



PUBLIC DISCLOSURE

March 17, 2014

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Admirals Bank
Charter Number 713964

579 Boylston Street, Boston, MA 02116

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, 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: This institution is rated **Satisfactory**.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors supporting the Bank's ratings are:

- Admirals Bank's (or Bank) level of lending, as reflected by the net loan-to-deposit ratio, is more than reasonable.
- The distribution of home loans reflects reasonable distribution among borrowers of different income levels.
- The geographic distribution of loans reflects reasonable distribution in the low- and moderate-income census tracts.
- The Bank demonstrates adequate responsiveness to the community development needs within its assessment areas (AAs).
- Lending in the Supplemental Areas is reasonable.

Scope of Evaluation

Admirals Bank was evaluated using Intermediate Small Bank CRA evaluation procedures, including a lending test (LT) and a community development (CD) test. The LT evaluates the Bank's record of meeting the credit needs of its AAs through its lending activities. The CD test evaluates the Bank's responsiveness to CD needs in its AAs through CD lending, qualified investments, and CD services. The evaluation period for the LT covers the Bank's performance from January 1, 2012, through December 31, 2013, and performance was compared to the 2010 U.S. Census data. The CD test evaluation period is January 31, 2011, the date of the last CRA evaluation, through March 17, 2014. CD loans, investments, and services submitted by management were verified to ensure they meet the regulatory definition for community development.

The Bank's primary loan products, based on loan originations and/or purchases during the evaluation period, are residential mortgage loans including home purchase, home improvement, and home refinance loans. Although the table on Page 3 shows that residential mortgage loans represent 36% of the overall loan portfolio, the majority of loans, 94%, originated during the evaluation period, were residential mortgage loans. Home improvement and home refinance loans comprised the majority, at 42% and 40%, respectively, or 82% combined, while home purchase loans comprised 18% of loans originated.

The Bank reports data under requirements of the Home Mortgage Disclosure Act (HMDA). As part of our evaluation, we reviewed the testing results of the Bank's HMDA data for residential mortgage loans originated and found the data was reliable. All

residential mortgage loans originated during the evaluation period were included in our analysis of the Bank's lending.

Description of Institution

Admirals Bank, formerly known as Domestic Bank, is a federally chartered stock savings bank, now headquartered in Boston, Massachusetts (MA). As of December 31, 2013, the Bank had total assets of \$577 million and tier 1 capital of \$58 million. Admirals Bank is wholly owned by Admirals Bancorp, Incorporated. In May 2010, Federal One Holdings, LLC acquired Admirals Bancorp Inc., formerly Sargent Investors, LLC, the sole shareholder of Admirals Bank. Federal One Holdings, LLC is Admirals Bancorp Inc.'s sole shareholder and parent federal savings and loan holding company. It was formed with the single purpose of acquiring Admirals Bancorp Inc., the Bank, and their subsidiaries. No subsidiary activities were considered in our evaluation.

The Bank operates as a nontraditional thrift institution. The primary business focus is home improvement and renewable energy lending, and purchasing commercial real estate loans nationally from the secondary market. The Bank remains a leading national provider of the Federal Housing Administration (FHA) Title I Home Improvement Loan Program. In addition to serving credit needs in the Bank's local AA, these home improvement loans are made throughout the country. Admirals Bank also offers residential mortgages and personal loans. Traditional checking, savings, and money market accounts, and certificates of deposit are offered. More information can be found on the Bank's website, <https://www.admiralsbank.com>. Deposit and loan product information can also be found in the Bank's public file.

During the evaluation period, due to strategic/business initiatives, the entire branching network changed. At the beginning of 2011, there were nine branch offices, eight located in the Providence-New Bedford-Fall River, MA-Rhode Island (RI) Metropolitan Statistical Area (MSA). The main office was in Cranston, RI, five branches were in Walmart stores in Warwick, North Kingstown, Coventry, and Providence, RI, and Raynham, MA; and two branches in Shaw's Supermarkets in Johnston and Woonsocket, RI. The ninth branch was located inside a Walmart store in Northbridge, MA, part of the Worcester, MA MSA.

In January 2011, Shaw's Supermarket closed its Johnston, RI location (a middle-income tract); resulting in the bank branch closing. In May 2012, the Bank closed five of the six branches in the Walmart stores and the Woonsocket, RI branch in the Shaw's Supermarket. The Woonsocket and Providence branches were located in moderate-income tracts. All other branches closed were in middle or upper-income tracts. In June 2013, the Cranston, RI branch, located in a middle-income tract, and formerly the main office, was also closed.

In May 2011, four branch offices were acquired from another bank. Locations were in Ludlow, MA, Fall River, MA, and two branches in New Bedford, MA. In April 2013, the Fall River branch, located in a low-income tract, the two New Bedford branches, one in

a low-income tract and one in a moderate-income tract, and the Raynham, MA branch located in a Walmart store in a middle-income tract, were subsequently sold to another bank.

Presently, Admirals Bank has three branch offices, two in MA and one in RI. The Boston office, opened in April 2012, is located in an upper-income tract; this office became the main banking office in June 2013. The other MA branch is located in Ludlow, and opened in May 2011 in a middle-income tract. A third branch office is located in Providence, RI, and opened in January 2013 in a moderate-income tract. The Northbridge, MA branch is not considered in this evaluation, as it was closed in May 2012, at the beginning of the evaluation period.

As of December 31, 2013, total deposits were \$512 million. The loan portfolio totaled \$395 million, or 68% of total assets. The distribution of the Bank's loan portfolio is shown below.

Loan Portfolio Summary by Loan Product as of December 31, 2013	
Loan Category	% of Gross Loans and Leases
1-4 Family Residential Mortgage – Closed End	36%
Home Equity	1%
Consumer	7%
Other Real Estate	54%
Commercial & Industrial	2%
Construction and Development	<1%
Total	100%

Source: Federal Deposit Insurance Corporation (FDIC) Call Report

The Bank has no financial or legal impediments to meeting the credit needs of the community. Admirals Bank was rated "Satisfactory" using small bank procedures at the prior CRA evaluation dated January 31, 2011.

Selection of Areas for Full-Scope Review

Admirals Bank has three branches in two states, MA and RI. The CRA requires a bank to define the AA in which it will be evaluated. For each state, a full-scope review was conducted. We selected the Bank's entire AA and reviewed it as two AAs in MA, and one AA in RI. The entire AA includes all branches and deposit taking ATMs, as well as, the contiguous cities/towns around these offices. The Bank's AAs meet the requirements of the regulation and do not arbitrarily exclude any low- or moderate-income tracts.

The AA in MA was reviewed as two full-scope AAs. The Boston full-scope AA is comprised of all of Suffolk, Norfolk, and Plymouth counties, within the Boston-Quincy, MA Metropolitan Division (MD). The Bank has one branch in Suffolk county, and 23% (by number) of residential mortgages were originated in the Boston AA. The Springfield full-scope AA consists of the entire counties of Hamden, Hampshire, and Franklin,

within the Springfield, MA MSA. The Bank has one branch in Hampden county, and 30% of residential mortgages were originated in the Springfield AA.

The AA in RI was reviewed as one full-scope AA, within the Providence-New Bedford-Fall River, RI-MA MSA. This AA encompasses the entire state and is comprised of the counties of Bristol, Kent, Newport, Providence, and Washington, as well as bordering Bristol county in MA. One of the three branches is located RI and 47% (by number) of residential mortgage loans were originated here.

