0
Total Assessment Area	**727**	**100.0**	**744,189**	**100.0**	**44,617**	**6.0**	**744,189**	**100.0**

	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	129,500	25,028	3.9	19.3	90,931	70.2	13,541	10.5
Moderate-income	239,915	98,127	15.4	40.9	127,671	53.2	14,117	5.9
Middle-income	484,159	258,367	40.7	53.4	198,517	41.0	27,275	5.6
Upper-income	415,090	254,054	40.0	61.2	135,506	32.6	25,530	6.2
Unknown Income	260	0	0.0	0.0	260	100.0	0	0.0
Total Assessment Area	**1,268,924**	**635,576**	**100.0**	**50.1**	**552,885**	**43.6**	**80,463**	**6.3**

	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	22,278	11.8	19,165	11.3	2,970	16.4	143	17.9
Moderate-income	31,083	16.4	27,456	16.1	3,511	19.4	116	14.5
Middle-income	63,409	33.5	57,763	34.0	5,429	29.9	217	27.1
Upper-income	72,144	38.2	65,615	38.6	6,205	34.2	324	40.5
Unknown Income	135	0.1	114	0.1	21	0.1	0	0.0
Total Assessment Area	**189,049**	**100.0**	**170,113**	**100.0**	**18,136**	**100.0**	**800**	**100.0**
	Percentage of Total Businesses:			**90.0**		**9.6**		**0.4**

2016 FFIEC Census Data and 2016 D&B Information
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

The assessment area consists of 727 census tracts, of which 76 are low-income, 143 are moderate-income, 270 are middle-income, 232 are upper-income, and 6 are unknown-income. The unknown-income census tracts generally represent undeveloped municipal lands.

Housing

Based on the 2016 FFEIC Census Data, the assessment area contains 1,268,924 housing units, of which 50.1 percent are owner-occupied, 43.6 percent are rental, and 6.3 percent are vacant units. The assessment area has a lower percentage of owner-occupied units and a higher percentage of rental units than the statewide figures at 52.5 percent and 39.0 percent, respectively. There are 635,576 owner-occupied housing units in the assessment area, of which 3.9 percent and 15.4 percent are located in low- and moderate-income census tracts, respectively, 40.7 percent are in middle-income tracts, and 40.0 percent are in upper-income tracts. The ability to extend mortgage credit in low-income tracts may be restricted by the low percentage of owner-occupied housing.

Low-income census tracts in the assessment area have lower rates of home ownership (19.3 percent) and higher rates for rental housing (70.2 percent). In addition, vacant units account for 10.5 percent of the units in low-income tracts. In moderate-income tracts, 40.9 percent of the housing units are owner-occupied, 53.2 percent are rental, and 5.9 percent are vacant units. Middle- and upper-income tracts in the assessment area have the highest owner-occupancy rates, at 53.4 percent and 61.2 percent, respectively. Further, middle- and upper-income census tracts have the lowest rental rates (41.0 percent and 32.6 percent, respectively), and vacancy rates (5.6 percent and 6.2 percent, respectively).

As depicted in Exhibit 5, the prices of homes in all three counties increased significantly compared to the state. As of January 2018, the median home price was $1,330,000 in San Francisco County, $1,437,500 in San Mateo County, $1,170,000 in Santa Clara County, and $527,780 in California. Increased demand coming from households with improved finances has resulted in a housing affordability and vacancy rate decline in the assessment area. San Jose is the most unaffordable major housing market in the United States and is considered to be severely unaffordable.[27] According to the California Association of Realtors' Traditional Housing Affordability Index, only 12 percent of families in San Francisco, 14 percent of families in San Mateo and 15 percent of families in Santa Clara can afford to purchase the median priced home compared to 56 percent of families in the U.S.[28]

In addition to rising housing costs, rental prices have also increased drastically, causing buying and renting a home to be more unaffordable. The Bay Area is the most expensive rental market in the country with San Francisco holding the number one spot and other cities in Silicon Valley featured prominently in the top 10.[29] The intense pressure of the housing market affects low-

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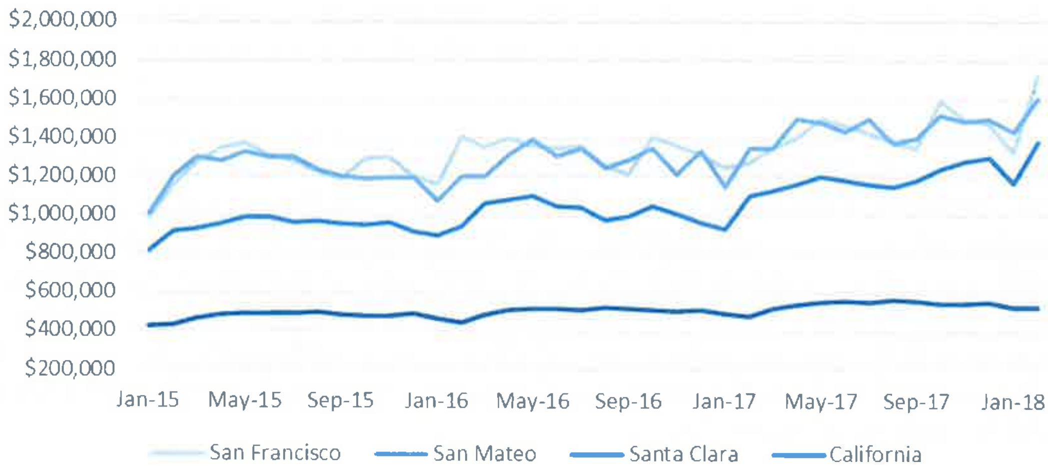
27 Demographia, 14th Annual Demographia International Housing Affordability Survey; available from: demographia.com/dhi.pdf
28 California Association of Realtors, Housing Affordability Index, Q4 2017; available from: https://www.car.org/marketdata/data/haitraditional/
29 Zumper, San Francisco Bay Area Metro Report, December 2017; available from: https://www.zumper.com/blog/2017/12/san-francisco-bay-area-metro-report-december-2017/

income households the most; low-income households experience the threat of displacement and homelessness, pay a disproportionate percentage of their income on rent and face overcrowding as a means to deal with rising housing costs.[30]

Exhibit 5
Median Home Prices[31]
2015-2018



Economic Conditions

During the review period, the assessment area's economy experienced economic expansion and continues to grow. San Francisco and San Mateo counties serve as a major driver of the California economy and one of the nation's economic powerhouses. Top economic drivers in the area are high technology, financial centers and medical centers. San Francisco and San Mateo counties experienced strong office market growth, and tech service companies were able to expand with a well-educated and highly skilled workforce.[32]

Similar to San Francisco and San Mateo counties, Santa Clara County's highly skilled workers allows it to access substantial venture capital, and tech-centered higher education institutions provide an ample pipeline of workers.[33] The top three employers in the San Mateo County are all tech companies, with the top employer being Google followed by Apple and Cisco Systems.[34]

30 Ibid.
31 California Association of Realtors, Historical Housing Data, Median Prices of Existing Detached Homes; available from: https://www.car.org/en/marketdata/data/housingdata.
32 Moody's Précis Report, San Francisco-Redwood City-South San Francisco, April 2017.
33 Moody's Précis Report, San Jose-Sunnyvale-Santa Clara, April 2017.
34 Ibid.

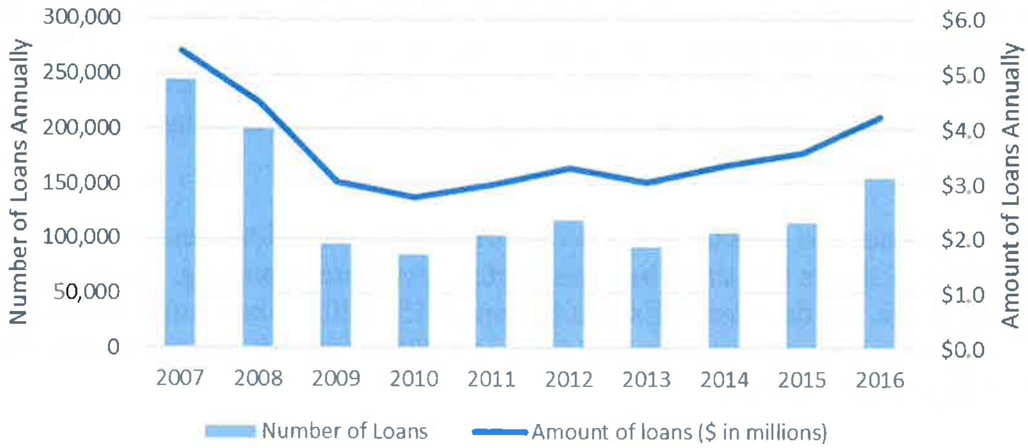
While the booming technology industry has enabled the San Jose-Sunnyvale-Santa Clara, CA MSA to become one of the most prosperous metro areas in the nation, it has also created dislocations along the way.

Due to high costs of labor, business and living, many businesses and residents are increasingly leaving the Bay Area, causing a shortage of skilled workers and population decreases. In 2016, population growth fell to 0.5 percent, the slowest rate since the Great Recession.[35] The assessment area's talented workforce, ability to attract capital, and legacy of entrepreneurship continues to extend the technology boom, but high costs are stifling housing demand and pushing businesses and residents out of the region.

Similar to the Greater Los Angeles AA, a review of small business loan data reported by banks subject to the CRA shows that small business lending levels are improving, but remain below pre-recession levels. As depicted in Exhibit 6, from 2015 to 2016, the number of loans to small businesses in the assessment area increased from 114,970 to 155,759, and the amount increased from $3.5 billion to $4.2 billion.

35 Ibid.

Exhibit 6
Loans to Small Businesses in Assessment Area[36]
2007-2016



Population

The assessment area has a population of 3,305,328 individuals, representing 8.9 percent of the entire California statewide population. The San Francisco Bay AA population is distributed as follows: 9.9 percent in low-income tracts, 21.6 percent in moderate-income tracts, 38.3 percent in middle-income tracts, 30.1 percent in upper-income tracts, and 0.1 percent in unknown tracts. Further, the assessment area includes 1,188,461 households. Of these households, 9.8 percent are low-income, 19.0 percent are moderate-income, 38.4 percent are middle-income, and 32.8 percent are upper-income. As shown, the percentages of the population within the geographies parallel the percentages of income levels of households in the assessment area.

Income

Table 26 displays the MFI incomes for the assessment area.

36 Aggregate CRA Small Business data reports available from: http://www.ffiec.gov/craadweb/national.aspx.

Table 26
Median Family Income Comparison

Year	MSA/MD/Town/County/State	MFI
2016	Assessment Area	97,907
2016	County: 06-075 SAN FRANCISCO	85,778
2016	County: 06-081 SAN MATEO	101,578
2016	County: 06-085 SANTA CLARA	100,733
2016	State: CALIFORNIA	69,322
2016	MSA/MD: 41884 SAN FRANCISCO-REDWOOD CITY-SOUTH SAN FRANCISCO	93,987
2016	MSA/MD: 41940 SAN JOSE-SUNNYVALE-SANTA CLARA	99,794

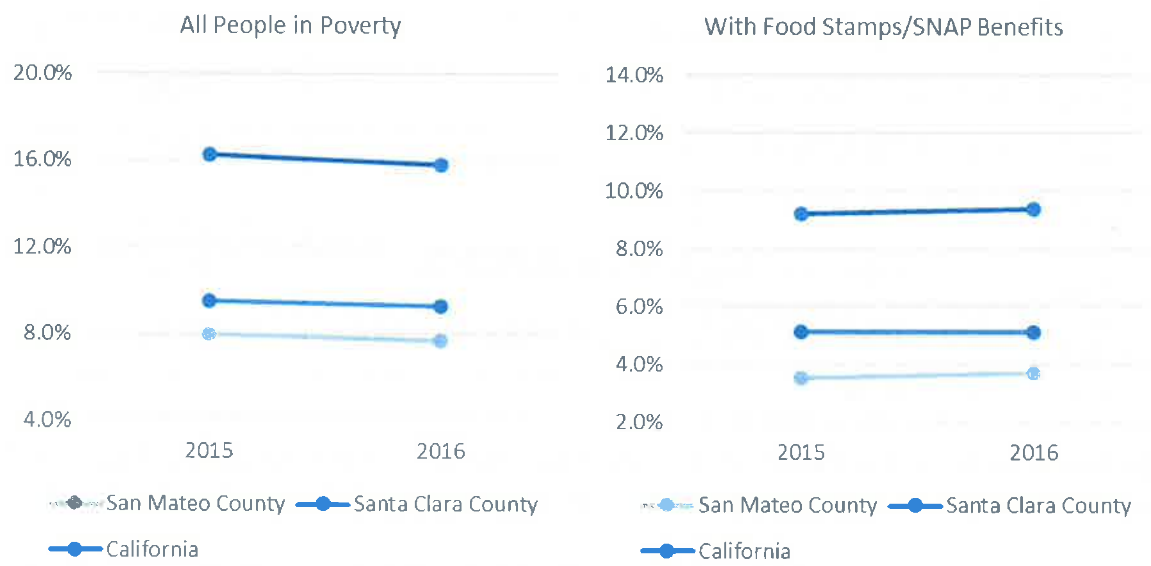
FFIEC data based on estimates.

