



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

December 01, 2014

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Radius Bank
Charter Number 708433

One Harbor Street, Suite 201
Boston MA 02210

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 this institution's rating include:

- The Bank's level of lending, as reflected in its quarterly average net loan-to-deposit ratio is more than reasonable given the Bank's size and financial condition as well as the assessment area's (AA) credit needs and relevant competitive factors.
- The majority of originated and purchased loans are within the Bank's assessment area.
- The borrower distribution of loans reflects reasonable penetration among individuals of different income levels and businesses of different sizes.
- The geographic distribution of home loans to individuals in low- and moderate-income census tracts reflects reasonable dispersion.
- The geographic distribution of loans to businesses in low- and moderate-income census tracts reflects excellent dispersion.
- The Bank's community development performance reflects adequate responsiveness to community development needs given the Bank's capacity and community development opportunities within the AAs.

Scope of Examination

Radius Bank (RB or Bank) was evaluated using Intermediate Small Bank (ISB) examination procedures, which includes a lending test and a community development (CD) test. The lending test 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 the CD needs in its AAs through qualified CD lending, investments, and services.

The evaluation period for the lending test covers the Bank's performance from January 1, 2012, through September 30, 2014. The evaluation period for the CD test is from November 1, 2011, through December 1, 2014. We validated CD loans, investments, and services submitted by Bank management to ensure they met the regulatory definition for community development.

RB's primary loan products, based on loan purchases and originations during the evaluation period, are residential mortgage loans including home purchase, home refinance, and home improvement loans and commercial loans. As indicated by the

September 30, 2014, Uniform Bank Performance Report, residential loans represent 54% and commercial loans represent 36% of the Bank's loan portfolio.

The Bank reports data under the requirements of the Home Mortgage Disclosure Act (HMDA.) We performed a data integrity review of the Bank's HMDA data for originated and purchased residential real estate loans and found the data reliable. We also tested the Bank's small business loan register (small business loans are those whose original amounts are \$1 million or less) and found the reported data to be reliable. We included all originated and purchased residential real estate loans and small business loans during the evaluation period in our assessment of the Bank's lending.

Description of Institution

Radius Bank is an interstate federal chartered stock institution headquartered in Boston Massachusetts (MA), with total assets of \$699.6 million as of September 30, 2014. The Bank is collectively held by the New England Carpenter's Pension Fund, The New England Carpenter's Guaranteed Annuity Fund, and the Empire State Carpenter's Guaranteed Annuity Fund. As of 6/30/2014, the Federal Deposit Insurance Corporation's (FDIC) summary of deposit market share shows the substantial majority of the Bank's total deposits, or 96.8% were from MA and 3.2% were from New York (NY).

The Bank operates two full-service branch offices and three full service ATMs (automated teller machines). One branch is located at the Bank's headquarters in Boston MA (which is in an unidentified tract income, or 'N/A') and the second branch is located in New Hyde Park NY (which is in an upper –income census tract.) Two of the three ATMs are located at these sites. The third full service ATM is also in Boston MA, located in a moderate-income census tract. Branch hours are typically 8:30am to 4:30pm Monday through Friday and 9:00am to 1:00pm on Saturdays, with extended hours until 6:00pm on Thursdays. RB did not open or close any branches during the evaluation period.

RB offers a full suite of commercial lending options, deposit products, and cash management services. The commercial products include commercial mortgages, term loans, lines of credit, letters of credit, and Small Business Administration guaranteed loans. The Bank also provides consumer products such as personal checking accounts, high-yield savings accounts, credit cards, and other online banking options. The Bank purchases all residential mortgages from the secondary market, which includes home purchase, home improvement, and home refinancing loans. The Bank offers a variety of account access options, including bank-by-phone, mobile banking and on-line chat or email hours. The Bank's website, www.radiusbank.com provides additional information on product offerings and services for both consumers and businesses.

As of September 30, 2014, total assets were \$699.6 million, total deposits were \$577.8 million, and net tier 1 capital was \$58.4 million. The Bank's loan portfolio totaled \$543.7 million.