Ratings

The Bank's overall rating is a blend of the state ratings. For the lending test, the Bank's performance in both states was equally weighted as 53% of loans were originated in MA and 47% in RI. For the CD test, more weight was placed on the state of RI, as the Bank has a longer branch presence here, whereas it is a more recent entrant in MA. The state ratings are based primarily on those areas that received full-scope reviews. Refer to the "Scope" section under each State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Conclusions with Respect to Performance Criteria

Admirals Bank's performance under the lending test is Satisfactory. The Bank's loan-to-deposit ratio is more than reasonable. In the AAs, the distribution of loans among borrowers of different income levels and the geographic distribution of loans in the low- and moderate-income census tracts is reasonable.

A majority of loans is originated outside the Bank's AAs due to the substantial volume of originations nationwide of FHA Title I Home Improvement Loans. Under Paragraph .22(b)(2) and (3), Question 4 of the Federal Financial Institutions Examination Council's Community Reinvestment Act Questions and Answers, consideration will be given for loans to low- or moderate persons outside an institution's AAs, provided the institution has adequately addressed the needs of borrowers within its AAs.

Because of the Bank's acceptable performance within its AAs, consideration was given in serving five segments of its national marketing area outside the AAs. These MSAs were the areas with the highest number of FHA Title I Home Improvement Loans originated nationwide. In the five Supplemental Areas, the distribution of home improvement loans among borrowers of different income levels and the geographic distribution of loans in the low- and moderate-income tracts is reasonable. Refer to the **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN SUPPLEMENTAL AREAS** section of this Performance Evaluation.

Loan-to-Deposit Ratio

Admirals Bank's net loan-to-deposit (LTD) ratio is more than reasonable given the Bank's size, AA credit needs, market competition, and economic factors. The quarterly

ratio averaged 86% over the last 12 quarters since the previous CRA evaluation dated January 31, 2011. During the period since the last evaluation, the LTD ranged from a quarterly low of 77% to a high of 97%.

Lending in Assessment Area

A majority of Admiral Bank's primary loan product was not originated and/or purchased inside the assessment areas. The Bank originated 10% by number and 28% by dollar amount of loans in the AAs. Lending in the assessment area was expanded by a review of lending in the Supplemental Areas outside the AAs.

The following table details the Bank's lending within its AAs by number and dollar amount of loans.

Lending in Admirals Bank's AAs (000's)										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	122	71%	50	29%	172	\$24,087	37%	\$40,162	63%	\$64,249
Home Improvement	274	5%	5,731	95%	6,005	\$5,017	4%	\$110,294	96%	\$115,311
Home Refinance	264	75%	90	25%	354	\$55,223	45%	\$66,380	55%	\$121,603
Totals	660	10%	5,871	90%	6,531	\$84,327	28%	\$216,836	72%	\$301,163

Source: HMDA reported data from 1/1/2012-12/31/2013

Community Development

After careful review and assessment of a number of options within the Bank's AAs, management chose to purchase a \$5 million certificate of deposit in a Community Development Financial Institution that is minority-owned and located outside of the Bank's AAs. The funds will be used to aid home ownership for local low- and moderate-income families.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 195.28(c), in determining a Federal Savings Association's (FSA) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the FSA, or in any assessment area by an affiliate whose loans have been considered as part of the FSA's lending performance. We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

State Rating

State of Massachusetts

CRA Rating for Massachusetts: Satisfactory.

The Lending test is rated: Satisfactory.

The Community development test is rated: Needs to Improve.

The major factors supporting the institution's state rating:

- The distribution of home loans reflects reasonable distribution among borrowers of different income levels.
- The geographic distribution of loans reflects reasonable distribution in the low- and moderate-income census tracts.
- The Bank demonstrates poor responsiveness to the CD needs within its AAs.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MASSACHUSETTS

The AA in MA was reviewed as two full-scope AAs, Boston and Springfield.

Full-Scope Boston AA

The Boston AA consists of the entire Boston-Quincy, MA MD, which includes all of Suffolk, Norfolk, and Plymouth counties. The Bank's headquarters as well as the main banking office are located in the city of Boston. The AA is comprised of 435 census tracts. There are 60 low-income tracts, 78 moderate-income tracts, 157 middle-income tracts, 126 upper-income tracts, and 14 tracts that have not been assigned an income classification. Refer to the table below for additional information.

Demographic Information for Admirals Bank Boston AA					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	435 *	14%	18%	36%	29%
Population by Geography	1,887,792	12%	18%	40%	30%
Owner Occupied Housing by Geography	422,822	4%	12%	47%	37%
Family Distribution by Income Level	434,383	23%	16%	20%	41%
2010 Census Median Family Income (MFI)		\$83,664	Median Housing Value		\$415,180
HUD Updated MFI: 2012		\$88,800	Households Below Poverty Level		13%
		Unemployment Rate**			6.2%

Source: 2010 U.S. Census data

* Fourteen tracts (3%) are NA; this category consists of geographies that have not been assigned an income classification

**U.S. Bureau of Labor Statistics, January 2014.

The Federal Deposit Insurance Corporation's Deposit Share Report for June 30, 2013, indicates that 144 financial institutions operate within the Boston-Cambridge-Newton, MA-NH MSA. At June 30, 2013, Admirals Bank ranks 52nd with 0.13% of the deposit market share.

The Bank's lending market includes Boston, the largest city in Massachusetts, as well as New England. Competition for the Bank's primary loan product is extremely high, as many nationwide lenders are present in the Bank's lending market. These lenders include Wells Fargo Bank, JPMorgan Chase Bank, US Bank, Mortgage Master, Inc., and Citibank. Peer Mortgage 2012 Market Share data indicates that Admirals Bank competes with 552 lenders within this AA, and the top nine lenders dominate with a market share of 40%. The Bank rank is 167 with a market share of 0.06%.

The Bank's local competitors include Eastern Bank, Rockland Trust Company, Salem Five Cents Savings Bank, The Lowell Five Cents Savings Bank, First Republic Bank, Boston Private Bank and Trust Company, Brookline Bank, Century Bank and Trust Company, and Middlesex Savings Bank. Large national and regional financial institutions, as well as non-bank entities, including mortgage brokerage firms, finance companies, insurance companies, mutual funds, and investment banking firms, provide further competition for deposit and loan products.

The Boston area is home to numerous colleges and universities and is a center for medicine and health care. Leading industries include state and local government, healthcare, restaurants, higher education, insurance, and financial services. The largest employers are Massachusetts General Hospital, Brigham and Women's Hospital, Boston University, Children's Hospital, Beth Israel Deaconess Medical Center, Fidelity Investments, and Liberty Mutual. The cost of living in the greater Boston area is high and housing affordability remains a key need, particularly affordable rental housing. It is estimated that more than half of all extremely low and very low-income households pay more than 50% of their incomes on housing costs. Nationally, average rents in the Boston area are the fifth highest in the country.

The Moody's Analytics report, dated January 2014, states that the local economy regained momentum in the last half of 2013 and is constructing a sustained recovery. Housing will remain one of the primary drivers of the area's recovery in 2014. Strong gains in healthcare, construction, and high technology will drive the area's expansion. The area will benefit, over the long run, from a concentration of high-skilled, well-paying jobs in high technology and health care. Despite this, the area will underperform the nation in the long term due to high business and living costs and below average population growth.

Based on the U.S. Bureau of Labor Statistics (<https://www.data.bls.gov>), in January 2014, the not seasonally adjusted unemployment rate for the state of Massachusetts was 7.1%, slightly above the national rate of 7.0%. The unemployment rate for the AA was lower, at 6.2%.