As displayed, the assessment area's MFI is lower than one of the MSA's and two of the counties of which it is comprised, but higher than one of the counties, one MSA, and state as a whole.

As depicted in Exhibit 7, from 2015 to 2016, the percentage of people living below the poverty level and the percentage of households on food stamps in the assessment area generally remained stagnant. While these rates remain lower than statewide averages, many households in the assessment area live in liquid asset poverty. Liquid asset poverty is a measure of the liquid savings households hold to cover basic expenses for three months if they experienced a sudden job loss, a medical emergency or another financial crisis leading to a loss of stable income. Thirty percent of all households in San Francisco County are liquid asset poor, 26.0 percent in San Mateo County and 27.0 percent in Santa Clara County.[37] Those most likely to be liquid asset poor and financially vulnerable are households of color, low-income households and those with less than a college degree.[38] In addition, poverty in California is even higher when factoring in key family needs and resources. According to the California Poverty Measure, which accounts for the cost of living and a range of family needs and resources, including social safety net benefits, the poverty rate in San Francisco County is 20.7 percent, 16.6 percent in San Mateo and 16.2 percent in Santa Clara County.[39]

37 Prosperity Now, Scorecard, San Francisco, San Mateo, Santa Clara Counties; available from: https://scorecard.prosperitynow.org/data-by-location
38 Ibid.
39 Public Policy Institute of California, Poverty in California, October 2017; available from: www.ppic.org/wp-content/uploads/JTF_PovertyJTF.pdf

Exhibit 7
Poverty and Food Stamp Usage Rates[40]
2015-2016

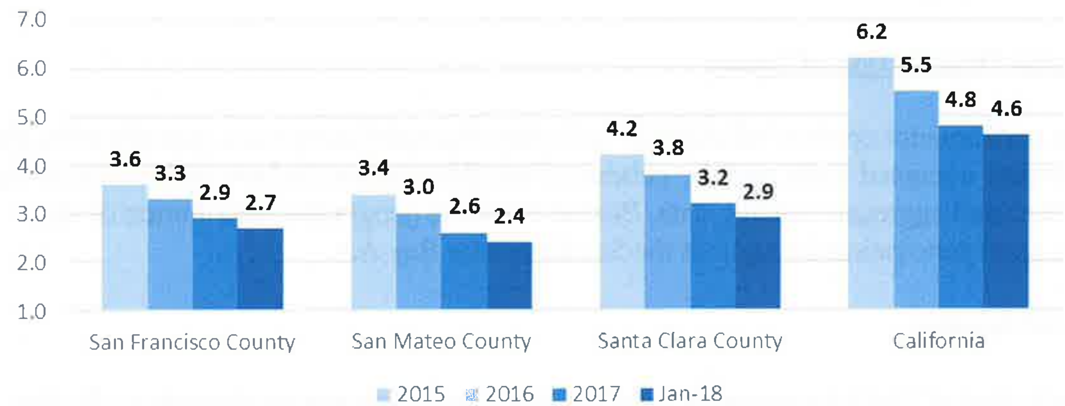


Employment Statistics

As depicted in Exhibit 8, the unemployment rate in all three counties has consistently been lower than the statewide rate. As of January 2018, all three counties had unemployment rates that were less than 3.0 percent, which is similar to most Bay Area counties as the region leads California in lowest unemployment rates.

40 U.S. Census Bureau, American Community Survey, 5-Year Estimates, DP03, 2015-2016; available from: http://factfinder2.census.gov.

Exhibit 8
Unemployment Rate[41]
2015-2018



Community Contact

As previously discussed, lending levels to small businesses remain below pre-recession rates although there are signs of improvement. Similar to the Greater Los Angeles AA, two community representatives indicated that there is a considerable variation in the credit needs of small businesses, including microloans, working-capital loans and lines of credit in the San Francisco Bay AA. There is also a need for affordable housing solutions. High housing costs and low rental affordability and availability highlight a need for products and services that support access to affordable housing.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN SAN FRANCISCO BAY AA

LENDING TEST

The geographic distribution of loans reflects a good penetration throughout the assessment area. In addition, the distribution of borrowers of different income levels and businesses of different revenue sizes together reflects good penetration among borrowers. In addition, the bank makes a relatively high of level of community development loans.

41 U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: http://data.bls.gov/cgi-bin/dsrv?la.

During the review period, the bank reported 249 HMDA loans and 139 small business loans in the San Francisco Bay AA. In light of this volume, the evaluation focusses more heavily on the performance of HMDA lending than small business lending. The San Francisco Bay AA contains 16.5 percent of the bank's total HMDA lending and 24.1 percent of its total small business lending by number of loans.

Geographic Distribution of Loans

Based on performance context information including unemployment rates, poverty rates, the level of owner-occupied units, and the volume of small businesses in low- and moderate-income census tracts and aggregate lending data, Boston Private's geographic distribution of loans reflects a good penetration throughout the San Francisco Bay AA.

Residential Lending

The distribution of HMDA-reportable loans reflects a good penetration throughout the San Francisco Bay AA.

The following table provides a comparison of the bank's lending by census tract income level to the aggregate lending data and demographics of the assessment area.

Table 27

San Francisco - Geographic Distribution of HMDA Loans														
PRODUCT TYPE	Tract Income Levels	Owner Occupied Units	Bank & Aggregate Lending Comparison											
			2015						2016					
			Count			Dollar			Count			Dollar		
			Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg
		%	#	%	%	$ (000s)	$ %	$ %	#	%	%	$ (000s)	$ %	$ %
HOME PURCHASE	Low	3.9%	11	18.3%	6.2%	$2,195	4.6%	4.5%	24	38.1%	6.6%	$4,780	12.0%	4.3%
	Moderate	15.4%	8	13.3%	18.6%	$1,907	4.0%	13.3%	8	12.7%	18.6%	$2,918	7.3%	13.5%
	Middle	40.7%	14	23.3%	41.4%	$11,796	24.7%	35.6%	15	23.8%	41.7%	$10,083	25.4%	36.2%
	Upper	40.0%	27	45.0%	33.8%	$31,802	66.7%	46.5%	16	25.4%	33.2%	$21,922	55.2%	45.9%
	Unknown	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*100.0%*	*60*	*100.0%*	*100.0%*	*$47,700*	*100.0%*	*100.0%*	*63*	*100.0%*	*100.0%*	*$39,703*	*100.0%*	*100.0%*
REFINANCE	Low	3.9%	0	0.0%	4.3%	$0	0.0%	3.1%	1	2.2%	4.2%	$205	0.4%	3.2%
	Moderate	15.4%	6	14.6%	15.9%	$3,704	9.5%	11.8%	1	2.2%	16.4%	$684	1.2%	12.3%
	Middle	40.7%	9	22.0%	41.0%	$5,367	13.7%	35.5%	6	13.3%	41.4%	$5,850	10.6%	36.0%
	Upper	40.0%	26	63.4%	38.9%	$30,034	76.8%	49.6%	37	82.2%	38.0%	$48,518	87.8%	48.5%
	Unknown	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*100.0%*	*41*	*100.0%*	*100.0%*	*$39,105*	*100.0%*	*100.0%*	*45*	*100.0%*	*100.0%*	*$55,257*	*100.0%*	*100.0%*
HOME IMPROVEMENT	Low	3.9%	0	0.0%	4.6%	$0	0.0%	3.1%	2	11.1%	3.8%	$1,280	7.2%	2.8%
	Moderate	15.4%	0	0.0%	15.1%	$0	0.0%	10.0%	0	0.0%	14.5%	$0	0.0%	9.8%
	Middle	40.7%	4	30.8%	38.7%	$3,830	24.3%	30.5%	3	16.7%	39.7%	$1,680	9.5%	31.7%
	Upper	40.0%	9	69.2%	41.6%	$11,955	75.7%	56.4%	13	72.2%	42.0%	$14,716	83.3%	55.6%
	Unknown	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*100.0%*	*13*	*100.0%*	*100.0%*	*$15,785*	*100.0%*	*100.0%*	*18*	*100.0%*	*100.0%*	*$17,676*	*100.0%*	*100.0%*
MULTI FAMILY	Low	20.2%	1	20.0%	19.2%	$1,800	28.7%	21.4%	2	50.0%	18.8%	$6,300	66.7%	18.3%
	Moderate	20.4%	2	40.0%	21.8%	$1,710	27.3%	23.1%	2	50.0%	20.8%	$3,150	33.3%	18.5%
	Middle	33.5%	1	20.0%	31.7%	$360	5.7%	30.9%	0	0.0%	32.5%	$0	0.0%	40.0%
	Upper	25.8%	1	20.0%	27.3%	$2,400	38.3%	24.7%	0	0.0%	27.9%	$0	0.0%	23.3%
	Unknown	0.1%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*0.0%*	*5*	*100.0%*	*100.0%*	*$6,270*	*100.0%*	*100.0%*	*4*	*100.0%*	*100.0%*	*$9,450*	*100.0%*	*100.0%*
HMDA TOTALS	Low	3.9%	12	10.1%	5.0%	$3,995	3.7%	4.9%	29	22.3%	4.9%	$12,565	10.3%	4.5%
	Moderate	15.4%	16	13.4%	16.7%	$7,321	6.7%	13.1%	11	8.5%	16.9%	$6,752	5.5%	13.0%
	Middle	40.7%	28	23.5%	40.9%	$21,353	19.6%	35.0%	24	18.5%	41.3%	$17,613	14.4%	36.1%
	Upper	40.0%	63	52.9%	37.5%	$76,191	70.0%	47.0%	66	50.8%	36.9%	$85,156	69.8%	46.3%
	Unknown	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*100.0%*	*119*	*100.0%*	*100.0%*	*$108,860*	*100.0%*	*100.0%*	*130*	*100.0%*	*100.0%*	*$122,086*	*100.0%*	*100.0%*

2010 U.S. Census, 2015 and 2016 Aggregate HMDA Data, 2015 and 2016 HMDA LARs.
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

In 2015 and 2016, approximately 3.9 percent of owner-occupied housing units were located in low-income tracts, and 15.4 percent were in moderate-income tracts. The bank extended 12 home mortgage loans or 10.1 percent in low-income census tracts in 2015, exceeding the aggregate's percentage as well as the percentage of owner occupied housing units located in those tracts. In terms of lending within moderate-income census tracts, the bank extended 16 loans or 13.4 percent in moderate-income census tracts in 2015; this was below the aggregate's percentage of 16.7 percent and owner-occupied units at 15.4. Lending within middle-income census tracts was below the aggregate and owner-occupied units, while lending to upper-income individuals exceeded the aggregate and owner-occupied units' percentages.

