



PUBLIC DISCLOSURE

January 11, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Ethic, A Wealth Bank
Charter Number: 713964

125 High Street
Boston, MA 02110

Office of the Comptroller of the Currency

99 Summer Street
Suite 1400
Boston, MA 02110

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, and should not 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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Overall CRA Rating

Institution's CRA Rating: This institution is rated **Satisfactory**.

The lending test is rated: Satisfactory.

The major factors that support this rating include:

- The borrower distribution of loans reflects, given the demographics of the assessment areas, poor penetration among borrowers of different income levels.
- A substantial majority of the Bank's loans are outside its assessment areas.
- The geographic distribution of loans reflects excellent dispersion throughout the assessment areas.
- The Bank's loan-to-deposit ratio is more than reasonable.

Loan-to-Deposit Ratio

Considering the Bank's size, financial condition, and credit needs of the assessment areas (AAs), the Bank's loan-to-deposit (LTD) ratio is more than reasonable.

Since the previous CRA evaluation, the past 12 quarters demonstrated an LTD ratio that averaged 108.3 percent. During the period from January 1, 2018 to December 31, 2020, the LTD ratio ranged from a quarterly low of 90.4 percent and a quarterly high of 131.3 percent. The Bank's average LTD ratio exceeds the average of peer Federal Deposit Insurance Corporation (FDIC) insured institutions of similar size that operate within the Bank's AAs. As of December 31, 2020, the Bank reported total assets of \$264.5 million, while peer institutions ranged in asset sizes from \$68 million to \$407 million and reported an average LTD ratio of 90.1 percent.

Lending in Assessment Area

A substantial majority of the Bank's loans are outside its AAs.

The Bank originated and/or purchased 6.9 percent of its total number of loans inside its AAs during the evaluation period. However, the analysis is performed using bank-wide data rather than performance data only at the AA level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. The Bank did not submit affiliate lending for consideration during this evaluation.

This performance is considered reasonable based on several factors that occurred during the current evaluation period. First, the Bank had a nationwide focus for lending to individuals. Second, the Bank closed out its Federal Housing Authority's (FHA) Title 1 lending program due to capital constraints. Third, as it relates to lending program changes, the Bank had capital constraints imposed by the Office of the Comptroller of the Currency (OCC) October 2016 Consent Order. Finally, the significant competition for loans within the delineated AAs provided limited opportunities for lending in the AA.

The table below details the Bank’s lending in and outside of the AAs during the evaluation period:

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2018	25	3.4	715	96.6	740	513	2.9	17,042	97.1	17,555
2019	28	4.7	566	95.3	594	4,750	26.5	13,157	73.5	17,908
2020	49	34.8	92	65.2	141	44,808	52.7	40,145	47.3	84,953
Total	102	6.9	1,373	93.1	1,475	50,071	41.6	70,344	58.4	120,415
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%</i>										

Description of Institution

As of December 31, 2020, Ethic, A Wealth Bank, formerly known as Admirals Bank, was a federally chartered stock savings bank headquartered in Boston, MA with reported total assets of \$264.5 million. The Bank is wholly owned by Admirals Bancorp, Incorporated, and there were no affiliate or subsidiary activities considered in this evaluation. In addition to the main office located in Boston, MA, the Bank operates another full-service, brick and mortar office located in Warwick, RI. Both branches are located in upper-income geographies and have reasonable operating hours of Monday through Friday, 8:30am to 5:00pm. Over the evaluation period, the Bank closed two branch locations within each AA; however, these branches were replaced by the above Boston, MA and Warwick, RI locations, respectively. The Bank does not maintain any automated teller machines (ATMs) at these two branch locations.

During the evaluation period, the Bank shifted its operational strategy with the closure of the nationwide FHA Title 1 Home Improvement lending program in early 2020. The Bank renewed its focus on regional residential lending, and the Bank now primarily operates within the Boston-Cambridge-Newton, MA-NH multistate metropolitan statistical area (MMSA) and Providence-Warwick, RI-MA MMSA. Residential mortgage lending accounted for approximately 35.3 percent of gross loans as of December 31, 2020. The Bank offers a traditional suite of lending and deposit products while still operating under a Consent Order issued by the OCC in October 2016. The Consent Order requires the Bank to maintain minimum capital ratios, thereby impeding the Bank’s ability to support the credit needs of its AAs during the evaluation period. Lending and deposit products included fixed and adjustable-rate mortgages, home equity credit lines, commercial real estate loans, consumer and multifamily loans, personal and business checking and savings accounts, and standard certificates of deposit.