Full-Scope Springfield AA

The Springfield full-scope AA consists of the entire counties of Hamden, Hampshire, and Franklin, within the Springfield, MA MSA. One bank branch is located in the town of Ludlow. The AA is comprised of 157 census tracts. There are 22 low-income tracts, 31 moderate-income tracts, 57 middle-income tracts, 43 upper-income tracts, and two tracts that have not been assigned an income classification. Refer to the table below for additional information.

Demographic Information for Admirals Bank Springfield AA					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	157 *	14%	20%	38%	27%
Population by Geography	692,942	12%	21%	37%	30%
Owner Occupied Housing by Geography	173,189	3%	16%	44%	37%
Family Distribution by Income Level	168,159	23%	16%	20%	41%
2010 Census Median Family Income (MFI)		\$65,772	Median Housing Value		\$216,979
HUD Updated MFI: 2012		\$70,200	Households Below Poverty Level		15%
		Unemployment Rate**			8.3%

Source: 2010 U.S. Census data

* Two tracts (1%) are NA; this category consists of geographies that have not been assigned an income classification

**U.S. Bureau of Labor Statistics, January 2014.

The Federal Deposit Insurance Corporation's Deposit Share Report for June 30, 2013, indicates that 23 financial institutions operate within the Springfield, MA MSA. At June 30, 2013, Admirals Bank ranks last with 0.20% of the deposit market share.

Competition is strong, as many nationwide lenders are present in the Bank's lending market. These lenders include Wells Fargo Bank, JPMorgan Chase Bank, RBS Citizens, Bank of America, and TD Bank. Peer Mortgage 2012 Market Share data indicates that Admirals Bank competes with 316 lenders, and the top 10 lenders dominate with a market share of 41%. The Bank ranks 47th with a market share of 0.48%.

The Bank's local competitors include United Bank, Berkshire Bank, Luso Federal Credit Union, Chicopee Savings Bank, First Niagara Bank, Webster Bank, and Nuvo Bank and Trust Company. Large national and regional financial institutions, as well as non-bank entities, including mortgage brokerage firms, finance companies, insurance companies, mutual funds, and investment banking firms, provide further competition for deposit and loan products.

Leading industries include state and local government, restaurants, and healthcare. The largest employers are Baystate Health, Big Y Supermarkets, University of Massachusetts, and MassMutual Financial Group.

Moody's Analytics report, dated January 2014, states that Springfield's recovery gained momentum in the last quarter of 2013; however, the area's large foreclosure inventory will weigh on the housing recovery. Job growth was still lower than the state and nationally, however the gap narrowed. Competition from high performing nearby metropolitan areas and tepid population growth, over the long run, will cause the area to underperform the state and the nation in regards to income and employment gains.

Based on the U.S. Bureau of Labor Statistics (<https://www.data.bls.gov>), in January 2014, the not seasonally adjusted unemployment rate for the state of Massachusetts was 7.1%, slightly above the national rate of 7.0%. The unemployment rate for the AA was higher, at 8.3%.

SCOPE OF EVALUATION IN MASSACHUSETTS

The AA in MA was reviewed as two full-scope AAs, Boston and Springfield. The Bank's performance in both full-scope AAs in MA was equally weighted as 23% of loans were originated in the Boston AA and 30% in the Springfield AA.

For community development needs in the Boston AA, bank management identified financial literacy training, affordable housing including rental, employment opportunities and employment training, affordable day care, and business training. In the Springfield AA, the most prevalent credit needs, identified by bank management, are loans for start-up businesses and working capital loans for local businesses.

We reviewed four community contacts made during the evaluation period; the organizations serve the entire state, one with a focus on Boston. The organizations are involved in community development, affordable housing, and community services. Credit/banking needs identified include affordable housing, affordable rental housing, affordable mortgage loan programs for low- and moderate-income homebuyers, homebuyer counseling programs, and financing mixed income commercial space. Opportunities for bank participation/involvement are loans, grant funding, and technical support.

In addition, in the Springfield AA, we reviewed a community contact made during the evaluation period; the organization provides housing services and programs to Hampden and Hampshire county residents. Credit/banking needs are the development of owner occupied housing that will attract residents who can help revitalize the area. Opportunities for bank participation/involvement centered on supporting community development activities, and financial support and technical assistance.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MASSACHUSETTS

LENDING TEST

The Bank's performance under the lending test in Massachusetts is rated "Satisfactory."

The distribution of loans among borrowers of different income levels is reasonable. The geographic distribution of loans in the low- and moderate-income tracts is reasonable.

Lending to Borrowers of Different Incomes

The distribution of home mortgage loans within MA reflects reasonable distribution among borrowers of different income levels.

Conclusion for Full-Scope Boston AA

There is reasonable distribution of home loans originated/purchased to borrowers of different income levels.

The percent of home purchase loans made to low-income borrowers meets the percent of aggregate lending data, which is our primary comparator, but is significantly below the percent of low-income families in the AA. The percent of home purchase loans made to moderate-income borrowers significantly exceeds both the percent of aggregate lending data and the percent of moderate-income families in the AA.

The Bank made no home improvement loans in the low-income tracts. The percent of home improvement loans made to moderate-income borrowers is significantly below both the percent of aggregate lending data and the percent of moderate-income families in the AA.

Demographic factors, including a high poverty level of 13%, and a very competitive market for mortgage lending, support the Bank's reasonable performance. Peer Mortgage 2012 Market Share data indicates that for the FHA Home Improvement Loans made within this AA, only three loans were made to low-income borrowers. Of the 25 FHA loans made to moderate-income borrowers, Admirals Bank ranked fifth of 13 lenders.

The percent of home refinance loans made to low-income borrowers is slightly below the percent of aggregate lending data, but is significantly below the percent of low-income families in the AA. The percent of home refinance loans made to moderate-income borrowers meets the percent of aggregate lending data, but is slightly below the percent of moderate-income families in the AA.

The following tables show the aggregate lending data for HMDA reporters within the Boston AA as well as the distribution of home loan products among borrowers of different income levels compared to the percent of families in each income category.

Aggregate Lending Data for Borrower Distribution in the Boston AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% Aggregate Data	% of Number of Loans	% Aggregate Data	% of Number of Loans	% Aggregate Data	% of Number of Loans	% Aggregate Data	% of Number of Loans
Home Purchase	7%	7%	23%	29%	25%	21%	45%	43%
Home Improvement	7%	0%	19%	5%	28%	42%	46%	53%
Home Refinance	4%	2%	14%	14%	26%	35%	56%	49%

Borrower Distribution of Residential Real Estate Loans in the Boston AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of Families	% of Number of Loans	% of Families	% of Number of Loans	% of Families	% of Number of Loans	% of Families	% of Number of Loans
Home Purchase	23%	7%	16%	29%	20%	21%	41%	43%
Home Improvement	23%	0%	16%	5%	20%	42%	41%	53%
Home Refinance	23%	2%	16%	14%	20%	35%	41%	49%

Source: HMDA reported data from 1/1/2012-12/31/2013; 2010 U.S. Census data

Conclusion for Full-Scope Springfield AA

There is reasonable distribution of home loans originated/purchased to borrowers of different income levels.

The percent of home purchase loans made to low-income borrowers is slightly above the percent of aggregate lending data, which is our primary comparator, but is significantly below the percent of low-income families in the AA. The percent of home purchase loans made to moderate-income borrowers is slightly below the percent of aggregate lending data, however significantly exceeds the percent of moderate-income families in the AA.

The Bank made no home improvement loans in the low-income tracts. The percent of home improvement loans made to moderate-income borrowers is significantly below the percent of aggregate lending data, and slightly below than the percent of moderate-income families in the AA.