In 2016, the bank extended a high percentage of loans within the assessment area's low-income census tracts, vastly exceeding the aggregate's percentage as well as the percentage of owner occupied units in those tracts. Similar to 2015, the bank was below the aggregate and owner-occupied units in lending in moderate- and middle-income census tracts but above in upper-income census tracts.

As noted earlier, areas within the San Francisco Bay AA experienced significant increases in home prices and rent. As a result, housing is more unaffordable to low- and moderate-income households. However, the bank's performance in low-income tracts was good.

HMDA-reportable loans increased slightly between 2015 and 2016 by 9.2 percent. By loan category, home purchase lending represented 50.4 percent and 48.5 percent of all mortgage loans in 2015 and 2016, respectively, and refinance lending represented 34.5 percent and 34.6 percent, respectively. Further, home improvement lending represented 10.9 percent and 13.9 percent, respectively; multi-family lending represented 4.2 percent and 3.0 percent of the bank's lending in 2015 and 2016, respectively.

As presented in Table 27, the bank's originations of home purchase and home refinancing loans constitute the majority of its lending. In 2015, Boston Private exceeded the aggregate and demographics in originating home purchase loans in low- and upper-income tracts, but lagged the comparators in moderate- and middle-income tracts. In 2016, the bank exceeded the aggregate and demographics in low-income tracts with respect to home purchases. In both years, the bank exceeded the comparators within upper-income tracts with respect to refinances. In 2015, the bank lagged the aggregate and demographics in originations of home improvement loans except in upper-income tracts. In 2016, the bank's home improvement loans lagged the aggregate and demographics in moderate- and middle-income tracts and exceeded the aggregate and demographics within low- and upper-income tracks. Multifamily originations were nominal and were not analyzed.

Due to the changes in the census data, low-income census tracts decreased within the assessment area from 76 tracts to 72 low-income census tracts. Moderate-income census tracts decreased from 143 to 141. Middle-income census tracts decreased from 270 to 246, while upper-income census tracts increased from 232 to 256. Unknown tracts increased from 6 to 12. The 2017 trend data shows the bank originated 2 home mortgage loans, or 1.8 percent, in low-income tracts, which was substantially lower than in 2016; and 21 home mortgage loans, or 18.6 percent, in moderate-income tracts, which was substantially higher than in 2016. Please see Appendix B for the distribution of HMDA loans in 2017 and the Combined Demographic Report.

Small Business Lending

Boston Private's geographic distribution of small business loans in the assessment area is good. Table 28 represents the distribution of small business loans by census tract income level. Weighing most heavily in the consideration of this area is the bank's penetration of small business lending in low-income tracts. In 2015, the bank originated 15.5 percent of its loans to businesses in low-income census tracts, which exceeded both the aggregate (10.4 percent) and total businesses by tract (11.3 percent). In 2016, the bank originated 17.6 percent of the loans to businesses in low-income census tracts, which significantly exceeded the aggregate (9.6 percent) and slightly above total businesses (11.3 percent).

In census tracts of other income levels, performance was considered to be within reasonable tolerances with the aggregate data. In 2015 and 2016, the bank originated 16.9 percent and 13.2 percent of its loans, respectively, in moderate-income tracts. The bank lagged the aggregate (17.3 percent) but exceeded total businesses (16.1 percent) in 2015. The bank lacked both the aggregate and total businesses in 2016 in these income tracts. Nonetheless, the bank's performance is considered good overall. .

The majority of the bank's small business loans were originated in upper-income tracts, as displayed in Table 28 for 2015 and 2016 where the majority of small businesses reside. The bank lagged the aggregate and small businesses within middle-income tracts in 2015, and slightly exceeded both comparators in 2016. The percentage of loans originated in upper-income tracts was slightly above the aggregate but slightly below the percentage of small businesses in 2015. Originations in 2016 were below aggregate and small businesses.

Table 28

Sam Francisco - Geographic Distribution of Small Business Loans														
Tract Income Levels	Small Businesses	Bank & Aggregate Lending Comparison												
		2015						2016						
		Count			Dollar			Count			Dollar			
		Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	%	#	%	%	$ 000s	$ %	$ %	#	%	%	$ 000s	$ %	$ %	
Low	11.3%	11	15.5%	10.4%	$6,559	23.1%	13.1%	12	17.6%	9.6%	$7,800	26.4%	12.8%	
Moderate	16.1%	12	16.9%	17.3%	$5,042	17.8%	18.6%	9	13.2%	17.2%	$3,700	12.5%	17.4%	
Middle	34.0%	22	31.0%	35.7%	$8,708	30.7%	31.3%	25	36.8%	36.4%	$11,225	38.0%	32.4%	
Upper	38.6%	26	36.6%	35.6%	$8,070	28.4%	36.1%	22	32.4%	35.3%	$6,839	23.1%	36.2%	
Unknown	0.1%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%	
Tr Unknown		0	0.0%	0.9%	$0	0.0%	0.8%	0	0.0%	1.5%	$0	0.0%	1.2%	
Total	*100.0%*	*71*	*100.0%*	*100.0%*	*$28,379*	*100.0%*	*100.0%*	*68*	*100.0%*	*100.0%*	*$29,564*	*100.0%*	*100.0%*	

D&B 2015&2016 Aggregate CRA Data, 2015 and 2016 Small Business Loan Registers
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

For 2017, the bank originated 13 small business loans, or 27.1 percent, in low-income tracts and 5 small business loans, or 10.4 percent, in moderate-income tracts. These numbers are slightly below the 2016 loans at 21 to both income tracts. Please see Appendix B for the distribution loans in 2017 and the Combined Demographic Report.

Gap Analysis

Overall, there were some conspicuous gaps in lending as areas of low or no penetration were noted. Similar to the other assessment areas; however, both the geographic expanse of the geographic area relative to the size of the bank's presence as well as its business model were considered. The bank originated residential loans and small businesses within 10 or 13.2 percent of its low-income tracts (76) and 13 or 9.1 percent within the moderate-income tracts (143) in the assessment area. It is noted that only 3.9 percent and 15.4 percent of owner-occupied units are, respectively, located in the low- and moderate-income tracts in the assessment area. In addition, 70.2 percent and 53.2 percent of the units are rentals within low- and moderate-income tracts, respectively. Similarly, only 11.3 percent and 16.1 percent of small businesses are, respectively, located in low- and moderate-income tracts. Therefore, opportunity for lending in these tracts is limited.

Borrower Distribution of Loans

The distribution of borrowers reflects an excellent penetration among retail customers of different income levels including low- and moderate-income individuals and adequate penetration among business customers of different sizes when compared to aggregate performance and area demographics. While a reasonable penetration of individuals and businesses of all income levels and sizes is desirable under this criterion, a bank's ability to penetrate low- and moderate-income individuals and smaller businesses is consistent with stronger performance under the CRA by granting credit to an often underserved population.

Residential Lending

Overall, the distribution of loans reflects excellent penetration among retail customers of different income levels, including low- and moderate-income levels.

Table 29 provides a comparison of the bank's lending by income level of the borrower to the income distribution of families in the assessment area and peer data. The table further outlines the bank's performance by loan type in comparison to the aggregate group.

Table 29

Sans Francisco - Borrower Distribution of HMDA Loans														
PRODUCT TYPE	Borrower Income Levels	Families by Family Income	Bank & Aggregate Lending Comparison											
			2015						2016					
			Count			Dollar			Count			Dollar		
			Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg
		%	#	%	%	$(000s)	$ %	$ %	#	%	%	$(000s)	$ %	$ %
HOME PURCHASE	Low	23.5%	5	8.3%	0.8%	$514	1.1%	0.3%	5	7.9%	0.9%	$835	2.1%	0.3%
	Moderate	16.2%	16	26.7%	4.8%	$3,192	6.7%	2.0%	25	39.7%	5.2%	$5,498	13.8%	2.1%
	Middle	18.8%	4	6.7%	14.6%	$1,123	2.4%	9.2%	7	11.1%	14.5%	$2,328	5.9%	8.9%
	Upper	41.4%	34	56.7%	66.8%	$41,771	87.6%	76.9%	25	39.7%	71.0%	$30,040	75.7%	79.9%
	Unknown	0.0%	1	1.7%	13.1%	$1,100	2.3%	11.6%	1	1.6%	8.5%	$1,002	2.5%	8.9%
	Total	*100.0%*	*60*	*100.0%*	*100.0%*	*$47,700*	*100.0%*	*100.0%*	*63*	*100.0%*	*100.0%*	*$39,703*	*100.0%*	*100.0%*
REFINANCE	Low	23.5%	1	2.4%	2.8%	$160	0.4%	1.1%	0	0.0%	2.5%	$0	0.0%	1.2%
	Moderate	16.2%	0	0.0%	8.4%	$0	0.0%	4.6%	1	2.2%	8.9%	$233	0.4%	5.0%
	Middle	18.8%	4	9.8%	17.6%	$1,855	4.7%	12.8%	2	4.4%	18.5%	$650	1.2%	13.5%
	Upper	41.4%	36	87.8%	58.0%	$37,090	94.8%	68.3%	42	93.3%	60.9%	$54,374	98.4%	70.7%
	Unknown	0.0%	0	0.0%	13.3%	$0	0.0%	13.2%	0	0.0%	9.2%	$0	0.0%	9.7%
	Total	*100.0%*	*41*	*100.0%*	*100.0%*	*$39,105*	*100.0%*	*100.0%*	*45*	*100.0%*	*100.0%*	*$55,257*	*100.0%*	*100.0%*
HOME IMPROVEMENT	Low	23.5%	0	0.0%	3.6%	$0	0.0%	1.1%	0	0.0%	4.0%	$0	0.0%	1.5%
	Moderate	16.2%	0	0.0%	10.5%	$0	0.0%	5.1%	0	0.0%	10.0%	$0	0.0%	4.9%
	Middle	18.8%	0	0.0%	17.6%	$0	0.0%	11.3%	2	11.1%	18.9%	$1,100	6.2%	12.6%
	Upper	41.4%	13	100.0%	62.3%	$15,785	100.0%	75.5%	16	88.9%	64.2%	$16,576	93.8%	76.3%
	Unknown	0.0%	0	0.0%	6.1%	$0	0.0%	6.9%	0	0.0%	2.9%	$0	0.0%	4.7%
	Total	*100.0%*	*13*	*100.0%*	*100.0%*	*$15,785*	*100.0%*	*100.0%*	*18*	*100.0%*	*100.0%*	*$17,676*	*100.0%*	*100.0%*
MULTI FAMILY	Low	23.5%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Moderate	16.2%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Middle	18.8%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Upper	41.4%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Unknown	0.0%	5	100.0%	100.0%	$6,270	100.0%	100.0%	4	100.0%	100.0%	$9,450	100.0%	100.0%
	Total	*100.0%*	*5*	*100.0%*	*100.0%*	*$6,270*	*100.0%*	*100.0%*	*4*	*100.0%*	*100.0%*	*$9,450*	*100.0%*	*100.0%*
HMDA TOTALS	Low	23.5%	6	5.0%	2.2%	$674	0.6%	0.8%	5	3.8%	2.2%	$835	0.7%	0.9%
	Moderate	16.2%	16	13.4%	7.4%	$3,192	2.9%	3.5%	26	20.0%	8.0%	$5,731	4.7%	3.8%
	Middle	18.8%	8	6.7%	16.5%	$2,978	2.7%	10.6%	11	8.5%	17.3%	$4,078	3.3%	11.2%
	Upper	41.4%	83	69.7%	60.0%	$94,646	86.9%	66.3%	83	63.8%	62.9%	$100,990	82.7%	68.8%
	Unknown	0.0%	6	5.0%	13.9%	$7,370	6.8%	18.8%	5	3.8%	9.6%	$10,452	8.6%	15.4%
	Total	*100.0%*	*119*	*100.0%*	*100.0%*	*$108,860*	*100.0%*	*100.0%*	*130*	*100.0%*	*100.0%*	*$122,086*	*100.0%*	*100.0%*

2010 U.S. Census, 2015 and 2016 Aggregate HMDA Data, 2015 and 2016 HMDA LARs.
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

As displayed in Table 29, the bank extended 6 home mortgage loans to low-income borrowers in 2015, 5 of which notably were home purchase loans. The bank outperformed the 2015 aggregate, which extended just 2.2 percent of loans to low-income borrowers. While the bank's percentage was below demographic indicators, 23.5 percent of assessment area families are low-income, it is not expected the bank would match the percentage of low-income families. Low-income families in the assessment make under $78,325, while the median home value in the area is $735,419 based on the 2010 ACS data. Further, 6.0 percent of families have incomes below the poverty level making home ownership difficult. The bank also exceeded the aggregate in extending home mortgage loans to moderate-income borrowers. In 2015, the bank extended 16 loans or 13.4 percent of loans to moderate-income borrowers while just 7.4 percent of the 2015 aggregate loans were extended to borrowers in this income category. In 2016, the bank exceeded the aggregate in the low-income category at 3.8 percent to 2.2 percent. The bank's lending to moderate-income borrowers at 20.0 percent substantially exceeded the aggregate at 8.0 percent and above the moderate-income demographics.