As of December 31, 2020, the Bank reported total assets of \$264.5 million and tier 1 capital of \$25.1 million. The Bank’s total deposits equaled \$236.8 million, and the loan portfolio totaled \$216.1 million, or 81.7 percent of total assets.

The table below provides a summary of the Bank’s loan mix as of December 31, 2020:

Loan Portfolio Summary by Loan Product December 31, 2020	
Loan Category	% of Gross Loans and Leases
1-4 Family Residential Mortgages – Closed End	35.3
Other Real Estate (Commercial)	24.6
Consumer	18.2
Multifamily	17.7
Construction & Development	2.4
Commercial & Industrial	1.3
Home Equity	<1
Total	100

Source: Federal Deposit Insurance Corporation Call Report, December 31, 2020. Due to rounding, totals may not equal 100.0%

The Bank received a “Satisfactory” rating using Intermediate Small Bank procedures as of the previous CRA evaluation dated March 5, 2018, which included a “Satisfactory” Lending Test rating and a “Satisfactory” Community Development Test rating.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The Bank maintains two separate branch locations in Boston, MA and Warwick, RI, and the OCC evaluated the Bank using small bank evaluation procedures, which includes a Lending Test. The evaluation period for the Lending Test covers the Bank’s performance from January 1, 2018 through December 31, 2020. The Lending Test evaluates the Bank’s record of meeting the credit needs of its AAs through its primary lending product, specifically Home Mortgage Disclosure Act (HMDA) reportable residential mortgage loans.

The OCC included all residential mortgage loans originated and/or purchased during the evaluation period in the analysis of the Bank’s lending. The OCC compared the Bank’s performance against both the demographic characteristics of the AAs and the aggregate lending of peer institutions located in the AAs that are subject to HMDA reporting requirements. The OCC equally weighted these comparators when drawing final conclusions as to the Bank’s lending performance according to the CRA.

The OCC compared the Bank’s performance during the evaluation period to 2015 American Community Survey (ACS) US Census, and 2020 HMDA Aggregate data. HMDA aggregate lending and market share percentages consider only lenders that submit HMDA data. Lenders that collect, but do not submit data, are not considered in the percentages; however, the OCC compared the Bank’s reported lending activity to aggregate data as part of the performance context and when conducting market share analysis. Peer 2020 deposit market share data is as of June 30, 2020, and based on information from the FDIC.

Selection of Areas for Full-Scope Review

In each state where the Bank has an office, the OCC selected one or more AAs within that state for a full-scope review. For purposes of this evaluation, Bank-delineated AAs located within the same metropolitan statistical area (MSA), MMSA, or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, Bank-delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to

the “Scope” section under each MMSA Rating for details regarding how full-scope AAs were selected. Refer to Appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

The CRA requires an institution to define the AA in which it will be evaluated. The Bank has delineated two AAs: the full-scope Boston-Newton-Cambridge, MA-NH MMSA AA and the full-scope Providence-Warwick, RI-MA MMSA AA, which meet the requirements of the regulation. Both AAs consist of wholly contiguous political subdivisions (counties), contain the entirety of the customer deposit base, and do not arbitrarily exclude any low- or moderate-income (LMI) census tracts (CTs).

The Boston-Cambridge-Newton, MA-NH MMSA (#14460) (Boston MMSA AA) rating area is composed of the Boston, MA metropolitan division (MD) (#14454), the Cambridge-Newton-Framingham, MA MD (#15764), and the Rockingham County -Strafford County, NH MD (#40484), inclusive of all counties that comprise the MMSA. The Boston MMSA AA counties include Norfolk (#021), Plymouth (#023), Suffolk (#025), Essex (#009), and Middlesex (#017) MA and Rockingham (#015) and Strafford (#017) NH.

The Providence-Warwick, RI-MA MMSA (#39300) (Providence MMSA AA) rating area is inclusive of all MMSA counties in both RI and MA. The Providence MMSA AA counties include Bristol (#001), Kent (#003), Newport (#005), Providence (#007), and Washington (#009) in RI and Bristol County (#005) in MA.

Ratings

The Bank’s overall rating is a blend of the multistate ratings.

Among the two MMSA ratings, the OCC more heavily weighted the Bank’s performance in the Boston MMSA AA when drawing final conclusions, as this MMSA accounted for 70.7 percent, 50 percent, and 58.8 percent of all Bank-wide deposits, branches, and total AA lending, respectively, that occurred during the evaluation period when compared to the Providence MMSA AA.