Demographic factors, including a very high poverty level of 15%, and a competitive market for mortgage lending, support the Bank's reasonable performance. Peer Mortgage 2012 Market Share data indicates that for the FHA Home Improvement Loans made within this AA, no loans were made to low-income borrowers. Of the nine FHA loans made to moderate-income borrowers, Admirals Bank ranked first of five lenders.

The percent of home refinance loans made to low-income borrowers is slightly below the percent of aggregate lending data, but is significantly below the percent of low-income families in the AA. The percent of home refinance loans made to moderate-income borrowers is slightly above the percent of aggregate lending data, and exceeds the percent of moderate-income families in the AA.

The following tables show the aggregate lending data for HMDA reporters within the Springfield AA as well as the distribution of home loan products among borrowers of different income levels compared to the percent of families in each income category.

Aggregate Lending Data for Borrower Distribution in the Springfield AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of Aggregate Data	% of Number of Loans	% of Aggregate Data	% of Number of Loans	% of Aggregate Data	% of Number of Loans	% of Aggregate Data	% of Number of Loans
Home Purchase	12%	15%	29%	27%	27%	32%	32%	26%
Home Improvement	7%	0%	20%	13%	28%	30%	45%	57%
Home Refinance	6%	4%	18%	21%	27%	22%	49%	53%

Borrower Distribution of Residential Real Estate Loans in the Springfield AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of Families	% of Number of Loans	% of Families	% of Number of Loans	% of Families	% of Number of Loans	% of Families	% of Number of Loans
Home Purchase	23%	15%	16%	27%	20%	32%	41%	26%
Home Improvement	23%	0%	16%	13%	20%	30%	41%	57%
Home Refinance	23%	4%	16%	21%	20%	22%	41%	53%

Source: HMDA reported data from 1/1/2012-12/31/2013; 2010 U.S. Census data

Geographic Distribution of Loans

The geographic distribution of home mortgage loans within MA reflects reasonable distribution in the low- and moderate-income tracts. We found no conspicuous gaps or areas of low penetration in the Bank's lending patterns.

Conclusion for Full-Scope Boston AA

The geographic distribution of home loans reflects reasonable distribution in the low- and moderate-income tracts.

The percent of home purchase loans made is slightly above both the percent of aggregate lending data and the percent of owner occupied housing in the low-income

geographies. This performance is notable as the percent of owner occupied housing in the low-income tracts is low, at 4%. The Bank made no home purchase loans in the moderate-income geographies.

The Bank made no home improvement loans in the low-income tracts. Opportunities for home ownership are challenged, with a small 4% of owner occupied housing in the low-income tracts. The percent of home improvement loans made is very slightly below the percent of aggregate lending data and lower than the percent of owner occupied housing in the moderate-income geographies.

Demographic factors support the Bank's reasonable performance. The percentage of individuals below poverty levels is high at 13%. Peer Mortgage 2012 Market Share data indicates that for the FHA Home Improvement Loans made within this AA, only three loans were made to low-income borrowers. For home purchase loans, competition is very strong. Large nationwide lenders dominated the mortgage lending market and accounted for over 45% of loans made in the moderate-income tracts.

The percent of home refinance loans originated is slightly below both the percent of aggregate lending data and the percent of owner occupied housing in the low-income geographies. The percent of home refinance loans made is slightly below the percent of aggregate lending data and lower than the percent of owner occupied housing in the moderate-income geographies.

The following tables detail the aggregate lending data for all HMDA reporters with the Boston AA as well as the Bank's performance compared to the percent of owner occupied housing units in each census tract income level.

Aggregate Lending Data for Geographic Distribution in the Boston AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans
Home Purchase	4%	7%	12%	0%	42%	57%	42%	36%
Home Improvement	2%	0%	9%	8%	42%	54%	47%	38%
Home Refinance	2%	2%	8%	7%	40%	57%	49%	34%

Geographic Distribution of Residential Real Estate Loans in the Boston AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	4%	7%	12%	0%	47%	57%	37%	36%
Home Improvement	4%	0%	12%	8%	47%	54%	37%	38%
Home Refinance	4%	2%	12%	7%	47%	57%	37%	34%

Source: HMDA reported data from 1/1/2012-12/31/2013; 2010 U.S. Census data

Conclusion for Full-Scope Springfield AA

The geographic distribution of home loans reflects reasonable distribution in the low- and moderate-income tracts.

The percent of home purchase loans made is near both the percent of aggregate lending data and the percent of owner occupied housing in the low-income geographies. This performance is notable as the percent of owner occupied housing in the low-income tracts is low, at 3%. The percent of lending for home purchase loans is lower than the percent of aggregate lending data and the percent of owner occupied housing in the moderate-income geographies.

The Bank made no home improvement loans in the low-income tracts. The percent of home improvement loans made is slightly below the percent of aggregate lending data and below the percent of owner occupied housing in the moderate-income geographies.

Demographic factors support the Bank's reasonable performance. The percentage of individuals below poverty levels is very high at 15%. Peer Mortgage 2012 Market Share data indicates that for the FHA Home Improvement Loans made within this AA, only one loan was made in the low-income tracts.

The percent of home refinance loans originated meets the percent of aggregate lending data and is slightly below the percent of owner occupied housing in the low-income geographies. The percent of lending for home refinance loans exceeds the percent of aggregate lending data and meets the percent of owner occupied housing in the moderate-income geographies.

The following tables detail the aggregate lending data for all HMDA reporters within the Springfield AA as well as the Bank's performance compared to the percent of owner occupied housing units in each census tract income level.

Aggregate Lending Data for Geographic Distribution in the Springfield AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans
Home Purchase	2%	1%	17%	13%	44%	46%	37%	40%
Home Improvement	1%	0%	11%	9%	42%	54%	46%	37%
Home Refinance	1%	1%	11%	15%	41%	40%	47%	44%

Geographic Distribution of Residential Real Estate Loans in the Springfield AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	3%	1%	16%	13%	44%	46%	37%	40%
Home Improvement	3%	0%	16%	9%	44%	54%	37%	37%
Home Refinance	3%	1%	16%	15%	44%	40%	37%	44%

Source: HMDA reported data from 1/1/2012-12/31/2013; 2010 U.S. Census data

Responses to Complaints

There were no CRA complaints received by the Bank or the OCC during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The Bank's performance under the community development test in Massachusetts is rated "Needs to Improve."

Admirals Bank demonstrates poor responsiveness to the community development needs in its assessment areas through CD loans, investments, and services. For the CD test, more weight was placed on the state of RI, as the Bank has a longer branch presence here, whereas it is a more recent entrant in MA. The following qualified investments and services reflect the Bank's efforts to meet community development needs within its AAs.

Number and Amount of Community Development Loans

Conclusion for Full-Scope Boston AA

Admirals Bank made no CD loans during the evaluation period and represents poor responsiveness.

Conclusion for Full-Scope Springfield AA

Admirals Bank made no CD loans during the evaluation period and represents poor responsiveness.

Number and Amount of Qualified Investments

Conclusion for Full-Scope Boston AA

The level of CD investments is poor. There were no current or prior period investments. Qualifying donations totaled 13 for \$231,226, benefiting five different CD organizations. One of the donations, for \$25,000, was made to an organization that provides financial literacy programs for low- to moderate-income high school students, an identified need. While the actual level of bank donations made was higher, these donations met the definition of community development.

See Page 5 for discussion of an investment in a Community Development Financial Institution that is minority-owned and located outside of the Bank's AAs.