The bank's business model has affected performance whereby levels of lending to upper-income borrowers are higher than other categories. However, the bank still penetrated each income category and extended credit at levels exceeding the aggregate to low- and moderate-income borrowers. The bank extended 6.7 percent of loans to middle-income borrowers in 2015, below both aggregate and demographic indicators. The bank's 2016 home mortgage lending within this bracket (8.5 percent) was also lower than aggregate and demographic indicators. Lending to upper income borrowers, conversely, was above demographic indictors in 2015, with 69.7 percent of loans made to borrowers in this category as compared to 41.4 percent of families and 60.0 percent of the aggregate loans. The bank's 2016 lending is more in line with the aggregate's performance, with 63.8 percent of bank loans made to upper-income borrowers, as compared to 62.9 percent of aggregate loans made to upper-income borrowers. The bank's lending to borrowers for whom incomes where unknown was lower than the aggregate's percentages in both years.

In terms of lending across product categories, the vast majority of loans to low-income borrowers were for the purpose of home purchase, five of the six in 2015 and all five in 2016. The vast majority of lending to moderate-income borrowers was also for the purpose of home purchase. As shown, the majority refinance loans were made to upper-income borrowers. The aggregate also achieved lower percentages in terms of refinance loans to low- and moderate-income borrowers in both years, particularly to low-income borrowers, indicating a lack of demand. As stated, the bank offers a variety of products aimed at making home ownership more attainable for low- and moderate-income borrowers. Low- and moderate-income borrowers are generally eligible for such programs that offer lower rates and advantages terms, thus low- and moderate-income borrowers could realize less benefit from refinancing these loans. Similarly, there was less activity under home improvement lending for borrowers in these product categories. While the bank's home improvement lending was below demographic indicators in terms of low- and moderate-income families, it is important to note that just 50.1 percent of housing units in the assessment area are owner occupied and home improvement loans are generally extended to home owners. Due to HMDA reporting requirements and given that multifamily loans are typically extended to legal entities rather than individuals, incomes for these borrowers were unavailable.

The 2017 data was used for trend purposes, as aggregate data was not available at the time of this evaluation. The bank extended 0.9 percent and 12.4 percent, respectively, of HMDA loans by number to low- and moderate-income borrowers. In addition, it should be noted that the bank's total loans extended in 2017 decreased overall from 130 in 2016 113 in 2017 as did lending to low- and moderate-income borrowers from 31 to 15. Please see Appendix B for the distribution of HMDA loans for San Francisco 2017 AA in 2017 and the Combined Demographic Report.

As discussed, the bank offers several flexible loan programs to assist low- and moderate-income individuals and families to effectively attain and sustain homeownership. In addition to those available in all assessment areas, the following programs are specific to cities and towns within the San Francisco Bay AA: Special Municipal and Related Programs, Mayor's Office of Housing and Community Development - Downpayment Assistance Loan Program (BMR DALP) and Teacher Next Door Program (TND), and the San Mateo BMR Downpayment Assistance Program.

These flexible programs offered through the bank contributed to the ability of low- and moderate income borrowers in qualifying for or obtaining home mortgage loans. Refer to Appendix C for more details.

Small Business Lending

Table 30 compares the bank's lending to the aggregate data and small businesses according to revenue size. Overall, the bank's small business loan distribution by revenue size is adequate. It should be noted that aggregate data is not available for businesses with revenues over $1 million or with unknown revenues as this information is not reported.

In the assessment area, 90.0 percent of small businesses reported annual revenues of less than $1 million. While the bank's percentage of small business lending lagged this figure, the bank's small business lending is also compared to an aggregate group of lenders, as this is a better indicator of loan demand in the assessment area. The bank's distribution of loans to small businesses by revenue size also lags the aggregate by number in 2015 and 2016. The bank originated 28.2 percent of loans by number and 20.4 percent by dollar to small businesses, compared to the aggregate with 50.1 percent by number and 34.4 percent by dollar amount in 2015. Of the loans the bank made to small businesses, 22.5 percent were made in amounts less than or equal to $100,000, which is considered the most impactful loan size to small businesses and indicates the bank makes loans accessible to small businesses. This falls well below the aggregate lenders, who originated 95.8 percent in amounts less than or equal to $100,000.

In 2016, the bank originated 22.1 percent of loans by number and 13.6 percent by dollar amount to small businesses, compared to the aggregate with 38.4 percent by number and 30.2 percent by dollar amount. Of the loans the bank made to small businesses, 23.5 percent were made in amounts less than or equal to $100,000 indicating the bank makes loans accessible to small businesses. This falls well below the aggregate lenders, who originated 96.8 percent in amounts less than or equal to $100,000. Both the bank and aggregate lenders were below the 90.9 percent of the assessment area's businesses that report income of $1 million or less, indicating opportunities to either lend or lack of loan demand.

While the aggregate exceeded the bank by business revenue and loan size in 2015 and 2016, the bank substantially exceeded the aggregate for loans over $100,000 to $1 million or less, a range for mostly lines of credit demand. Overall, the bank is responsive to the credit needs of smaller businesses within the assessment area, as it competes with institutions that tend to originate small business loans in the form of credit cards. Because these loans tend to be much smaller than traditional small business loans, they can somewhat skew the performance of the aggregate.

The 2017 data used for trend purposes shows that the bank originated 16 or 33.3 percent small business loans to businesses with annual revenues of less or equal to $1 million. The bank's total for 2017 is at par with the 2016 total at 15 but higher, percentagewise, than 2016 at 22.1 percent. Please see Appendix B for the distribution of loans in 2017 and the Combined Demographic Report.

The bank makes use of innovative or flexible lending practices to address the credit needs of small businesses as pointed out by community contacts, including the Small Business Administration and Business Loan Express.

Table 30

San Francisco - Small Business Lending By Revenue & Loan Size															
Business Revenue & Loan Size			Total Businesses	Bank & Aggregate Lending Comparison											
				2015						2016					
				Count			Dollar			Count			Dollar		
				Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg
			%	#	%	%	$ 000s	$ %	$ %	#	%	%	$ 000s	$ %	$ %
Small Business	Revenue	$1 Million or Less	90.0%	20	28.2%	50.1%	$5,798	20.4%	34.4%	15	22.1%	38.4%	$4,010	13.6%	30.2%
		Over $1 Million	9.6%	47	66.2%					52	76.5%				
		Total Rev. available	99.6%	67	94.4%					67	98.6%				
		Rev. Not Known	0.4%	4	5.6%					1	1.5%				
		Total	*100.0%*	*71*	*100.0%*					*68*	*100.0%*				
	Loan Size	$100,000 or Less		16	22.5%	95.8%	$1,295	4.6%	47.9%	16	23.5%	96.8%	$1,275	4.3%	55.5%
		$100,001 - $250,000		18	25.4%	2.1%	$3,574	12.6%	11.7%	16	23.5%	1.6%	$3,450	11.7%	10.0%
		$250,001 - $1 Million		37	52.1%	2.2%	$23,510	82.8%	40.4%	36	52.9%	1.6%	$24,839	84.0%	34.5%
		Total		*71*	*100.0%*	*100.0%*	*$28,379*	*100.0%*	*100.0%*	*68*	*100.0%*	*100.0%*	*$29,564*	*100.0%*	*100.0%*

D&B 2015 and 2016 Aggregate CRA Data, 2015 and 2016 Small Business Loan Registers
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

Community Development Lending

The bank is a leader in making community development loans, considering the needs and opportunities in the community and the economic environment in which the bank was operating during the review period considered. Boston Private originated 51 community development loans, totaling $142.5 million in the San Francisco assessment area. The majority of these loans are related to affordable housing provided by government agencies and non-profits in connection with housing developments within the assessment area. Affordable housing was identified by the community contacts as in high need. Loans related to economic development, revitalization, and community services were also provided to non-profit organizations. In addition, 14 community development loans, totaling $10.7 million, were originated for projects within a broader regional area.

Table 31 details the community development loans by category within the San Francisco Bay AA.

Table 31

San Francisco - Qualified Community Development Loans										
Type	2014		2015		2016		2017		Total	
	#	$	#	$	#	$	#	$	#	$
Affordable Housing	0	-	12	15,172,734	9	13,003,593	6	26,735,000	27	54,911,327
Economic Development	1	6,000,000	6	40,000,000	3	14,559,033	5	8,805,000	15	69,364,033
Community Services	1	55,000	2	700,000	1	2,000,000	1	400,000	5	3,155,000
Revitalize & Stabilize	0	-	2	12,350,000	1	600,000	1	2,080,000	4	15,030,000
Total	**2**	**6,055,000**	**22**	**68,222,734**	**14**	**30,162,626**	**13**	**38,020,000**	**51**	**142,460,360**

Source: Bank data

A sample of the bank's community development lending activity within the assessment area during the review period is provided below:

- A $5,000,000 participation loan to finance an innovative development that will create 135 units of affordable housing for formerly homeless individuals and families. The project will be the largest permanent supportive housing project and one of the first major projects dedicated to formerly homeless of its kind in the city of San Jose's history. This project is the first of the city of San Jose's Homeless Initiative, funded by the recent passage of Measure A, a bond measure that taxpayers supported in favor of affordable housing.

- A $12,000,000 term loan to refinance and pay off debt associated with recent renovations to a 102 single room occupancy (SRO) mixed-use property located in the Tenderloin area of San Francisco, a low-income neighborhood at high risk for gentrification. The project is part of the affordable SRO inventory under the City of San Francisco's Master Lease Program, in which the city contracts with nonprofit providers that lease and manage privately-owned residential SRO hotels.

- A $2,080,000 term loan to a nonprofit organization in San Francisco whose mission includes neighborhood revitalization initiatives focused on the Mission District neighborhoods where it is based. This loan is to finance the acquisition of an 8-unit apartment building to house low- and moderate-income individuals. The loan is made in conjunction with a soft-second, subordinate loan from the San Francisco Mayor's Office of Housing & Community Development Small Sites Program. The bank was one of the first lenders to partner with the city to implement this program designed to respond to the displacement of low- income households.

- An $8,000,000 New Markets Tax Credit leverage construction-to-permanent loan for a retail plaza in East Oakland, CA, resulting in 54 full-time permanent jobs and 52 full-time construction jobs in a distressed low-income and majority minority census tract that lacks basic services. Additionally, this project is a high priority for the city of Oakland because this neglected neighborhood had not benefitted from a development of this magnitude for over 30 years, has a higher unemployment rate and has experienced less capital investment than many other neighborhoods in the city and surrounding communities. The bank is the senior lender, with Oakland providing cost-free occupancy of the city-owned land.