The following table provides a summary of the loan mix.

Loan Portfolio Summary by Loan Product September 30, 2014 Thrift Financial Report	
Loan Category	% of Total Loans and Leases
Residential Mortgage	54%
Nonresidential Mortgage	23%
Commercial Nonmortgage	12%
Nonresidential Construction	1%
Consumer	10%

The Bank has no financial or legal impediments to meeting the credit needs of the community. RB received a "Satisfactory" rating using ISB procedures at the previous CRA performance evaluation dated October 31, 2011.

Selection of Areas for Full-Scope Review

RB has branches in two states, MA and NY. The CRA requires a Bank to define the assessment area (AA) in which it will be evaluated. We selected the Bank's entire AA and reviewed it as three AAs (two in MA and one in NY), which includes all branch and deposit taking ATM locations, as well as the contiguous political subdivisions, such as counties, cities, or towns in which the Bank has originated or purchased a majority of its loans. The Bank's AAs meet the requirements of the regulation and does not arbitrarily exclude any low or moderate-income areas.

The CRA performance evaluation included a full-scope review on all three AAs in the two states. As the majority of the Bank's deposit and lending activity were within the two MA AAs, it carries more weight in the analysis and impact on the evaluation than the NY AA.

Ratings

The Bank's overall rating is a blend of state ratings. More weight is placed in the conclusions and rating of the Bank's performance in the state of MA, as the substantial majority of the Bank's deposits and loans are located here. 96.8% of deposits and 94.5% of originated or purchased loans are derived from the MA operations. Refer to the "Selection of Areas for Full-Scope Review" and the "Scope" section under each State Area Rating section for additional information in regards to how each AA was weighted in arriving at the respective ratings for each test.

Conclusions with Respect to Performance Criteria

RB's performance under the lending test is Satisfactory. The Bank's loan-to-deposit ratio is more than reasonable, given the Bank's size and AA credit needs. The majority of the Bank's loans are originated inside the defined AA. Overall, the distribution of

loans reflects reasonable penetration among individuals of different income levels and businesses of different sizes. The geographic distribution of loans reflects reasonable dispersion in the low- and moderate-income census tracts.

Loan-to-Deposit Ratio

The Bank’s loan-to-deposit (LTD) ratio is more than reasonable given the Bank’s size, financial condition, and the AA’s credit needs. The Bank’s LTD, which includes both purchased and originated loans, averaged 93.7% over the last 12 quarters since the previous CRA performance evaluation. During this period, the LTD ratio ranged from a quarterly low of 82.2% to a quarterly high of 105.7%. RB’s average LTD ratio is slightly higher than peer bank median quarterly average of 90.3% over the same period.

Lending in Assessment Area

The Bank’s lending performance inside the defined AA is satisfactory. RB originated or purchased a majority of their primary loan products within the defined AA. Specifically, the Bank originated or purchased 76% by number and 75% by dollar within the AA. The following table details RB’s lending activity within the AA.

Table 1- Lending in RB's AA										
Loan Type	Number of Loans					Dollars of Loans (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	209	78%	59	22%	268	125,427	78%	34,414	22%	\$159,841
Home Refinance	139	74%	48	26%	187	97,542	75%	31,622	25%	\$129,204
Home Improvement	6	67%	3	33%	9	3,387	39%	5,404	61%	\$8,791
Total Home	354	76%	110	24%	464	226,356	76%	71,480	24%	\$297,836
Commercial Loans	86	74%	30	26%	116	45,434	69%	20,881	31%	\$66,315
Total Lending	440	76%	140	24%	580	271,790	75%	92,361	25%	\$364,151

Source: HMDA and Small Business Loan Register reported data from 1/1/2012- 9/30/2014

Fair Lending or Other Illegal Credit Practices Review

There was no evidence of discriminatory or other illegal credit practices by the Bank.