Conclusion for Full-Scope Springfield AA

The level of CD investments is poor. There were no current or prior period investments, or qualifying donations made in the AA.

Extent to Which the Bank Provides Community Development Services

Conclusion for Full-Scope Boston AA

Admirals Bank's level of CD services is poor. The Bank's sole branch is located in an upper-income tract. Admirals Bank participates in the Interest on Lawyer's Trust Accounts (IOLTAs). Interest earned on accounts enable nonprofit legal aid providers to help low-income individuals with civil legal matters. The Bank remitted \$672 in interest under this program. Admirals Bank provided no community development services.

Conclusion for Full-Scope Springfield AA

Admirals Bank's level of CD services is poor. The Bank's sole branch is located in a middle-income tract. The Bank provided no community development services.

Responsiveness to Community Development Needs

Conclusion for Full-Scope Boston AA

Considering the Bank's capacity, the need, and the availability of CD opportunities, Admirals Bank's performance, through CD loans, investments, and services, demonstrates poor responsiveness to the needs of the AA. Identified CD needs include financial literacy training, affordable housing including rental, affordable mortgage loan programs for low- and moderate-income homebuyers, homebuyer counseling programs, financing mixed income commercial space, and employment and business training. Opportunities for CD involvement are loans, grant funding, and technical support.

Conclusion for Full-Scope Springfield AA

Considering the Bank's capacity, the need, and the availability of CD opportunities, Admiral Bank's performance, through CD loans, investments, and services, demonstrates poor responsiveness to the needs of the AA. Identified opportunities for CD involvement centered on supporting CD activities, and financial support and technical assistance.

State Rating

State of Rhode Island

CRA Rating for Rhode Island: Satisfactory.

The Lending test is rated: Satisfactory.

The Community development test is rated Satisfactory.

The major factors supporting the institution's state rating:

- The distribution of home loans reflects reasonable distribution among borrowers of different income levels.
- The geographic distribution of loans reflects reasonable distribution in the low- and moderate-income census tracts.
- The Bank demonstrates adequate responsiveness to the CD needs within its AAs.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN RHODE ISLAND

The AA in RI was reviewed as one full-scope AA, within the Providence-New Bedford-Fall River, RI-MA MSA. This AA encompasses the entire state and is comprised of the counties of Bristol, Kent, Newport, Providence, and Washington, as well as bordering Bristol county in MA. One bank branch is located in the city of Providence. The AA is comprised of 368 census tracts. There are 47 low-income tracts, 77 moderate-income tracts, 137 middle-income tracts, 104 upper-income tracts, and three tracts that have not been assigned an income classification. Refer to the table below for additional information.

Demographic Information for Admirals Bank Rhode Island AA					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	368 *	13%	21%	37%	28%
Population by Geography	1,600,852	10%	19%	39%	32%
Owner Occupied Housing by Geography	391,560	4%	13%	45%	38%
Family Distribution by Income Level	400,698	23%	17%	20%	40%
2010 Census Median Family Income (MFI)		\$70,496	Median Housing Value		\$301,214
HUD Updated MFI: 2012		\$75,600	Households Below Poverty Level		13%
		Unemployment Rate**			10.1%

Source: 2010 U.S. Census data

* Three tracts (1%) are NA; this category consists of geographies that have not been assigned an income classification

**U.S. Bureau of Labor Statistics, January 2014.

The Federal Deposit Insurance Corporation's Deposit Share Report for June 30, 2013, indicates that 31 financial institutions operate within the Providence-Warwick, RI-MA MSA. At June 30, 2013, Admirals Bank ranks 19th with 0.59% of the deposit market share.

Competition for the Bank's primary loan product is very high, as many nationwide lenders are present in the Bank's lending market. These lenders include Wells Fargo Bank, RBS Citizens, JPMorgan Chase Bank, US Bank, and Santander Bank. Peer Mortgage 2012 Market Share data indicates that Admirals Bank competes with 490 lenders, and the top 10 lenders dominate with a market share of 42%. The Bank ranks 77th with a market share of 0.24%.

The Bank's local competitors include Coastway Community Bank, The Washington Trust Company of Westerly, Bank Rhode Island, Home Loan Investment Bank, F.S.B., BankNewport, Pawtucket Credit Union, Rhode Island State Employees Credit Union, Centreville Savings Bank, Webster Bank, and Bristol County Savings Bank. Large national and regional financial institutions, as well as non-bank entities, including mortgage brokerage firms, finance companies, insurance companies, mutual funds, and investment banking firms, provide further competition for deposit and loan products.

Leading industries include education and health services, government, professional and business services, hospitality services, and retail trade. The largest employers are Lifespan, CVS Caremark, Citizens Financial Group, Inc., Care New England Health System, and Brown University.

Moody's Analytics report, dated September 2013 for the state of RI, states that RI remains one of the weakest performers in New England. Technology has continued to contract in RI, despite technology serving as an important driver of New England's recovery. Hiring remains weak, workers are leaving the labor force, and wage growth is average. Despite downside risk that permeates the outlook, services are steadily expanding and manufacturing resilience will prevent the state from falling back into recession. Excess housing inventory has been mostly absorbed. The state's recovery will move forward at a deliberate pace; that is expected to happen late in 2014. Output and employment growth will lag the nation's average in the long term due to high costs and slow population growth.

Based on the U.S. Bureau of Labor Statistics (<https://www.data.bls.gov>), in January 2014, the not seasonally adjusted unemployment rate for the state of Rhode Island was 10.1%, the highest of all states in the nation.

SCOPE OF EVALUATION IN RHODE ISLAND

For the lending test, the Bank's performance in both states was equally weighted as 53% of loans were originated in MA and 47% in RI. For the CD test, more weight was placed on the state of RI, as the Bank has a longer branch presence here, whereas it is a more recent entrant in MA.

Bank management identified credit needs as affordable housing, both owner occupied and rental, home improvement lending, and business financing including loan amounts of \$100,000 or less. Opportunities for bank participation are loans, equity investments, and donations.

In addition, we reviewed two community contacts made during the evaluation period; the organizations serve the same geographies as the Bank's AA. The organizations are involved in affordable housing and economic development. One is a Community Development Corporation (CDC). Credit/banking needs identified include quality affordable housing both for families and the elderly, and homebuyer education classes.

Opportunities for bank participation/involvement centered on low-cost funds, grant funding for general operating support related to affordable housing, homeownership counseling, foreclosure prevention counseling, and more affordable first time homebuyer mortgages. One of the contacts stated that they have four bank representatives on their local advisory committee, including Admirals Bank as a participant.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN RHODE ISLAND

LENDING TEST

The Bank's performance under the lending test in Rhode Island is rated "Satisfactory."

The distribution of loans among borrowers of different income levels is reasonable. The geographic distribution of loans in the low- and moderate-income tracts is reasonable.

Lending to Borrowers of Different Incomes

The distribution of home mortgage loans within RI reflects reasonable distribution among borrowers of different income levels.

The percent of home purchase loans made to low-income borrowers is slightly below the percent of aggregate lending data, which is our primary comparator, but is significantly below the percent of low-income families in the AA. The percent of home purchase loans made to moderate-income borrowers is slightly below the percent of aggregate lending data, however significantly exceeds the percent of moderate-income families in the AA.

The percent of home improvement loans made to low-income borrowers is lower than the percent of aggregate lending data, but is significantly below the percent of low-income families in the AA. The percent of home improvement loans made to moderate-income borrowers is significantly below the percent of aggregate lending data, but slightly below the percent of moderate-income families in the AA.