INVESTMENT TEST

The bank's performance under the Investment Test for the San Francisco Bay AA is excellent. The bank made an excellent level of qualified community development investments and grants, particularly those not routinely provided by private investors. The bank makes extensive use of innovative and/or complex investments to support community development initiatives. Additionally, the bank exhibits excellent responsiveness to credit and community development needs. New investments, including grants and donations in the San Francisco assessment area totaled $10.9 million during the review period. In addition, the bank holds $2.3 million in prior period investments on its books.

Equity Investments

During the review period the bank made 12 investments which benefited the San Francisco Bay AA. The bank invested in nine LIHTC projects and allocated $10,033,700 towards projects in this assessment area. In addition, the bank made three investments for $270,000, which supported the economic development of low-income areas in this assessment area. In addition, charitable grants and donations benefiting this assessment area totaled $599,893, bringing total qualified investments made within this assessment area during the review period to $10.9 million. Further, the bank holds $1.4 million in prior period investments outstanding.

The following exemplifies some of the innovative and complex investments made by the bank, which benefit the San Francisco Bay AA:

- The bank invested $3,000,000 in Merritt Community Capital Fund XIX. The bank previously invested a total of $5,000,000 in five Merritt Community Capital Corporation's (MCCC) LIHTC funds, participating in the financing of multiple California affordable housing developments. MCCC is a critical financing resource on which many

California affordable housing developers rely. Fund XIX provides equity to support the production and preservation of five Northern California rental housing developments affordable to low-income individuals and families, including the preservation of a 208-unit affordable housing development for seniors in Sunnyvale, located in the San Francisco AA.

- The bank invested in California Housing Opportunities Fund VI, LLC, $1,033,700 of which is allocated to this assessment area. This LIHTC fund provides vital equity capital for the production and preservation of supportive housing affordable to low- and moderate-income households in California. In the San Francisco Bay AA, the fund will invest in the new construction of 75 units of senior housing in Gilroy, with a set-aside of units for very-low-income households.

- The bank invested $10,000 with Mission Economic Development Agency (MEDA) to help capitalize a unique and innovative micro-lending program known as Adelante Fund. MEDA is a non-profit organization based in San Francisco's Mission District, a predominantly low-income, Latino neighborhood. The Adelante Fund offers loans to small business owners who receive pre- and post-loan closing technical assistance from MEDA's Business Development Program, which is offered in English and Spanish. The investment is allocated to San Francisco Bay AA.

Prior Period

As noted, consideration is given to investments that were made prior to the current examination, but are still outstanding. Factors relevant to the bank's CRA performance context, such as the effect of outstanding long-term qualified investments, the pay-in schedule, and the amount of any cash call, on the capacity of the bank to make new investments are also considered. Prior period investments total $2.8 million, and consist of investment in funds such as Merritt Community Capital Fund , which is a LIHTC fund that provides critical equity resources to support the production and preservation of rental housing affordable to low-income individuals and families in California, and the Community Development Trust (Series B). The Community Development Trust provides debt and equity capital to create and preserve affordable rental housing.

Donations

The bank extended $599,893 in qualified community development donations in this assessment area during the review period. Table 32 displays a breakout of the bank's donations based on community development purpose; however, it is noted that many of the organizations the bank contributes to have dual purposes. Further, the bank restricts most organizations benefiting from its donations to use the funds for the benefit of low- and moderate income individuals, resulting in the majority being considered as providing community development services. Following the table is a sampling of organizations which have benefited from the bank's donations.

Table 32 - San Francisco Bay Donations										
Category	**Affordable housing**		**Economic Development**		**Revitalize/ Stabilize LMI Geographies**		**Community Development Services**		**Total**	
Year	#	$	#	$	#	$	#	$	#	$
2015	13	$50,450	9	$21,035	1	$2,500	53	$126,950	76	$200,935
2016	12	$47,083	9	$21,500	1	$1,500	48	$121,650	70	$191,733
2017	17	$71,000	7	$17,700	2	$5,000	36	$113,525	62	$207,225
Total	**42**	**$168,533**	**25**	**$60,235**	**4**	**$9,000**	**137**	**$362,125**	**208**	**$599,893**

Source: Bank data

Some examples of organizations represented in Table 32 include:

- ***My New Red Shoes*** – The organization boosts the self-confidence, educational experience and quality of life of the community's homeless and low-income children by providing them with the gift of new shoes and the opportunity to shop for new school clothing.

- ***HIP Housing*** **-** HIP Housing is a non-profit organization that creates a

- ***HEART of San Mateo*** **-** HEART of San Mateo began in 2003 as a public/private partnership among the cities, the county, and the business, nonprofit, education, and labor communities to create more affordable housing opportunities for low- and moderate-income families in San Mateo County.

- ***Enterprise Community Partners, Inc.*** - The mission of this organization is to create opportunity for low- and moderate-income people through affordable housing in diverse, thriving communities.

In addition, Boston Private donated $61,694 of IOLTA account interests in the San Francisco Bay AA for charitable purposes from 2015 through 2017.

SERVICE TEST

The bank's delivery systems are accessible to essentially all portions of the assessment area, and services do not vary in a way that inconveniences particular individuals or areas. The bank provides a relatively high level of community development services.

Retail Banking Services

The bank operates seven full-service branches each equipped with an ATM. Four of the branches are located in upper-income census tracts, one in middle-income census tracts, and two in low-income census tracts. The branches in upper-income census tracts are located in Los Altos, Palo Alto, San Mateo, and Beverly Hills. The branch in the middle-income census tract is located in Burlingame. The branches in low-income tracts are located in San Francisco and San Jose. Table 33 displays the distribution of the bank's current branch network compared to the percentage of census tracts within the assessment area, as well as the percentage of total population that resides in those tracts.

Table 33
Distribution of Branch Offices by Income Category

Census Tract Income Category	Assessment Area Demographics		Bank Offices by Tract Location	
	Total Census Tracts % of #	Total Population % of #	Bank Branches #	Bank Branches %
Low	10.5	9.9	2	28.6
Moderate	19.7	21.6	0	0.0
Middle	37.1	38.3	1	14.3
Upper	31.9	30.1	4	57.1
Unknown	0.8	0.1	0	0.0
Total	100.0	100.0	7	100.0

2010 United States (U.S.) Census Data

Although the bank does not have branches in all income tracts, delivery systems are accessible to essentially all portions of the assessment area.

Services do not vary in a way that inconveniences portions of its assessment area, particularly low-income and moderate-income geographies and/or low-income and moderate-income individuals. Bank branch hours are similar in all locations, and branches are open for at least seven hours Monday through Friday. The bank offers a wide range of services for its retail, small business, and commercial customers.

The bank also provides alternative delivery systems. The bank provides, among other services, phone, internet banking, bill pay, mobile banking, bank-by-mail, remote deposit capture, and the SUM program which allows customers to access their accounts from over 7,500 SUM ATMs nationwide.

Community Development Services

Performance within this assessment area is in line with the overall performance. Volunteer hours totaled 1,851.5. It was noted, however, that within the San Francisco Bay AA the majority of services occurred in 2015, with 859 hours of employee involvement. This level of activity decreased in 2016 with qualified service hours totaling 627 and again in 2017 with service hours totaling 375.5. The decrease in service hours was attributed to staff turnover in the San Francisco Bay AA during the examination time period.

Board Involvement

Within the San Francisco Bay AA, 15 employees served on boards or committees of community development and non-profit organizations in various capacities, providing services such as fundraising, finance, and administrative support. These Boston Private officers and staff members spent approximately 1,595.5 hours providing support services on boards and committees. The following are examples of some of the positions held by bank personnel during the review period:

- ***Open Door Legal (formerly Bayview/Hunter's Point)*** – The organization provides legal services to low- and moderate-income individuals. A commercial loan officer serves on the board and finance committee of this organization.
- ***San Francisco Housing Development Corporation (SFHDC)*** - The mission of SFHDC is to foster financial stability through the development of affordable housing, the facilitation of homeownership and the economic empowerment and revitalization of Bayview Hunters Point and other neighborhoods of Southeast San Francisco. A CRA loan officer serves on the board and finance committee of this organization.
- ***Wu Yee Children's Services*** - Wu Yee Children's Service helps low-income families emerge from poverty by encouraging financial self-sufficiency and economic knowledge. A commercial loan officer serves on the board of this organization and has served on the executive and development committees.
- ***Peninsula Family Service*** – This organization seeks to empower children, families and older adults to achieve and maintain self-sufficiency and build a strong community. The majority of individuals served are low-to-moderate-income. A private banker served on the loan and finance committee during the review period.

Seminars/Workshops and Trainings

Bank staff have participated in numerous homeownership education classes and events, although not in a leadership role, as well as small business seminars and youth training events. During the review period, staff volunteered at 64 different events, for a total of 634.5 hours participating in qualified community development outreach activities.

Homebuyer Counseling
The bank's CRA residential loan officer and community investment officer regularly serve as guest speakers at first time homebuyer education workshops hosted by nonprofits within the San Francisco Bay AA. Some of these non-profits include Mission Economic Development Agency (MEDA), SFHDC, Project Sentinel and Habitat for Humanity of Greater San Francisco. During the review period, bank staff have participated in 24 homebuyer-counseling seminars with nine organizations.

Small Business
Commercial lenders have provided technical advice to small business owners on how to access bank financing and how to prepare to apply to a bank. Partnering non-profits included The Opportunity Fund, the San Mateo Public Library, and San Mateo Small Business Development Center.

Financial Education
Boston Private collaborates with some non-profit organizations and public agencies involved in low- and moderate-income communities to provide financial literacy education. Topics typically covered include basic banking, budgeting, and credit issues. The following are examples of financial literacy training that the bank provided.

- Since 2014, 14 employees have taught the Junior Achievement financial education curriculum at a Title I funded elementary school, where the majority of students attending are low-income in San Mateo.
- During 2015, bank staff and officers presented three classes of Money Smart for Older Adults, in addition to conducting two financial literacy for elder's classes.