State Rating

State of Massachusetts

CRA Rating for Massachusetts: Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors that support this rating include:

- The borrower distribution of loans reflects reasonable penetration to borrowers with different incomes and businesses of different sizes.
- The geographic distribution to individual borrowers reflects reasonable dispersion in the low- and moderate-income census tracts.
- The geographic distribution of loans reflects excellent dispersion to businesses in the low- and moderate-income census tracts.
- The Bank's community development performance demonstrates adequate responsiveness to the identified AA community development needs.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MASSACHUSETTS

The review of the Bank's performance in the MA AAs included a separate analysis for each of the two Bank defined MA AAs, herein referred to as AA1 and AA2.

The MA AA1 (defined as Boston MA MD 14454) includes the three counties (Norfolk, Plymouth, and Suffolk) within the MD and includes all of the 435-census tracts in the MD. RB operates a full service branch and two deposit-taking ATMs in AA1. There are 60 low-income and 78 moderate-income tracts, comprising 14% and 18%, respectively, of all the tracts in this AA. According to the 2010 U.S. Census data, the population of the MA AA1 is approximately 1.9 million and contains 718,117 households and 434,383 families. The 2010 median family income (MFI) was \$83,664 and the 2014 HUD updated MFI was \$87,200. Approximately 23% of the families are low-income, 16% are moderate-income, 20% are middle-income, and 41% are upper-income. There are 93,355 (13%) households below the poverty level. There are 777,997 housing units in the AA, of which, 54% are owner occupied, 38% are rentals, and 8% are vacant. The median housing value is \$389,900.

The MA AA2 (defined as Cambridge-Newton-Framingham, MA MD) includes Middlesex and Essex County, for which the Bank has defined this AA using 245 contiguous census tracts within Middlesex County. There are six low-income and 49 moderate-income tracts, comprising 2% and 20%, respectively, of all tracts in this AA. According to the 2010 U.S. Census data, the population of the AA is 1.2 million. The AA contains

449,492 households and 278,792 families. The 2010 median family income was \$90,625 and the 2014 HUD updated family income was \$93,300. Approximately 19% of the families are low-income, 15% are moderate-income, 20% are middle-income, and 46% are upper-income. There are 35,959 (or 8%) of all households are below the poverty level. There are 475,888 housing units, of which 58% are owner occupied, 37% are rental occupied, and 5% are vacant. The median housing value is \$398,200.

Demographic information of RB MA AA1 and MA AA2 are broken out in the tables below.

Demographic Information for: MA AA1 (MD 14484)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	435	13.79	17.93	36.09	28.97	3.22
Population by Geography	1,887,792	11.76	17.74	39.90	30.41	0.20
Owner-Occupied Housing by Geography	422,822	3.81	12.49	46.38	37.30	0.01
Business by Geography	153,455	7.18	11.08	35.47	45.84	0.42
Farms by Geography	2,349	2.17	6.64	52.06	39.12	0.00
Family Distribution by Income Level	434,383	23.26	16.19	20.01	40.54	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	171,351	19.59	24.64	38.99	16.76	0.01
Median Family Income		\$83,664	Median Housing Value*		\$389,900	
HUD Adjusted Median Family Income for 2014^		\$87,200	Unemployment Rate**		4.7%	
Households Below Poverty Level		13%				

Source: 2010 US Census and 2014 HUD updated MFI; *Realtor.org; **Data from U.S. Bureau of Labor Statistics Unemployment Rates for MSAs as of 11/2014 (not seasonally adjusted) for Boston-Quincy MA-NH MD; ^FFIEC data (based on 2006-2010 ACS and reflects MSA/MD delineations as defined by OMB); N/A= Census tract income is undetermined.