The percent of home refinance loans made to low-income borrowers exceeds the percent of aggregate lending data, but is significantly below the percent of low-income families in the AA. The percent of home refinance loans made to moderate-income borrowers is slightly above both the percent of aggregate lending data and the percent of moderate-income families in the AA.

Demographic factors, including a high poverty level of 13%, and a very competitive market for mortgage lending, further support the Bank's reasonable performance. Peer Mortgage 2012 Market Share data indicates that Admirals Bank competes with 490 lenders, and the top 10 dominate with an overall market share of 42%.

The following tables show the aggregate lending data for HMDA reporters within the RI AA as well as the distribution of home loan products among borrowers of different income levels compared to the percent of families in each income category.

Aggregate Lending Data for Borrower Distribution in the Rhode Island AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% Aggregate Data	% of Number of Loans	% Aggregate Data	% of Number of Loans	% Aggregate Data	% of Number of Loans	% Aggregate Data	% of Number of Loans
Home Purchase	11%	8%	28%	25%	26%	37%	35%	30%
Home Improvement	9%	5%	21%	15%	28%	32%	42%	48%
Home Refinance	6%	11%	17%	19%	26%	30%	51%	40%

Borrower Distribution of Residential Real Estate Loans in the Rhode Island AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Families	% of Number of Loans	% of Families	% of Number of Loans	% of Families	% of Number of Loans	% of Families	% of Number of Loans
Home Purchase	23%	8%	17%	25%	20%	37%	40%	30%
Home Improvement	23%	5%	17%	15%	20%	32%	40%	48%
Home Refinance	23%	11%	17%	19%	20%	30%	40%	40%

Source: HMDA reported data from 1/1/2012-12/31/2013; 2010 U.S. Census data

Geographic Distribution of Loans

The geographic distribution of home mortgage loans within RI reflects reasonable distribution in the low- and moderate-income tracts. We found no conspicuous gaps or areas of low penetration in the Bank's lending patterns.

The percent of home purchase loans made is near both the percent of aggregate lending data and the percent of owner occupied housing in the low-income geographies. This performance is notable as the percent of owner occupied housing in the low-income tracts is low, at 4%. The percent of lending for home purchase loans is slightly below both the percent of aggregate lending data and the percent of owner occupied housing in the moderate-income geographies.

The percent of home improvement loans originated is slightly above both the percent of aggregate lending data and the percent of owner occupied housing in the low-income geographies. The percent of home improvement loans made significantly exceeds both the percent of aggregate lending data and the percent of owner occupied housing in the moderate-income geographies.

The percent of home refinance loans originated exceeds both the percent of aggregate lending data and the percent of owner occupied housing in the low-income geographies. The percent of lending for home refinance loans exceeds the percent of aggregate lending data and meets the percent of owner occupied housing in the moderate-income geographies.

The following tables detail the aggregate lending data for all HMDA reporters within the RI AA as well as the Bank's performance compared to the percent of owner occupied housing units in each census tract income level.

Aggregate Lending Data for Geographic Distribution in the Rhode Island AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans
Home Purchase	4%	3%	13%	10%	44%	55%	39%	32%
Home Improvement	3%	5%	11%	19%	45%	49%	41%	27%
Home Refinance	2%	7%	8%	13%	41%	40%	49%	40%

Geographic Distribution of Residential Real Estate Loans in the Rhode Island AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	4%	3%	13%	10%	45%	55%	38%	32%
Home Improvement	4%	5%	13%	19%	45%	49%	38%	27%
Home Refinance	4%	7%	13%	13%	45%	40%	38%	40%

Source: HMDA reported data from 1/1/2012-12/31/2013; 2010 U.S. Census data

Responses to Complaints

There were no CRA complaints received by the Bank or the OCC during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The Bank's performance under the community development test in Rhode Island is rated "Satisfactory."

Admirals Bank demonstrates adequate responsiveness to the community development needs in its assessment areas through CD loans, investments, and services. More weight was placed on the extent to which the Bank provides CD services. For the CD test overall, more weight was placed on the state of RI, as the Bank has a longer branch presence here, whereas it is a more recent entrant in MA. The following qualified investments and services reflect the Bank's efforts to meet community development needs within its AAs.

Number and Amount of Community Development Loans

Admirals Bank made no CD loans during the evaluation period and represents poor responsiveness.

Number and Amount of Qualified Investments

The level of CD investments is poor. There were no current or prior period investments made in the AA. Qualifying donations totaled 12 for \$53,297, benefiting two different CD organizations. One of the donations, for \$25,000, was made to an organization that provides financial literacy programs for low- to moderate-income high school students, an identified need. While the actual level of bank donations made was higher, these donations met the definition of community development.

See Page 5 for discussion of an investment in a Community Development Financial Institution that is minority-owned and located outside of the Bank's AAs.

Extent to Which the Bank Provides Community Development Services

The Bank's level of CD services is adequate. The Bank's sole branch is located in a moderate-income tract, or 33% of total branches, and exceeds the 19% of the moderate-income population living there.

Admirals Bank participates in the Interest on Lawyer's Trust Accounts (IOLTAs). Interest earned on accounts enable nonprofit legal aid providers to help low-income individuals with civil legal matters. The Bank remitted \$1,186 in interest under this program.

The Bank provides an adequate level of community development services and is responsive to the needs of the community. During the evaluation period, five bank officers/employees provided financial expertise and/or leadership services to five community development organizations in the AA. Three of these services work on affordable housing initiatives, an identified need.

Highlights of CD services include:

- A bank officer serves on the board of a community development support organization that revitalizes neighborhoods and creates affordable housing.
- A bank manager serves on the board of a CDC that works with residents, businesses, and institutions to enrich life and make affordable housing opportunities.
- Another bank manager serves on the Board of a CDC that develops homes for first time low-income homebuyers and affordable rental housing.

Responsiveness to Community Development Needs

Considering the Bank's capacity, the need, and the availability of CD opportunities, Admirals Bank's performance, through CD loans, investments, and services, demonstrates adequate responsiveness to the needs of the AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN SUPPLEMENTAL AREAS

We conducted an analysis to capture Admiral Bank's performance outside their AAs (as discussed on Page 5). To capture performance, five Supplemental Areas were selected. These MSAs were the areas with the highest number of FHA Title I Home Improvement Loans originated nationwide. We assessed the distribution of home improvement loans among borrowers of different income levels and the geographic distribution of home improvement loans in the low- and moderate-income census tracts.

In the five Supplemental Areas, the distribution of home improvement loans among borrowers of different income levels and the geographic distribution of home improvement loans in the low- and moderate-income tracts is reasonable.

Peer Mortgage 2012 Market Share data shows that Admirals Bank ranked second in the nation and made 2,504 FHA Title I Home Improvement Loans. Nationwide, the Bank ranked second in making these home improvement loans to both low- and moderate-income borrowers as well in the low- and moderate-income tracts. This performance provides further support of reasonable distribution of home improvement loans among borrowers of different income levels and the geographic distribution of home improvement loans in the low- and moderate-income tracts outside their AAs.

The following table details the five supplemental areas and the number of loans made.

Five Supplemental Areas – FHA Title I Home Improvement Loans	
MSA	# of Loans
New York-Northern New Jersey-Long Island, New York-New Jersey-Pennsylvania	238
Chicago-Joliet-Naperville, Illinois-Indiana-Wisconsin	199
Philadelphia-Camden-Wilmington, Pennsylvania-New Jersey-Delaware-Maryland	160
Phoenix-Mesa-Glendale, Arizona	142
Kansas City, Missouri-Kansas	118

Source: HMDA reported data from 1/1/2012-12/31/2013; 2010 U.S. Census data

New York-Northern New Jersey-Long Island, New York (NY)-New Jersey (NJ)-Pennsylvania (PA) MSA

The distribution of loans among borrowers of different income levels and the geographic distribution of loans in the low- and moderate-income tracts is reasonable.