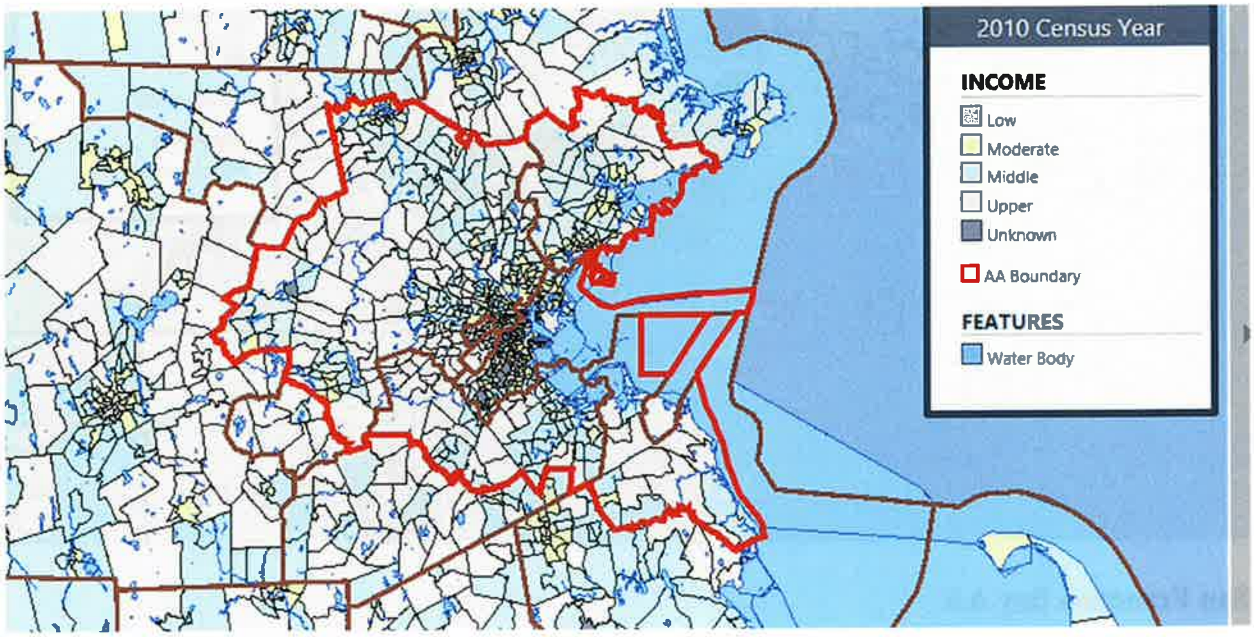
<u>Other Services</u>

Community Investment Series

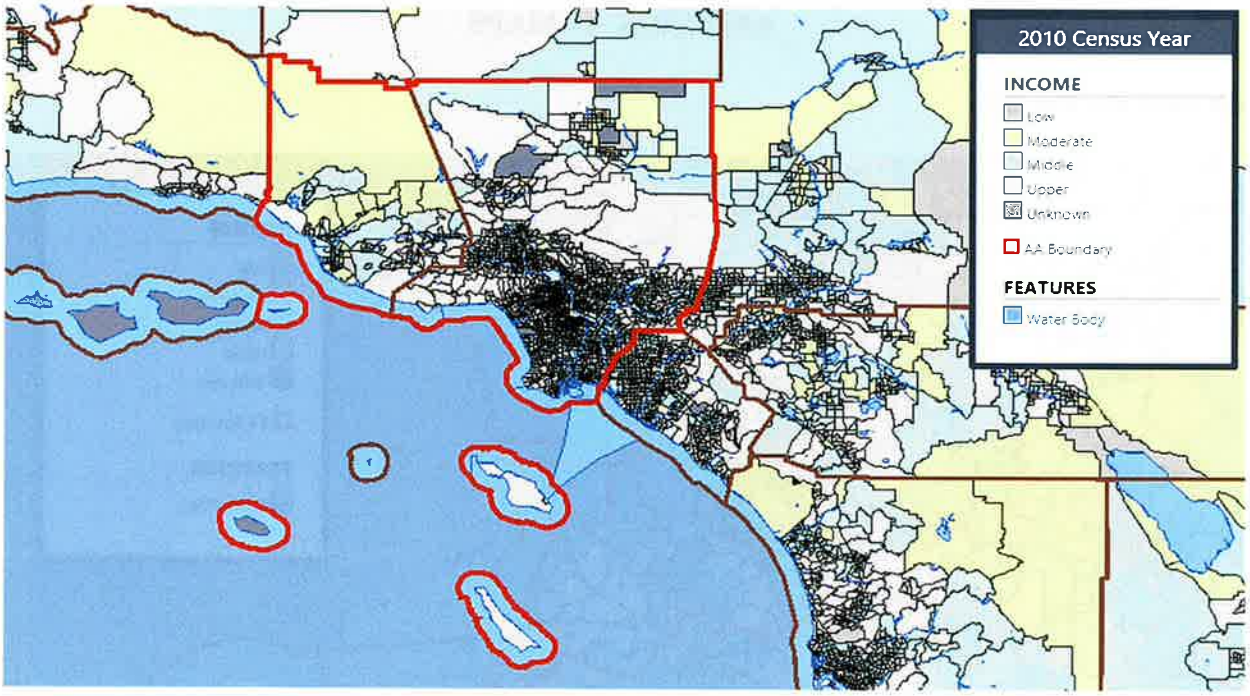
The bank hosts Community Investment Series seminars featuring speakers who are experts in their industry to enhance the ability and build capacity of nonprofit organizations that primarily serve low- and moderate-income populations throughout the San Francisco Bay AA. Topics include fraud prevention, economic overview, managing personnel in an electronic age, investment policy, planned giving, real estate readiness, strategic planning, program impact measurement, board governance, fund raising techniques for board members, interview techniques, how to start a major donor program, financing tools for community development, millennials and management, and human resource governance policy. The bank's community investment officer coordinates and facilitates these well-attended seminars that are considered a valued resource by the bank's nonprofit partners. The bank hosted eight of these events in 2015, four in 2016 and two in 2017.

APPENDIX A - MAPS

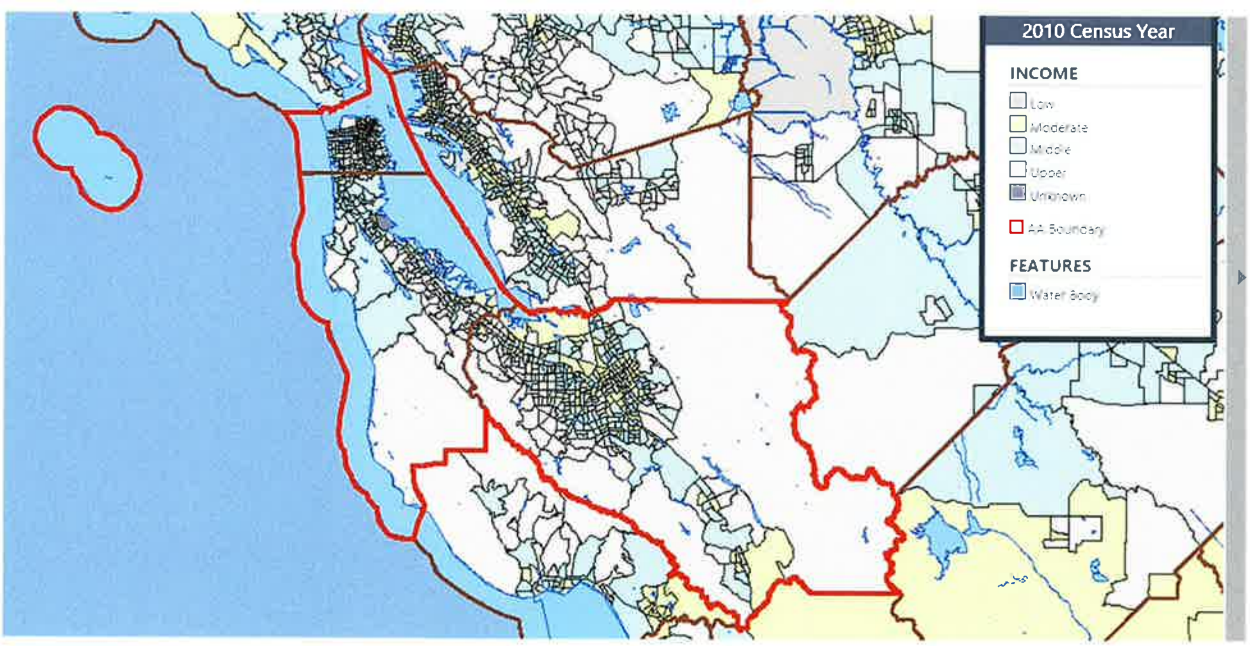
Greater Boston AA



Greater Los Angeles AA



San Francisco Bay AA



APPENDIX B
2017 Demographics and Lending Distribution

Combined Demographics Report

Assessment Area - BOSTON 2017 AA

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	84	12.4	66,799	9.4	17,725	26.5	174,882	24.6
Moderate-income	143	21.2	141,438	19.9	19,112	13.5	113,554	16.0
Middle-income	235	34.8	269,413	37.9	13,761	5.1	133,551	18.8
Upper-income	199	29.5	232,016	32.6	6,484	2.8	288,722	40.6
Unknown-income	14	2.1	1,043	0.1	163	15.6	0	0.0
Total Assessment Area	**675**	**100.0**	**710,709**	**100.0**	**57,245**	**8.1**	**710,709**	**100.0**
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	123,046	24,928	3.8	20.3	89,278	72.6	8,840	7.2
Moderate-income	274,610	101,697	15.5	37.0	154,066	56.1	18,847	6.9
Middle-income	478,181	275,293	42.0	57.6	177,108	37.0	25,780	5.4
Upper-income	378,804	252,818	38.5	66.7	104,131	27.5	21,855	5.8
Unknown-income	4,063	1,086	0.2	26.7	2,555	62.9	422	10.4
Total Assessment Area	**1,258,704**	**655,822**	**100.0**	**52.1**	**527,138**	**41.9**	**75,744**	**6.0**
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	10,869	6.9	9,559	6.8	1,250	7.4	60	6.7
Moderate-income	23,159	14.7	21,025	15.1	2,039	12.1	95	10.6
Middle-income	56,172	35.7	49,215	35.3	6,706	39.7	251	28.1
Upper-income	66,402	42.2	59,174	42.4	6,751	39.9	477	53.4
Unknown-income	763	0.5	593	0.4	159	0.9	11	1.2
Total Assessment Area	**157,365**	**100.0**	**139,566**	**100.0**	**16,905**	**100.0**	**894**	**100.0**
	Percentage of Total Businesses:			**88.7**		**10.7**		**.6**

2017 FFIEC Census Data and 2016 D&B Information

Combined Demographics Report

Assessment Area - LOS ANGELES 2017 AA

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	230	9.1	176,512	7.4	66,815	37.9	580,492	24.3
Moderate-income	724	28.7	664,059	27.8	149,728	22.5	390,798	16.4
Middle-income	644	25.6	638,246	26.8	70,202	11.0	404,830	17.0
Upper-income	868	34.4	902,231	37.8	41,568	4.6	1,008,412	42.3
Unknown-income	54	2.1	3,484	0.1	652	18.7	0	0.0
Total Assessment Area	**2,520**	**100.0**	**2,384,532**	**100.0**	**328,965**	**13.8**	**2,384,532**	**100.0**
	Housing Units by Tract	**Housing Types by Tract**						
		Owner-Occupied			**Rental**		**Vacant**	
		#	%	%	#	%	#	%
Low-income	280,312	38,844	2.3	13.9	222,444	79.4	19,024	6.8
Moderate-income	988,014	290,985	17.4	29.5	638,055	64.6	58,974	6.0
Middle-income	975,476	468,450	28.0	48.0	452,012	46.3	55,014	5.6
Upper-income	1,496,608	872,585	52.2	58.3	530,759	35.5	93,264	6.2
Unknown-income	20,207	1,624	0.1	8.0	16,280	80.6	2,303	11.4
Total Assessment Area	**3,760,617**	**1,672,488**	**100.0**	**44.5**	**1,859,550**	**49.4**	**228,579**	**6.1**
	Total Businesses by Tract		**Businesses by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	%	#	%	#	%	#	%
Low-income	23,986	4.8	21,494	4.7	2,412	5.6	80	3.8
Moderate-income	96,102	19.3	86,363	19.1	9,420	21.8	319	15.0
Middle-income	118,109	23.7	106,668	23.5	11,018	25.4	423	19.9
Upper-income	249,949	50.1	230,459	50.9	18,290	42.2	1,200	56.6
Unknown-income	10,368	2.1	8,105	1.8	2,163	5.0	100	4.7
Total Assessment Area	**498,514**	**100.0**	**453,089**	**100.0**	**43,303**	**100.0**	**2,122**	**100.0**
	Percentage of Total Businesses:			**90.9**		**8.7**		**.4**

2017 FFIEC Census Data and 2016 D&B Information

Combined Demographics Report

Assessment Area: SAN FRANCISCO 2017 AA

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	72	9.9	63,380	8.1	12,696	20.0	191,086	24.3
Moderate-income	141	19.4	148,602	18.9	14,934	10.0	122,286	15.5
Middle-income	246	33.8	283,214	36.0	13,995	4.9	143,226	18.2
Upper-income	256	35.2	289,768	36.8	8,176	2.8	330,394	42.0
Unknown-income	12	1.7	2,028	0.3	182	9.0	0	0.0
Total Assessment Area	**727**	**100.0**	**786,992**	**100.0**	**49,983**	**6.4**	**786,992**	**100.0**