The MMSA ratings are based on performance in all Bank AAs. Refer to the “Scope” section under each MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that Ethic, A Wealth Bank, has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this Bank engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the Bank's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

Multistate Metropolitan Statistical Area Rating

Boston-Cambridge-Newton, MA-NH MMSA

CRA rating for the Boston MMSA AA: Satisfactory.
The Lending Test is rated: Satisfactory.

The major factors that support this rating include:

- The Bank exhibits an excellent geographic distribution of loans in the MMSA.
- The Bank exhibits a poor distribution of loans to individuals of different income levels given the product lines offered by the Bank.

Description of Institution's Operations in the Boston MMSA AA

The Boston MMSA AA represents the Bank's largest AA, as 70.7 percent of customer deposits are located within this rating area. This rating area contains one of the two branch locations. The AA consists of all counties within the Boston, MA MD, Cambridge-Newton-Framingham, MA MD, and Rockingham County-Strafford County NH MD. This AA borders the Bank's Providence MMSA AA to the south.

As part of performance context when evaluating lending performance, the OCC considered the disparity between the median income of families within the MMSA and underlying MDs compared to the median cost of housing and the overall impact to homeownership. Within the MMSA, approximately 7.2 percent of families were below the poverty level and 41 percent of households were LMI households. The OCC noted 42.5 percent of households were classified as upper income. Consequently, high home prices limit the availability of affordable housing for LMI groups as the housing market in the area is driven by upper-income pressures, emphasizing the area's community needs for affordable housing. Based on the 2020 median family income (MFI) data reported for the Boston MA MD, Cambridge-Newton-Framingham MA MD, and Rockingham County-Strafford County NH MD, LMI families would find it challenging to qualify for a mortgage loan given the MMSA's \$397,666 median housing value. These income levels could make it difficult to afford housing at the median housing value for LMI borrowers in the Boston MMSA AA.

Additionally, as part of the CRA evaluation, the OCC leveraged interview information obtained from recent community contacts conducted within the MMSA to determine and obtain a better understanding of the local economic conditions and community credit needs. Community contacts were based within the counties of Essex MA and Rockingham NH. The contacts cited affordable housing as a primary community credit need due to high housing and rental prices along with the increased costs of living for LMI households. Additional credit needs discussed included financial literacy programs targeted to LMI households and geographies, and the need for credit to fund community services that focus on children, elderly, food, and health services.

Moody's Analytics Inc. reported that the Boston and Cambridge-Newton-Framingham metro area was still in the recovery phase of its business cycle as of January 2021. The area was heavily impacted by the COVID-19 pandemic. Recovery during the end of 2020 and beginning of 2021 was slowed due to a spike in the level of local COVID-19 cases. Moody's reported that the metro area will begin to mount a

robust recovery once a safe and effective vaccine is widely available in the second half of 2021. In 2020, leisure and hospitality, transportation, healthcare, and other services were among the hardest hit industries, and many small businesses have permanently closed as a result of the pandemic. Despite a robust demand for tech-related jobs in the region, high housing and overall standard of living costs limits the number of junior or lower-paid workers available for hiring as many positions go unfilled.

According to January 2021 Moody’s Analytics Inc. data, the Rockingham County -Strafford County NH metropolitan area’s economy was in the recovery stage of the business cycle with favorable long-term forecasts. Although performance during 2021 is expected to be slowed as a result of the COVID-19 pandemic, low taxes and a highly educated workforce continue to attract investment by high-tech firms and foster positive migration trends. It is expected that manufacturing and financial services will be the first industries in NH to improve economically, while tourism will remain stagnant through the better part of 2021. Long-term, the Rockingham County Strafford County NH region is expected to outperform the greater New England region due to improving commuter links to the greater Boston metro area spurring growth in southern NH.