Demographic Information for: MA AA2 (MD 15764)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	245	2.45	20.00	39.18	38.37	0.00
Population by Geography	1,158,534	2.15	18.87	40.23	38.75	0.00
Owner-Occupied Housing by Geography	275,497	0.78	11.72	41.07	46.43	0.00
Business by Geography	103,632	2.02	14.55	38.26	45.17	0.00
Farms by Geography	1,621	1.11	10.49	38.37	50.03	0.00
Family Distribution by Income Level	278,792	19.18	14.92	20.11	45.80	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	95,064	4.49	28.96	41.12	25.43	0.00
Median Family Income		\$90,625	Median Housing Value*		\$398,200	
HUD Adjusted Median Family Income for 2014^		\$93,300	Unemployment Rate*		4.7%	
Households Below Poverty Level		8%				

Source: 2010 US Census and 2014 HUD updated MFI; *Realtor.org; **Data from U.S. Bureau of Labor Statistics Unemployment Rates for MSAs as of 11/2014 (not seasonally adjusted) for Boston-Quincy MA-NH MD; ^FFIEC data (based on 2006-2010 ACS and reflects MSA/MD delineations as defined by OMB)

RB operates in a highly competitive market with competition from local savings banks, large commercial banks, and credit unions. The FDIC's Market Share Report for June 30, 2014, identifies 145 financial institutions operating within the Boston-Cambridge-Newton, MA-NH MSA. More specifically, the FDIC Market Share Report identifies 81 financial institutions operating within the Boston MA Metropolitan Division 14484, which includes Suffolk, Norfolk, and Plymouth Counties, which makes up the entire Bank MA AA1. RB's local competitors include, but are not limited to Eastern Bank, Brookline Bank, Harbor One Bank, Blue Hills Bank, Middlesex Savings Bank, The Needham Bank, and Hingham Institute for Savings. Some larger regional commercial institutions include Bank of America, N.A., Citizen's Bank, N.A., Santander Bank, N.A., and TD Bank, N.A.

Economic indicators show that the national recession has affected the MA economy. The MA economy has improved over the last couple of years and its' recovery has been in-line or better than the national recovery trend. As of November 2014, the unemployment rate in the Boston-Cambridge-Quincy area was 4.7%, faring better than the MA state average of 5.2%. According to Moody's Analytics, this is mainly due to the above-average gains in education and healthcare sectors, the primary drivers of economic growth. Financial services have begun to rise for the first time since 2006, although they remain below the prerecession level.

MA employment is shown to rely heavily on Education and Health Services, Professional and Business Services, Local and State government, and High Tech sectors. The largest employers in MA AA1 include Massachusetts General Hospital, Brigham and Women's Hospital, Boston University, Children's Hospital, Beth Israel Deaconess Medical Center, Fidelity Investments, and Liberty Mutual Holding Co. Inc. The largest employers in MA AA2 include Harvard University, Massachusetts Institute of Technology, and Novartis Institute of Biomedical Research, and Genzyme Corp.

House prices have risen sharply in recent months. According to Core-Logic data, single-family house prices are up more than 12% year over year in recent months. Above average levels (and growth rates) of personal income and low housing inventories are the main drivers behind the price surge in MA.

SCOPE OF EVALUATION IN MASSACHUSETTS

Performance in the MA AAs receives the most weight in the overall conclusions, as the Bank's headquarters, majority of deposits and loans are located here. One of the two branches are located here, 97% of total deposits, and 95% of loan originations and/or loan purchases are within the MA AAs.

To assess the Bank's community development (CD) activities, a local CD organization that provides housing assistance in the Greater Boston area was contacted to identify the community's needs and challenges. The contact noted that affordable housing continues to be one of the biggest needs of the community. Since the recession unemployment, lower incomes, lower housing inventories, higher sales prices, and higher rents were the main drivers of the increased needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MASSACHUSETTS

LENDING TEST

The Bank's performance under the Lending Test in Massachusetts is rated Satisfactory.

- The borrower distribution of loans reflects reasonable distribution among individuals of different income levels and businesses of different sizes.
- Geographic distribution of home loans reflects reasonable dispersion in the low- and moderate-income census tracts.
- Geographic distribution of business loans reflects excellent dispersion in the low- and moderate-income census tracts.

We found no conspicuous gaps or areas of low penetration in the Bank's lending patterns.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

Conclusion for MA AA1

Home Loans

The overall distribution of home loans within the Bank's MA AA1 reflects reasonable penetration among borrowers of different income levels.