	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	120,886	25,536	4.0	21.1	86,678	71.7	8,672	7.2
Moderate-income	238,185	96,516	15.2	40.5	130,848	54.9	10,821	4.5
Middle-income	458,235	230,979	36.4	50.4	205,484	44.8	21,772	4.8
Upper-income	475,579	280,713	44.2	59.0	169,018	35.5	25,848	5.4
Unknown-income	9,819	1,212	0.2	12.3	7,477	76.1	1,130	11.5
Total Assessment Area	**1,302,704**	**634,956**	**100.0**	**48.7**	**599,505**	**46.0**	**68,243**	**5.2**

	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	19,597	10.4	16,730	9.8	2,767	15.3	100	12.5
Moderate-income	29,218	15.5	25,849	15.2	3,258	18.0	111	13.9
Middle-income	58,957	31.2	53,740	31.6	5,029	27.7	188	23.5
Upper-income	79,733	42.2	72,484	42.6	6,882	37.9	367	45.9
Unknown-income	1,544	0.8	1,310	0.8	200	1.1	34	4.3
Total Assessment Area	**189,049**	**100.0**	**170,113**	**100.0**	**18,136**	**100.0**	**800**	**100.0**
	Percentage of Total Businesses:			**90.0**		**9.6**		**.4**

2017 FFIEC Census Data and 2016 D&B Information

HMDA & CRA Loan Distribution Table
Assessment Area/Group: BOSTON 2017 AA

	HMDA							
	By Tract Income				By Borrower Income			
Income Categories	#	%	$(000s)	%	#	%	$(000s)	%
Low	23	5.8%	10,501	2.8%	8	2.0%	1,227	0.3%
Moderate	44	11.1%	40,319	10.9%	46	11.6%	10,849	2.9%
Low/Moderate Total	67	16.9%	50,820	13.7%	54	13.6%	12,076	3.3%
Middle	73	18.4%	35,740	9.6%	39	9.8%	12,933	3.5%
Upper	254	64.0%	283,445	76.3%	294	74.1%	299,437	80.6%
Unknown	3	0.8%	1,478	0.4%	10	2.5%	47,037	12.7%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	397	100.0%	371,483	100.0%	397	100.0%	371,483	100.0%

	SMALL BUSINESS				SMALL FARM			
Income Categories	#	%	$(000s)	%	#	%	$(000s)	%
	By Tract Income							
Low	9	6.1%	3,010	5.4%	0	0.0%	0	0.0%
Moderate	9	6.1%	3,600	6.4%	0	0.0%	0	0.0%
Low/Moderate Total	18	12.2%	6,610	11.8%	0	0.0%	0	0.0%
Middle	34	23.0%	12,135	21.6%	0	0.0%	0	0.0%
Upper	90	60.8%	35,014	62.3%	0	0.0%	0	0.0%
Unknown	6	4.1%	2,459	4.4%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	148	100.0%	56,218	100.0%	0	0.0%	0	0.0%
	By Revenue							
Total $1 Million or Less	35	23.6%	8,286	14.7%	0	0.0%	0	0.0%
Over $1 Million	112	75.7%	47,732	84.9%	0	0.0%	0	0.0%
Not Known	1	0.7%	200	0.4%	0	0.0%	0	0.0%
Total	148	100.0%	56,218	100.0%	0	0.0%	0	0.0%
	By Loan Size							
$100,000 or less	37	25.0%	2,559	4.6%	0	0.0%	0	0.0%
$100,001 - $250,000	35	23.6%	6,773	12.0%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	76	51.4%	46,886	83.4%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	148	100.0%	56,218	100.0%	0	0.0%	0	0.0%
	By Loan Size and Revenue $1 Million or Less							
$100,000 or less	21	60.0%	1,285	15.5%	0	0.0%	0	0.0%
$100,001 - $250,000	6	17.1%	1,150	13.9%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	8	22.9%	5,851	70.6%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	35	100.0%	8,286	100.0%	0	0.0%	0	0.0%

*Information based on 2015 ACS data

HMDA & CRA Loan Distribution Table Assessment Area/Group: LOS ANGELES 2017 AA								
	HMDA							
	By Tract Income				By Borrower Income			
Income Categories	#	%	$(000s)	%	#	%	$(000s)	%
Low	13	6.1%	25,758	11.3%	3	1.4%	309	0.1%
Moderate	45	21.0%	28,879	12.6%	27	12.6%	3,265	1.4%
Low/Moderate Total	58	27.1%	54,637	23.9%	30	14.0%	3,574	1.6%
Middle	30	14.0%	12,416	5.4%	35	16.4%	6,376	2.8%
Upper	123	57.5%	158,295	69.3%	143	66.8%	170,587	74.7%
Unknown	3	1.4%	3,139	1.4%	6	2.8%	47,950	21.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	214	100.0%	228,487	100.0%	214	100.0%	228,487	100.0%
	SMALL BUSINESS				SMALL FARM			
Income Categories	#	%	$(000s)	%	#	%	$(000s)	%
	By Tract Income							
Low	4	5.6%	886	4.2%	0	0.0%	0	0.0%
Moderate	17	23.6%	4,897	23.4%	0	0.0%	0	0.0%
Low/Moderate Total	21	29.2%	5,783	27.7%	0	0.0%	0	0.0%
Middle	12	16.7%	4,184	20.0%	0	0.0%	0	0.0%
Upper	39	54.2%	10,935	52.3%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	72	100.0%	20,902	100.0%	0	0.0%	0	0.0%
	By Revenue							
Total $1 Million or Less	27	37.5%	6,548	31.3%	0	0.0%	0	0.0%
Over $1 Million	45	62.5%	14,354	68.7%	0	0.0%	0	0.0%
Not Known	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	72	100.0%	20,902	100.0%	0	0.0%	0	0.0%
	By Loan Size							
$100,000 or less	22	30.6%	1,630	7.8%	0	0.0%	0	0.0%
$100,001 - $250,000	24	33.3%	4,486	21.5%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	26	36.1%	14,786	70.7%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	72	100.0%	20,902	100.0%	0	0.0%	0	0.0%
	By Loan Size and Revenue $1 Million or Less							
$100,000 or less	11	40.7%	720	11.0%	0	0.0%	0	0.0%
$100,001 - $250,000	11	40.7%	2,291	35.0%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	5	18.5%	3,537	54.0%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	27	100.0%	6,548	100.0%	0	0.0%	0	0.0%
*Information based on 2015 ACS data								

HMDA & CRA Loan Distribution Table Assessment Area/Group: SAN FRANCISCO 2017 AA								
	HMDA							
	By Tract Income				By Borrower Income			
Income Categories	#	%	$(000s)	%	#	%	$(000s)	%
Low	2	1.8%	595	0.5%	1	0.9%	236	0.2%
Moderate	21	18.6%	11,688	9.1%	14	12.4%	4,075	3.2%
Low/Moderate Total	23	20.4%	12,283	9.5%	15	13.3%	4,311	3.3%
Middle	36	31.9%	39,097	30.4%	13	11.5%	4,982	3.9%
Upper	54	47.8%	77,350	60.1%	80	70.8%	109,667	85.2%
Unknown	0	0.0%	0	0.0%	5	4.4%	9,770	7.6%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	113	100.0%	128,730	100.0%	113	100.0%	128,730	100.0%
	SMALL BUSINESS				SMALL FARM			
Income Categories	#	%	$(000s)	%	#	%	$(000s)	%
	By Tract Income							
Low	13	27.1%	4,947	24.1%	0	0.0%	0	0.0%
Moderate	5	10.4%	2,450	12.0%	0	0.0%	0	0.0%
Low/Moderate Total	18	37.5%	7,397	36.1%	0	0.0%	0	0.0%
Middle	9	18.8%	3,270	16.0%	0	0.0%	0	0.0%
Upper	21	43.8%	9,824	47.9%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	48	100.0%	20,491	100.0%	0	0.0%	0	0.0%
	By Revenue							
Total $1 Million or Less	16	33.3%	3,898	19.0%	0	0.0%	0	0.0%
Over $1 Million	32	66.7%	16,593	81.0%	0	0.0%	0	0.0%
Not Known	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	48	100.0%	20,491	100.0%	0	0.0%	0	0.0%
	By Loan Size							
$100,000 or less	11	22.9%	750	3.7%	0	0.0%	0	0.0%
$100,001 - $250,000	8	16.7%	1,772	8.6%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	29	60.4%	17,969	87.7%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	48	100.0%	20,491	100.0%	0	0.0%	0	0.0%
	By Loan Size and Revenue $1 Million or Less							
$100,000 or less	7	43.8%	450	11.5%	0	0.0%	0	0.0%
$100,001 - $250,000	4	25.0%	872	22.4%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	5	31.3%	2,576	66.1%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	16	100.0%	3,898	100.0%	0	0.0%	0	0.0%
*Information based on 2015 ACS data								

APPENDIX C

INNOVATIVE AND FLEXIBLE LENDING PRACTICES

Greater Boston AA

Massachusetts Housing Partnership ONE Mortgage Program: The bank works in conjunction with local government agencies, the Massachusetts Housing Partnership and the Commonwealth of Massachusetts, to make available below-market financing to borrowers earning less than 100% of the area median income based on household size in Massachusetts. Under the program, the bank offers long-term, fixed-rate, reduced-cost mortgages, with low down payment requirements. No private mortgage insurance (PMI) is required. Buyers who qualify must attend approved homebuyer education training and participate in foreclosure prevention programs. Only owner-occupied principal residences qualify. Local government agencies provide additional financial support to borrowers. The bank was involved in 126 units, totaling $28,666,079.

MassHousing Mortgage Programs: The bank works with MassHousing, a quasi-public state agency, to finance first-time homebuyers or refinance homeowners who meet their income guidelines in Massachusetts. Homebuyers who earn up to 135 percent of the median income are eligible for long-term, fixed-rate mortgages with lower rates, and with low down payment requirements. Only owner-occupied principal residences qualify. No PMI and lender PMI options are available. Qualifying borrowers who participate in MassHousing's MI Plus program are eligible for assistance in case of unemployment for any 6-month period during the first ten years of the loan. Borrowers with loans insured by MassHousing under this program receive up to $2,000 per month for a maximum of 6 months at no additional cost. Buyers must attend approved homebuyer education training. Local government agencies provide additional financial support to borrowers. The bank was involved in 22 units, totaling $7,746,149.

Boston Private participates in special municipal programs to assist homebuyers. Programs include:

- City of Boston Department of Neighborhood Development provides down payment and closing cost assistance to graduates of the City of Boston's first-time homebuyer training "Homebuying 101" or multi-family training "Homeowner 201" who are purchasing homes in Boston and will receive Boston Private financing. The assistance is based on need and can be up to 3 percent of the purchase price for eligible borrowers. The bank was involved in 32 units, totaling $257,384.
- Cambridge Housing Division offers access to affordable homeownership units created with funding from the city, including the Cambridge Affordable Housing Trust, the Cambridge Housing Authority and nonprofit housing providers. The city offers

affordable homes which are available to first-time homebuyers with incomes up to 100 percent of area median income. Some city programs include direct funding to reduce sales prices, provide down payment support and offer closing cost assistance. The bank was involved in four units, totaling $301,875.

- Other Municipal First-Time Homebuyer Programs are provided by cities and towns with high cost housing. The bank works with these municipalities to provide low- and moderate-income homeownership opportunities in these communities. Some of these communities include Bedford, Brookline, Concord, Lexington, Newton, Sudbury, and Weston, among many other cities and towns. The bank was involved in three units, totaling 20,375.
- Federal Home Loan Bank of Boston Jobs for New England -. The program helps businesses to create and/or retain jobs or contribute to overall economic development activities. The program offers a subsidy to eligible businesses since it allows Boston Private to borrow from the FHLBB at a low or no cost, and pass on the benefits of the lower rate to the borrower. The bank was involved in four loans, totaling $308,000.
- Small Business Administration – As a designated Preferred Lender the bank was involved in 26 loans totaling $5,792,535 to small businesses with credit needs.
- Business Loan Express - Boston Private provides direct financing for fixed asset, working capital and other business needs through this program, a bank portfolio product which is designed to meet the credit needs of businesses located in low- and moderate-income and predominately minority areas. The program offers expedited application, approval and loan closing for small business loans that meet certain credit parameters. The bank was involved in 10 loans, totaling $838,000.