Lending to Borrowers of Different Incomes

There is reasonable distribution of home improvement loans originated/purchased to borrowers of different income levels. The percent of home improvement loans made to low-income borrowers is below the percent of aggregate lending data, which is our primary comparator, but is significantly below the percent of low-income families in the AA. The percent of home improvement loans made to moderate-income borrowers is slightly below both the percent of aggregate lending data and the percent of

moderate-income families in the AA.

The following tables show the aggregate lending data for HMDA reporters within this AA as well as the distribution of home improvement loans among borrowers of different income levels compared to the percent of families in each income category.

Aggregate Lending Data for Borrower Distribution in the NY-NJ-PA MSA Supplemental AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% Aggregate Data	% of Number of Loans	% Aggregate Data	% of Number of Loans	% Aggregate Data	% of Number of Loans	% Aggregate Data	% of Number of Loans
Home Improvement	7%	3%	16%	14%	25%	30%	52%	53%

Borrower Distribution of Residential Real Estate Loans in the NY-NJ-PA MSA Supplemental AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Families	% of Number of Loans	% of Families	% of Number of Loans	% of Families	% of Number of Loans	% of Families	% of Number of Loans
Home Improvement	24%	3%	16%	14%	19%	30%	41%	53%

Source: HMDA reported data from 1/1/2012-12/31/2013; 2010 U.S. Census data

Geographic Distribution of Loans

There is reasonable geographic distribution of home improvement loans originated/purchased in the low- and moderate-income tracts. The percent of home improvement loans originated is slightly above the percent of aggregate lending data and meets the percent of owner occupied housing in the low-income geographies. The percent of home improvement loans made is slightly above the percent of aggregate lending data and slightly below the percent of owner occupied housing in the moderate-income geographies.

The following tables detail the aggregate lending data for all HMDA reporters within this AA as well as the Bank's performance compared to the percent of owner occupied housing units in each census tract income level.

Aggregate Lending Data for Geographic Distribution in the NY-NJ-PA MSA Supplemental AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans
Home Improvement	2%	3%	11%	14%	39%	57%	48%	26%

Geographic Distribution of Residential Real Estate Loans in the NY-NJ-PA MSA Supplemental AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Improvement	3%	3%	14%	14%	39%	57%	44%	26%

Source: HMDA reported data from 1/1/2012-12/31/2013; 2010 U.S. Census data

Chicago-Joliet-Naperville, Illinois (IL)-Indiana (IN)-Wisconsin (WI) MSA

The distribution of loans among borrowers of different income levels and the geographic distribution of loans in the low- and moderate-income tracts is reasonable.

Lending to Borrowers of Different Incomes

There is reasonable distribution of home improvement loans originated/purchased to borrowers of different income levels. The percent of home improvement loans made to low-income borrowers is below the percent of aggregate lending data and significantly below the percent of low-income families in the AA. The percent of home improvement loans made to moderate-income borrowers is slightly below the percent of aggregate lending data and meets the percent of moderate-income families in the AA.

The following tables show the aggregate lending data for HMDA reporters within this AA as well as the distribution of home improvement loans among borrowers of different income levels compared to the percent of families in each income category.

Aggregate Lending Data for Borrower Distribution in the IL-IN-WI MSA Supplemental AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% Aggregate Data	% of Number of Loans	% Aggregate Data	% of Number of Loans	% Aggregate Data	% of Number of Loans	% Aggregate Data	% of Number of Loans
Home Improvement	11%	6%	19%	17%	26%	39%	44%	38%

Borrower Distribution of Residential Real Estate Loans in the IL-IN-WI MSA Supplemental AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Families	% of Number of Loans	% of Families	% of Number of Loans	% of Families	% of Number of Loans	% of Families	% of Number of Loans
Home Improvement	22%	6%	17%	17%	20%	39%	41%	38%

Source: HMDA reported data from 1/1/2012-12/31/2013; 2010 U.S. Census data

Geographic Distribution of Loans

There is reasonable geographic distribution of home improvement loans originated/purchased in the low- and moderate-income tracts. The percent of home improvement loans originated is slightly above both the percent of aggregate lending data and the percent of owner occupied housing in the low-income geographies. The percent of home improvement loans made is slightly above both the percent of aggregate lending data and the percent of owner occupied housing in the moderate-income geographies.

The following tables detail the aggregate lending data for all HMDA reporters within this AA as well as the Bank's performance compared to the percent of owner occupied housing units in each census tract income level.

Aggregate Lending Data for Geographic Distribution in the IL-IN-WI MSA Supplemental AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans
Home Improvement	5%	6%	16%	19%	36%	52%	43%	23%

Geographic Distribution of Residential Real Estate Loans in the IL-IN-WI MSA Supplemental AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Improvement	4%	6%	18%	19%	40%	52%	38%	23%

Source: HMDA reported data from 1/1/2012-12/31/2013; 2010 U.S. Census data

Philadelphia-Camden-Wilmington, Pennsylvania (PA)-New Jersey (NJ)-Delaware (DE)-Maryland (MD) MSA

The distribution of loans among borrowers of different income levels and the geographic distribution of loans in the low- and moderate-income tracts is reasonable.

Lending to Borrowers of Different Incomes

There is reasonable distribution of home improvement loans originated/purchased to borrowers of different income levels. The percent of home improvement loans made to low-income borrowers is significantly below both the percent of aggregate lending data and the percent of low-income families in the AA. Peer Mortgage 2012 Market Share data indicates that 73 FHA Home Improvement Loans were made to low-income borrowers within this AA, Admirals Bank ranked fourth behind three large nationwide lenders. The percent of home improvement loans made to moderate-income borrowers

is below the percent of aggregate lending data and slightly above the percent of moderate-income families in the AA.

The following tables show the aggregate lending data for HMDA reporters within this AA as well as the distribution of home improvement loans among borrowers of different income levels compared to the percent of families in each income category.

Aggregate Lending Data for Borrower Distribution in the PA-NJ-DE-MD MSA Supplemental AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Aggregate Data	% of Number of Loans	% of Aggregate Data	% of Number of Loans	% of Aggregate Data	% of Number of Loans	% of Aggregate Data	% of Number of Loans
Home Improvement	14%	6%	23%	18%	25%	34%	38%	42%

Borrower Distribution of Residential Real Estate Loans in the PA-NJ-DE-MD MSA Supplemental AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Families	% of Number of Loans	% of Families	% of Number of Loans	% of Families	% of Number of Loans	% of Families	% of Number of Loans
Home Improvement	22%	6%	17%	18%	20%	34%	41%	42%

Source: HMDA reported data from 1/1/2012-12/31/2013; 2010 U.S. Census data

Geographic Distribution of Loans

There is reasonable geographic distribution of home improvement loans originated/purchased in the low- and moderate-income tracts. The percent of home improvement loans originated is slightly below both the percent of aggregate lending data and the percent of owner occupied housing in the low-income geographies. The percent of home improvement loans made is above both the percent of aggregate lending data and the percent of owner occupied housing in the moderate-income geographies.

The following tables detail the aggregate lending data for all HMDA reporters within this AA as well as the Bank's performance compared to the percent of owner occupied housing units in each census tract income level.