The Bank's primary home loan products in MA AA1 were Home Purchase and Home Refinance loans, comprising 58% and 41%, respectively, of the Bank's 189 loans in this AA. We could not perform a meaningful analysis on Home Improvement loans, as they comprised only 1%, or two loans during the evaluation period. Therefore, the analysis includes dispersion performance for only Home Purchase and Home Refinance loans.

The distribution of home loans to low-income borrowers reflects excellent penetration as RB's performance meets the AA's aggregate lending data for home purchases and significantly exceeds the aggregate lending data for home refinance loans. Although the percentage of the Bank's home loan lending is below the percentage of low-income families in the AA, aggregate lending data is the most appropriate benchmark for this analysis. Based on the AA's demographics, the majority of these families would face difficulties in supporting a home purchase mortgage considering their income limits. Specifically, the median family income of \$87,200 results in the maximum low-income cap of \$43,600. With median housing prices in the AA being \$389,900, qualifying for a home purchase loan would be difficult. Refinance opportunities are also limited as the Bank does not originate home loans, rather purchases them from the secondary market. In addition, market competition in the AA is very strong as 582

lenders are competing for these home loans. The top 10 lenders hold approximately 43% of the market share, while RB ranks 25th, holding less than one percent of market share.

The distribution of home purchase and home refinance loans reflects reasonable penetration to moderate-income borrowers in the AA. Although RB’s performance is below (slightly below for home purchase loans) the percentage of families in this income category and the peer aggregate lending data, strong market competition by larger, regional institutions and specialized mortgage companies makes it difficult for the Bank to gain a larger market share or to better penetrate this income group of borrowers. Also important to note is that the Bank only purchases residential mortgages from the secondary market. Borrower income levels as a percentage of MSA incomes are not disclosed prior to the Bank purchasing a loan, only loan qualifying information is provided, such as debt to income, loan to value, and credit score, for example. The Bank chooses which loans to purchase based on their risk tolerance, regardless of the borrower's income level as a percentage of HUD median incomes. This makes it more challenging to better penetrate this income group. As the majority of home loans made by the Bank are purchase loans, more weight was given for this performance than to home refinance performance.

The following tables illustrate the distribution of residential real estate loans among borrowers of different income levels as compared to the percent of families in each income category as well as the aggregate lending data to these groups.

Table 2 - Borrower Distribution of Residential Real Estate Loans in MA AA1								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	23	5	16	11	20	7	41	77
Home Improvement	23	0	16	0	20	0	41	0
Home Refinance	23	10	16	4	20	17	41	69

Source: 2010 U.S. Census Bureau Data; 1/1/2012-9/30/2014 Bank HMDA Data.

Table 2A – Aggregate Lending Data for Borrower Distribution in MA AA1								
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	5	5	21	11	26	7	48	77
Home Improvement	5	0	17	0	28	0	50	0
Home Refinance	5	10	15	4	26	17	54	69

Source: 2013 Peer Mortgage Data; 1/1/2012-9/30/2014 Bank HMDA Data.

Business Loans

The distribution of loans to businesses reflects reasonable penetration among businesses of different sizes. The Bank originated 61% of loans by number and 67% by dollar to businesses with gross annual revenues of \$1 million or less. This is relatively in-line with the business demographic data of 70% of small businesses in the AA. With the level of market competition the Bank faces by larger financial institutions in the AA and considering the Bank’s size, this penetration is satisfactory.

The following table shows the distribution of small business loans among businesses of different sizes by count and by dollar amount.

Table 2B - Borrower Distribution of Loans to Businesses in MA AA 1				
Business Gross Annual Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	70%	30%	0	100%
% of Bank Loans in AA by #	61%	39%	0	100%
% of Bank Loans in AA by \$	67%	33%	0	100%

Source: 2010 U.S. Census Bureau Data; 1/1/2012-9/30/2014 Bank Small Business Loan Register

Conclusion for MA AA2

Home Loans

The overall distribution of home loans to borrowers within the Bank’s MA AA2 reflects reasonable penetration among borrowers of different income levels.