Table A – Demographic Information of the Assessment Area

Assessment Area: Boston MMSA AA

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,007	11.2	19.6	38.6	28.6	2.0
Population by Geography	4,694,565	9.5	19.9	40.5	29.9	0.3
Housing Units by Geography	1,900,927	8.9	20.5	41.4	28.9	0.2
Owner-Occupied Units by Geography	1,089,886	3.3	14.9	45.8	35.8	0.1
Occupied Rental Units by Geography	686,554	17.5	28.5	34.7	18.8	0.4
Vacant Units by Geography	124,487	10.2	25.2	39.7	24.5	0.3
Businesses by Geography	439,514	6.7	15.3	38.9	38.8	0.4
Farms by Geography	8,534	3.2	12.3	47.5	36.9	0.1
Family Distribution by Income Level	1,129,245	23.3	16.4	19.7	40.6	0.0
Household Distribution by Income Level	1,776,440	26.5	14.5	16.5	42.5	0.0
Median Family Income MSA - 14454 Boston, MA		\$90,699	Median Housing Value			\$397,666
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		\$100,380	Median Gross Rent			\$1,268
Median Family Income MSA - 40484 Rockingham County-Strafford County, NH		\$90,150	Families Below Poverty Level			7.2%

Source: 2015 ACS and 2020 D&B Data

Due to rounding, totals may not equal 100.0%

(*) The NA category consists of geographies that have not been assigned an income classification.

Scope of Evaluation in the Boston MMSA AA

The OCC conducted a full-scope review of the Boston MMSA AA and based the entirety of this MMSA's rating according to the OCC's assessment of performance within this full-scope AA. As discussed previously, the Boston MMSA AA accounts for 70.7 percent, 50.0 percent, and 58.8 percent of all Bank-wide deposits, branches, and total lending, respectively. Furthermore, the full-scope Boston MMSA AA accounts for 73.1 percent, 74.5 percent, and 74.0 percent of Bank-wide CTs, AA population, and AA families, respectively.

The Boston MMSA AA exhibits significant competition, which includes both national credit unions and mortgage lenders and large regional community banks. As of FDIC's Deposit Market Share Report dated for June 30, 2020, Ethic, a Wealth Bank was listed 79th among 118 competing institutions, with less than 1 percent of the deposit market share. State Street Bank and Trust Company (30.9 percent), Bank of America, National Association (20.8 percent), Citizens Bank, National Association (11.4 percent), Santander Bank, NA (4.3 percent), and TD Bank, National Association (3.9 percent), are ranked as the top five in deposit market share, holding over 71 percent of deposits.

LENDING TEST

The Bank's performance under the Lending Test in the Boston MMSA AA is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the Bank's performance in the Boston MMSA AA is reasonable.

Distribution of Loans by Income Level of the Geography

The Bank exhibits an excellent geographic distribution of loans in the MMSA.

Home Mortgage Loans

Refer to Table O in the Boston MMSA AA section of Appendix D for the facts and data used to evaluate the geographic distribution of the Bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans is considered excellent.

The percentage of home mortgage loans in low-income CTs significantly exceeded both the percentage of owner-occupied units and aggregate lending in the AA. The percentage of home mortgage loans in moderate-income CTs significantly exceeded both the percentage of owner-occupied units and aggregate lending in the AA.

Distribution of Loans by Income Level of the Borrower

The Bank exhibits a poor distribution of loans to individuals of different income levels in the MMSA, given the product lines offered by the Bank.

Home Mortgage Loans

Refer to Table P in the Boston MMSA AA section of Appendix D for the facts and data used to evaluate the borrower distribution of the Bank's home mortgage loan originations and purchases.

The borrower distribution of home mortgages loans is poor.

The percentage of home mortgage loans to low-income borrowers was significantly below the percentage of low-income families and well below aggregate lending in the AA. The percentage of home mortgage loans to moderate-income borrowers was well below both the percentage of moderate-income families and aggregate lending in the AA. Lending to LMI borrowers for home mortgage loans is difficult within the MMSA due to high housing costs when compared to median household incomes and competition from other lenders

Responses to Complaints

There were no CRA or fair lending related complaints received by the Bank or the OCC that originated within the Boston MMSA AA during the evaluation period of January 1, 2018 through December 31, 2020.

Multistate Metropolitan Statistical Area Rating

Providence-Warwick, RI-MA MMSA

CRA rating for the Providence MMSA AA: Needs to Improve.

The Lending Test is rated: Needs to Improve.

The major factors that support this rating include:

- The Bank exhibits a reasonable geographic distribution of loans in the MMSA.
- The Bank exhibits a poor distribution of loans to individuals of different income levels given the product lines offered by the Bank.

Description of Institution's Operations in the Providence MMSA AA

The Providence MMSA AA represents the Bank's second largest AA, as 29.3 percent of customer deposits are located within this rating area. This rating area contains one of the two branch locations and all counties that comprise the entirety of this MMSA and borders the Bank's Boston MMSA AA to the north.