Aggregate Lending Data for Geographic Distribution in the PA-NJ-DE-MD MSA Supplemental AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Aggregate Lending Data	% of Number of Loans	% of Aggregate Lending Data	% of Number of Loans	% of Aggregate Lending Data	% of Number of Loans	% of Aggregate Lending Data	% of Number of Loans
Home Improvement	7%	6%	15%	20%	39%	47%	39%	27%

Geographic Distribution of Residential Real Estate Loans in the PA-NJ-DE-MD MSA Supplemental AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Improvement	8%	6%	16%	20%	37%	47%	39%	27%

Source: HMDA reported data from 1/1/2012-12/31/2013; 2010 U.S. Census data

Phoenix-Mesa-Glendale, Arizona MSA

The distribution of loans among borrowers of different income levels and the geographic distribution of loans in the low- and moderate-income tracts is reasonable.

Lending to Borrowers of Different Incomes

There is reasonable distribution of home improvement loans originated/purchased to borrowers of different income levels. The percent of home improvement loans made to low-income borrowers is significantly below both the percent of aggregate lending data and the percent of low-income families in the AA. Peer Mortgage 2012 Market Share data indicates that only 16 FHA Home Improvement Loans were made to low-income borrowers within this AA; Admirals Bank ranked second, behind a large nationwide bank. The percent of home improvement loans made to moderate-income borrowers is below both percent of aggregate lending data and the percent of moderate-income families in the AA.

The following tables show the aggregate lending data for HMDA reporters within this AA as well as the distribution of home improvement loans among borrowers of different income levels compared to the percent of families in each income category.

Aggregate Lending Data for Borrower Distribution in the Arizona MSA Supplemental AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% Aggregate Data	% of Number of Loans	% Aggregate Data	% of Number of Loans	% Aggregate Data	% of Number of Loans	% Aggregate Data	% of Number of Loans
Home Improvement	10%	2%	17%	13%	22%	29%	51%	56%

Borrower Distribution of Residential Real Estate Loans in the Arizona MSA Supplemental AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Families	% of Number of Loans	% of Families	% of Number of Loans	% of Families	% of Number of Loans	% of Families	% of Number of Loans
Home Improvement	21%	2%	18%	13%	20%	29%	41%	56%

Source: HMDA reported data from 1/1/2012-12/31/2013; 2010 U.S. Census data

Geographic Distribution of Loans

There is reasonable geographic distribution of home improvement loans originated/purchased in the low- and moderate-income tracts. The percent of home improvement loans originated is slightly above the percent of aggregate lending data and slightly below the percent of owner occupied housing in the low-income geographies. The percent of home improvement loans made is slightly below the percent of aggregate lending data, but is significantly below the percent of owner occupied housing in the moderate-income geographies.

The following tables detail the aggregate lending data for all HMDA reporters within this AA as well as the Bank's performance compared to the percent of owner occupied housing units in each census tract income level.

Aggregate Lending Data for Geographic Distribution in the Arizona MSA Supplemental AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans
Home Improvement	1%	2%	12%	10%	36%	46%	51%	42%

Geographic Distribution of Residential Real Estate Loans in the Arizona MSA Supplemental AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Improvement	4%	2%	21%	10%	38%	46%	37%	42%

Source: HMDA reported data from 1/1/2012-12/31/2013; 2010 U.S. Census data

Kansas City, Missouri (MO)-Kansas (KS) MSA

The distribution of loans among borrowers of different income levels and the geographic distribution of loans in the low- and moderate-income tracts is reasonable.

Lending to Borrowers of Different Incomes

There is reasonable distribution of home improvement loans originated/purchased to borrowers of different income levels. The percent of home improvement loans made to low-income borrowers is significantly below both the percent of aggregate lending data and the percent of low-income families in the AA. Peer Mortgage 2012 Market Share data indicates that 32 FHA Home Improvement Loans were made to low-income borrowers within this AA; four large nationwide or regional banks dominated this market and made 69% of loans.

The percent of home improvement loans made to moderate-income borrowers meets the percent of aggregate lending data and is slightly above the percent of moderate-income families in the AA.

The following tables show the aggregate lending data for HMDA reporters within this AA as well as the distribution of home improvement loans among borrowers of different income levels compared to the percent of families in each income category.

Aggregate Lending Data for Borrower Distribution in the MO-KS MSA Supplemental AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% Aggregate Data	% of Number of Loans	% Aggregate Data	% of Number of Loans	% Aggregate Data	% of Number of Loans	% Aggregate Data	% of Number of Loans
Home Improvement	11%	3%	19%	19%	26%	34%	44%	44%

Borrower Distribution of Residential Real Estate Loans in the MO-KS MSA Supplemental AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Families	% of Number of Loans	% of Families	% of Number of Loans	% of Families	% of Number of Loans	% of Families	% of Number of Loans
Home Improvement	20%	3%	18%	19%	22%	34%	40%	44%

Source: HMDA reported data from 1/1/2012-12/31/2013; 2010 U.S. Census data

Geographic Distribution of Loans

There is reasonable geographic distribution of home improvement loans originated/purchased in the low- and moderate-income tracts. The percent of home improvement loans originated is slightly below the percent of aggregate lending data and below the percent of owner occupied housing in the low-income geographies. The percent of home improvement loans made is slightly above the percent of aggregate lending data and slightly below the percent of owner occupied housing in the moderate-income geographies.

The following tables detail the aggregate lending data for all HMDA reporters within this AA as well as the Bank's performance compared to the percent of owner occupied housing units in each census tract income level.

Aggregate Lending Data for Geographic Distribution in the MO-KS MSA Supplemental AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans
Home Improvement	2%	1%	16%	18%	38%	48%	44%	33%

Geographic Distribution of Residential Real Estate Loans in the MO-KS MSA Supplemental AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Improvement	5%	1%	20%	18%	40%	48%	35%	33%

Source: HMDA reported data from 1/1/2012-12/31/2013; 2010 U.S. Census data

Appendix A: Scope of Evaluation

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 metropolitan areas that received comprehensive evaluation (designated by the term "full-scope").

Time Period Reviewed	Lending Test: (01/01/12 to 12/31/13) Community Development Test: (01/31/11 to 03/17/14)	
Financial Institution	Products Reviewed	
Admirals Bank Boston, Massachusetts	Residential mortgage loans, community development loans, investments, and services.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None reviewed		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Evaluation	Other Information
<i>State of Massachusetts</i> Boston-Quincy, MA MD: Suffolk, Norfolk, and Plymouth counties. Springfield, MA MSA: Hampden, Hampshire, and Franklin counties. <i>State of Rhode Island</i> Providence-New Bedford-Fall River, RI-MA MSA: Bristol, Kent, Newport, Providence, and Washington counties in RI; and bordering Bristol county in MA. <i>Supplemental Areas:</i> 1) New York-Northern New Jersey-Long Island, New York, New Jersey (NJ), Pennsylvania (PA) MSA 2) Chicago-Joliet-Naperville, Illinois-Indiana-Wisconsin MSA 3) Philadelphia-Camden-Wilmington, PA-NJ-Delaware-Maryland MSA 4) Phoenix-Mesa-Glendale, Arizona MSA 5) Kansas City, Missouri-Kansas MSA	Full-Scope Full-Scope Full-Scope Full-Scope	

Appendix B: Summary of State Ratings

Overall Bank:	Lending Test Rating	Community Development Test Rating	Overall Bank/State/Multistate Rating
ADMIRALS BANK	Satisfactory	Satisfactory	Satisfactory
MASSACHUSETTS	Satisfactory	Needs to Improve	Satisfactory
RHODE ISLAND	Satisfactory	Satisfactory	Satisfactory