Greater Los Angeles AA

Special Boston Private, Municipal and Related Programs include:

Southern CA/Boston Private Bank Community Homeowner Fixed Rate Program: This special affordable mortgage product, available in Los Angeles and Ventura counties, allows borrowers earning less than 80 percent of the area median income to purchase a property. Under this program the bank offers long-term fixed-rate reduced cost mortgages with down payment and closing cost assistance, requiring little or no borrower funds. For eligible borrowers the bank will offer direct funding support through its Downpayment Closing Cost Assistance Program (D-CAP), depending on availability. No private mortgage insurance is required. The bank was involved in 88 loans, totaling $18,439,962

Boston Private D-CAP provides funding as "soft" subordinate mortgages to assist homebuyers with incomes of less than 80 percent of the area median income based on household size in conjunction with senior mortgages from the bank. Under the program, the bank offers up to $15,000, at 0 percent interest. Repayment of the loan is required only if the homebuyer sells, refinances or otherwise transfers ownership of the property within five years of closing. After five years, the loan is forgiven. The bank was involved in 39 loans, totaling $299,909.

City of Los Angeles Income Purchase Assistance (LIPA) and Mortgage Credit Certificate (MCC)

- The LIPA program offers down payment assistance to low-income borrowers purchasing homes in the City of Los Angeles. The bank was involved in 12 loans, totaling $651,713.
- The MCC program authorizes recipients to take an annual credit against federal income taxes of up to 15 percent of the annual interest paid on the recipient's mortgage. The bank was involved in 24 loans, totaling $6,740,750.

County of Los Angeles MCC enables qualified first-time homebuyers to convert a portion of their annual mortgage interest into a direct dollar-for-dollar tax credit on their individual income tax returns. The qualified homebuyer is awarded a tax credit of up to 20 percent of the annual interest paid on the mortgage loan. The remaining 80 percent of the mortgage interest will continue to qualify as an itemized tax deduction. The bank was involved in 33 loans, totaling $7,418,810.

County of Los Angeles Homeownership Program (HOP) provides a second loan at 0% interest with all payments deferred until sale, transfer, refinancing, full repayment of the first mortgage or the home is no longer owner-occupied. HOP loans provide up to $60,000 for all eligible first-time buyers to assist with down payment and closing costs. HOP loans are available in the unincorporated areas of Los Angeles County and cities participating in the Community Development Block Grant (CDBG) Urban County Program. The bank was involved in four loans, totaling $240,000.

County of Los Angeles Affordable Homeownership Program (AHOP) is financed with Affordable Housing Trust (AHT) funds provided through the County of Los Angeles Community Development Commission. The AHOP Program has been designed to meet the needs of low- and moderate-income families and individuals who want to purchase a home, but are unable to qualify and/or to obtain the necessary down payment without financial assistance. Funding is in the form of a secondary mortgage for the purchase of a single-family dwelling. AHOP loans are only available for approved developers and their approved housing development projects. The bank was involved in one loan, totaling $95,000.

Habitat for Humanity Greater Los Angeles (Habitat LA) CalHOME Mortgage Assistance: Habitat LA obtained funds from the HOME program to buy-down the purchase price of homes. The program is designed to stabilize distressed communities within the County of Los Angeles and provides qualified low- and very-low income individuals with the opportunity to become first time homeowners. The bank was involved in 40 loans, totaling $2,138,830. In addition, Habitat LA works with municipalities to assist first-time homebuyers in purchasing a home by offering second trust deed loans to households earning up to 80 percent of the area median income. The bank was involved in 12 loans (Lynwood and Montebello), totaling $1,711,285.

City of San Dimas Ownership Housing Program is designed to help low- and moderate-income families to purchase affordable housing in the city of San Dimas. The city requires a percentage of newly-constructed housing communities to be sold at an affordable sales price through its inclusionary zoning requirements. The city takes a second lien position as a carry-back that has an equity share component. The carry-back represents the difference between the affordable sales price and the actual sales price. The bank was involved in two loans, totaling $317,600.

City of Compton Down payment Assistance is designed to provide qualified first-time homebuyers with the down payment loan assistance necessary to secure financing towards the purchase of a single family home in the city of Compton. This program makes available a limited number of deferred payment (no monthly payment of principal or interest, and with no interest) second mortgage loans, in amounts up to 30 percent of the purchase price. The bank was involved in eight loans, totaling $699,750.

Fannie Mae's HomeReady Mortgage Program: This affordable home mortgage product allows eligible borrowers in Fannie Mae-designated low-income and minority communities to purchase or refinance homes. All borrowers earning less than 80 percent of the area median income are eligible, and borrowers earning up to 100 percent of the median income are eligible to purchase homes in high-minority census tracts. Extended families and other non-traditional households may be considered to determine household income. The bank was involved in five loans, totaling $1,402,855.

Freddie Mac's HomePossible Mortgage Program: This program offers borrowers earning up to 135 percent of the area median income in Massachusetts an affordable mortgage option to purchase or refinance homes. All other areas, not designated as high cost, have a maximum income of 100 percent of median income. The bank was involved in one loan, totaling $543,300.

Both the HomeReady and HomePossible programs offer up to 97 percent financing. They also allow other grants or financing sources to be used for down payment and closing costs with no minimum contribution required from the borrower's own funds for single-unit homes. Borrowers may include both those who are purchasing their first homes or buying another home as their principal residence. There are no income limits for borrowers purchasing in low-income census tracts or underserved communities. Mortgage insurance coverage requirements lower than standard are allowed. Homebuyer training is required and is available online.

San Francisco Bay AA

Special Municipal and Related Programs: The bank partners with many municipalities and their corresponding affordable units program administrators. The bank serves as an approved lender for these affordable units, known as Below Market Rate (BMR) units, providing affordable financing options for BMR and down payment and closing cost assistance programs. These programs provide affordable homes that are sold at prices significantly below the prevailing market rate to eligible low- and moderate-income buyers. BMR program guidelines include eligibility requirements such as income and asset limits, first-time homebuyer status, owner occupancy requirement and other conditions. Additionally BMR programs carry deed restrictions that include resale requirements to ensure that the homes are affordable for the long term. The following list includes the BMR programs where the bank currently serves as an approved lender in the San Francisco Bay AA: City and County of San Francisco Mayor's Office of Housing and Community Development (MOHCD), City of San Mateo, City of Daly City, City of Los Altos, City of Palo Alto, City of Santa Clara, City of Cupertino, Town of Los Gatos, City of South San Francisco, and City of Sunnyvale. Totals for these programs: 54 units with a volume of $30,203,743.

City and County of San Francisco

- City of San Francisco MOHCD Programs: The bank is an approved lender for all first time homebuyer assistance programs offered by MOHCD.
    - Downpayment Assistance Loan Program (BMR DALP) is a downpayment assistance subordinate loan program for low- and moderate-income first time homebuyers purchasing a market-rate single family home in San Francisco. DALP is a subordinate silent second loan that requires no payments for 30 years. Totals for this program: 32 units with a volume of $1,395,771.

    - Teacher Next Door Program (TND) is a subordinate silent second, down payment assistance loan program designed to assist teachers employed with the San Francisco Unified School District in purchasing a first home in San Francisco. This loan is forgiven after 10 years if all program requirements are met. TND can be used in the purchase of a BMR unit. Totals for this program: three units with a volume of $60,000.

- City of San Mateo
    - San Mateo BMR Downpayment Assistance Program offers a subordinate loan program for low- and moderate-income first time home buyers purchasing a BMR home within the City of San Mateo. Totals for this program: eight units with a volume of $474,937.

Massachusetts and California

Boston Private Bank Community Homeowner Fixed Rate Program: The bank offers its own unique and flexible portfolio first mortgage loan that offers competitive terms and rates. This affordable mortgage product allows up to 97 percent financing for eligible borrowers earning less than approximately 100 percent of the area median income to purchase or refinance an owner-occupied, primary residence with a long-term fixed interest rate, low down payment, no private mortgage insurance and discounted lender's closing costs. Additionally, the bank highly recommends that eligible borrowers attend First Time Homebuyer Education Courses to encourage sustainable homeownership. The bank was involved in 215 units, totaling $54,275,120.

Equity Builder Program: The bank uses funding from the Federal Home Loan Bank of Boston to provide "soft" subordinate mortgages to assist homebuyers with incomes of less than 80% of the area median based on household size in conjunction with senior mortgages from the bank. Under the program, the bank offers up to $11,000 at 0 percent interest. Repayment of the loan is required only if the homebuyer sells, refinances or otherwise transfers ownership of the property within five years of closing. After five years, the loan is forgiven. The bank was involved in 15 units, totaling $205,000.

California

Workforce Initiative Subsidy for Homeownership (WISH) Program: The bank provides funding from members of the Federal Home Loan Bank of San Francisco (FHLB SF) to eligible 80 percent AMI, first-time homebuyers for down payment and closing costs. In California, members of the FHLB SF align with nonprofit organizations who serve as community outreach partners in order to reach more potential WISH eligible homebuyers. The nonprofit serves as an intermediary between the FHLB SF member bank, the WISH applicant and other banks such as Boston Private. The bank's loan officers have established a strong relationship with a local nonprofit and FHLB SF member bank to refer WISH eligible applicants to Boston Private and guide them through the application process to access this additional assistance, if approved, to close the affordability gap. The WISH guidelines are very similar to those of the FHLB Boston Equity Builder Program. Totals for this program: 31 units with a volume of $459,300.

Mortgage Credit Certificate (MCC) and Reissued Mortgage Credit Certificate (RMCC) Program:
The Mortgage Credit Certificate (MCC) Tax Credit program is a federal income tax credit, reducing eligible borrowers' potential federal income tax liability. This credit in effect creates additional net spendable income, which borrowers may use toward their monthly mortgage payment. This may enable eligible first-time homebuyers to convert a portion of their annual mortgage interest into a direct income tax credit on their federal income tax returns. The amount of tax credit allowed varies per MCC Program depending on the state or local government that issues the certificates, but is capped by the IRS at a maximum of $2,000 per year. There are program eligibility requirements for first-time homebuyers including income and sales price limits, owner-occupancy requirement, residency, and others.

The Re-issued Mortgage Credit Certificate (RMCC) Program – the IRS regulations allow existing recipients of MCCs to refinance their original mortgage loans on their principal residence and obtain a new MCC with a tax credit rate the same as their original MCC.

APPENDIX D

SCOPE OF EXAMINATION

TIME PERIOD REVIEWED	**1/1/15 TO 12/31/16**		
FINANCIAL INSTITUTION **Boston Private Bank and Trust Company** **Boston, MA**			**PRODUCTS REVIEWED** **HMDA** **Small Business**
AFFILIATE(S)	**AFFILIATE RELATIONSHIP**		**PRODUCTS REVIEWED** -
N/A	**N/A**		**N/A**
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	**TYPE OF EXAMINATION**	**BRANCHES VISITED**	**OTHER INFORMATION**
MASSACHUSETTS **Greater Boston**	 **Full-scope review**	**10 Post Office Square Boston, MA**	**N/A**
CALIFORNIA **Greater Los Angeles** **San Francisco Bay**	 **Full-scope review** **Full-scope review**	 **N/A** **N/A**	 **N/A** **N/A**

APPENDIX E

SUMMARY OF STATE RATINGS

State Name	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall State Rating
Massachusetts	High Satisfactory	Outstanding	Outstanding	Outstanding
California	High Satisfactory	Outstanding	High Satisfactory	High Satisfactory

APPENDIX F - 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.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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.

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, which 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).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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 applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, 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.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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 percent 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 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): 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, or are classified as loans to finance agricultural production and other loans to farmers.

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