As part of performance context when evaluating the Bank's lending, the OCC considered the disparity between the median income of families within the MMSA compared to the median cost of housing and the overall impact to homeownership. Within the MMSA, approximately 9.9 percent of families were below the poverty level, and 41.1 percent of households are LMI households. The OCC noted 42.9 percent of households were classified as upper income. High home prices in the Providence-Warwick, RI-MA MMSA limit the availability of affordable housing for LMI groups as the housing market in the area trends towards higher pricings. Specifically, based on 2020 MFI data reported for the Providence-Warwick, RI-MA MMSA, low-income families earning no more than \$36,975 annually would find it challenging to qualify for a mortgage loan given the \$258,088 median housing value. These income levels could make it difficult to afford housing at the median housing value for LMI borrowers in the Providence MMSA AA.

Additionally, as part of this CRA evaluation, the OCC leveraged data obtained from a recent community contact conducted within the MMSA to determine and obtain a better understanding of the local economic conditions and community credit needs. The community contact referenced is based within Providence County, RI and serves the affordable housing needs of the county and greater state. This contact detailed that while there are housing programs available in the region, the high cost of living and home prices make it difficult for LMI populations to secure housing. Although local banking institutions are active in the area, there is still a need for affordable housing and general community services.

As of January 2021, Moody's Analytics Inc. reported that the Providence-Warwick, RI-MA metro area's overall economic recovery from the previous recession continues to lag the greater New England region and the nation, although manufacturing and financial services continue to exhibit modest gains. The local economy is anticipated to continue a downward trend due to the impact of the area's heavy tax rates and COVID 19 hospitalizations. Public sector hiring has slowed in the short term; however, in the longer term it will recover spurred by a growing and highly educated population with strong commuter ties to the Providence RI and Boston MA metro areas. Despite the pandemic, the Providence-Warwick,

RI-MA MMSA has had significant investments in tech jobs and startups bolstered by graduate hires from local colleges and universities which will help the region long term perform in line with the rest of the nation.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Providence MMSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	370	14.3	18.6	34.9	30.3	1.9
Population by Geography	1,606,424	11.8	16.8	35.9	34.8	0.6
Housing Units by Geography	693,886	12.1	17.5	36.4	33.5	0.4
Owner-Occupied Units by Geography	378,517	4.3	11.2	41.5	42.8	0.2
Occupied Rental Units by Geography	244,114	22.9	27.3	31.0	18.1	0.7
Vacant Units by Geography	71,255	16.9	17.8	28.1	36.8	0.4
Businesses by Geography	125,609	9.8	15.3	35.3	38.9	0.7
Farms by Geography	3,378	4.0	8.7	32.7	54.6	0.1
Family Distribution by Income Level	396,417	23.6	16.4	19.2	40.8	0.0
Household Distribution by Income Level	622,631	26.4	14.7	16.0	42.9	0.0
Median Family Income MSA - 39300 Providence-Warwick, RI-MA MSA		\$73,950	Median Housing Value			\$258,088
			Median Gross Rent			\$897
			Families Below Poverty Level			9.9%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in the Providence MMSA AA

The OCC conducted a full-scope review of the Providence MMSA AA and based the entirety of this MMSA’s rating according to the OCC’s assessment of performance within this full-scope AA. The Providence MMSA AA accounts for 29.3 percent, 50.0 percent, and 41.2 percent of all Bank-wide deposits, branches, and total lending, respectively. Furthermore, the full-scope Providence MMSA AA accounts for 26.9 percent, 25.5 percent, and 26.0 percent of Bank-wide CTs, AA population, and AA families, respectively.

The Providence MMSA AA presents significant competitive pressures in the form of national mortgage lenders and large regional community banks. As of FDIC’s Deposit Market Share Report dated for June 30, 2020, Ethic, a Wealth Bank was listed 24th among 28 competing institutions, with less than 1 percent market share. Citizens Bank, National Association (29.8 percent), Bank of America, National Association (21.0 percent), The Washington Trust Company of Westerly (7.9 percent), Santander Bank, NA (7.9 percent), and Bank Rhode Island (4.5 percent), are ranked as the top five in deposit market share, holding over 71 percent of deposits.

LENDING TEST

The Bank’s performance under the Lending Test in the Providence MMSA AA is rated Needs to Improve.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the Bank's performance in the Providence MMSA AA is poor.

Distribution of Loans by Income Level of the Geography

The Bank exhibits a reasonable geographic distribution of loans in the MMSA.

Home Mortgage Loans

Refer to Table O in the Providence MMSA AA section of Appendix D for the facts and data used to evaluate the geographic distribution of the Bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans is reasonable.

The percentage of home mortgage loans in low-income CTs significantly exceeded both the percentage of owner-occupied units and aggregate lending in the AA. The percentage of home mortgage loans in moderate-income CTs was significantly below both the percentage of owner-occupied units and aggregate lending in the AA. The Bank has limited opportunities to lend in moderate-income geographies as the Bank faces significant competition from other lenders in the AA.

Distribution of Loans by Income Level of the Borrower

The Bank exhibits a poor distribution of loans to individuals of different income levels in the MMSA, given the product lines offered by the Bank.

Home Mortgage Loans

Refer to Table P in the Providence MMSA AA section of Appendix D for the facts and data used to evaluate the borrower distribution of the Bank's home mortgage loan originations and purchases.

The borrower distribution of home mortgage loans is considered poor.

The Bank did not make any loans to low-income borrowers within the Providence MMSA AA during the evaluation period. The percentage of home mortgage loans to moderate-income borrowers was below the percentage of moderate-income families and well below aggregate lending in the AA. Lending to low-income borrowers for home mortgage loans is difficult within the MMSA due to high housing costs when compared to median household incomes and competition from other lenders.

Responses to Complaints

There were no CRA or fair lending related complaints received by the Bank or the OCC that originated within the Providence MMSA AA during the evaluation period of January 1, 2018 through December 31, 2020.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope.”

Time Period Reviewed:	Lending Test – (01/01/2018 to 12/31/2020)	
Bank Products Reviewed:	HMDA-reportable home mortgage loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None reviewed		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Multistate Metropolitan Statistical Areas		
Boston MMSA AA	Full-scope	<ul style="list-style-type: none"> • Boston-Cambridge-Newton, MA-NH MMSA (#14460) <ul style="list-style-type: none"> • Boston, MA MD (#14454) <ul style="list-style-type: none"> • Full Norfolk (#021), Plymouth (#023), and Suffolk (#025) Counties, MA • Cambridge-Newton-Framingham, MA MD (#15764) <ul style="list-style-type: none"> • Full Essex (#009) and Middlesex (#017) Counties, MA • Rockingham County-Strafford County, NH MD (#40484) <ul style="list-style-type: none"> • Full Rockingham (#015) and Strafford (#017) Counties, NH
Providence MMSA AA	Full-scope	<ul style="list-style-type: none"> • Providence-Warwick, RI-MA MMSA (#39300) <ul style="list-style-type: none"> • Full Bristol (#001), Kent (#003), Newport (#005), Providence (#007), and Washington (#009) Counties RI • Full Bristol (#005) County, MA

Appendix B: Summary of MMSA and State Ratings

RATINGS – Ethic, A Wealth Bank	
Overall Bank:	Lending Test Rating
Ethic, A Wealth Bank	Satisfactory
Multistate Metropolitan Statistical Areas:	
Boston MMSA AA	Satisfactory
Providence MMSA AA	Needs to Improve

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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, 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 (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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 (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division (MD): As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an

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

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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.

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical 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) 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.

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.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Boston MMSA AA	60	42,625	58.8	297,956	3.3	5.0	3.5	14.9	15.0	14.1	45.8	30.0	44.4	35.8	50.0	38.0	0.1	0.0	0.1
Providence MMSA AA	42	7,446	41.2	90,669	4.3	7.1	4.1	11.2	4.8	10.1	41.5	38.1	38.7	42.8	50.0	46.9	0.2	0.0	0.2
Total	102	50,071	100.0	388,625	3.6	5.9	3.6	14.0	10.8	13.2	44.7	33.3	43.0	37.6	50.0	40.1	0.1	0.0	0.1

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Boston MMSA AA	60	42,625	79.6	297,956	23.3	2.6	4.5	16.4	10.0	17.2	19.7	42.9	23.5	40.6	65.0	42.6	0.0	9.8	12.2
Providence MMSA AA	42	7,446	60.4	90,669	23.6	--	4.7	16.4	12.5	18.9	19.2	34.4	23.8	40.8	61.9	38.2	0.0	10.0	14.4
Total	102	50,071	100.0	388,625	23.3	2.0	4.6	16.4	9.8	17.6	19.6	37.7	23.5	40.7	63.7	41.6	0.0	7.8	12.7

Source: 2015 ACS Census ; 01/01/2018 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%