The Bank’s primary home loan products in this MA AA2 were Home Purchase and Home Refinance loans comprising 60% and 38%, respectively, of the Bank’s 148 loans in this AA. We could not perform a meaningful analysis on Home Improvement loans, as they comprised only two percent, amounting to three loans during the evaluation period. Therefore, our analysis includes borrower distribution performance for only Home Purchase and Home Refinance loans, with Home Purchase weighted more heavily in the analysis.

The percent of home purchase loans to low-income borrowers is below the benchmark of families in this income group. However, it is in-line with the aggregate lending data to this group, which is a better reflection of opportunities to lending. This supports reasonable penetration of the low-income group. The Bank’s lending to moderate-income borrowers is below both the percentage of families considered moderate-income and below the aggregate lending data to this group. The strong market competition, housing prices, housing availability, as well as the Bank’s strategy to not originate, but only purchase loans from the secondary market, factor into the Bank’s inability to meet these benchmarks. The penetration to the low-income group, which is typically more of a challenge, elevates the rating to satisfactory.

The percentage of the Bank’s home refinance loans is below both the family demographics and the aggregate lending data to low- and moderate-income borrowers, reflecting poor penetration to this group. Although the local economy has been trending positive as shown in the steady decline in the unemployment rate, housing values continue to remain high relative to median incomes. In addition, market competition remains high in the AA. The top 10 lenders combine for over 43% of market share in the AA, in which RB is ranked 75th, with less than a 1% market share.

The following tables illustrate the distribution of residential real estate loans among borrowers of different income levels as compared to the percent of families in each income category as well as the aggregate lending data to these groups.

Table 2C - Borrower Distribution of Residential Real Estate Loans in MA AA2								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	19	5	15	5	20	7	46	83
Home Improvement	19	0	15	0	20	0	46	0
Home Refinance	19	0	15	4	20	0	46	96

Source: 2010 U.S. Census Bureau Data; 1/1/2012-9/30/2014 Bank HMDA Data

Table 2D – Aggregate Lending Data for Borrower Distribution in MA AA2								
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	6	5	18	5	26	7	50	83
Home Improvement	7	0	17	0	28	0	48	0
Home Refinance	5	0	16	4	27	0	52	96

Source: 2013 Peer Mortgage Data; 1/1/2012-9/30/2014 Bank HMDA Data

Business Loans

The distribution of loans to businesses reflects excellent penetration among businesses of different sizes. The Bank originated 72% of loans by count to small businesses in the AA. This exceeds the demographic percentage of businesses in the AA. By dollar amount, the Bank generated 68% by dollar to these small businesses, which is in-line with demographic data. However, due to the strong market competition in this area and the Bank’s size, this is an excellent distribution of business loans to small businesses.

The following table shows the distribution of commercial loans to businesses of different sizes in MA AA2.

Table 2E - Borrower Distribution of Loans to Businesses in MA AA2				
Business Gross Annual Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	70%	30%	0	100%
% of Bank Loans in AA by #	72%	28%	0	100%
% of Bank Loans in AA by \$	68%	32%	0	100%

Source: 2010 U.S. Census Bureau Data; 1/1/2012-9/30/2014 Bank Small Business Loan Register

Geographic Distribution of Loans

Conclusions for MA AA1

Home Loans

The overall geographic distribution of home loans within the Bank's MA AA1 reflects reasonable dispersion throughout the low- and moderate-income census tracts.

The Bank's primary home loan products in the MA AA1 were Home Purchase and Home Refinance loans, comprising 58% and 41%, respectively, of the Bank's 189 loans in this AA. We could not perform a meaningful analysis on Home Improvement loans, as they comprised only one percent of lending, which amounted to two loans during the evaluation period. Therefore, the analysis includes dispersion performance for only Home Purchase and Home Refinance loans, with Home Purchase weighted more heavily in the analysis.

RB's geographic distribution of home purchase loans in the MA AA1 reflects excellent dispersion in the AA's low-income tracts and reasonable dispersion in the AA's moderate-income tracts. The percent of the Bank's lending for home purchases significantly exceeds both, the percent of owner occupied housing and aggregate lending data in the low-income census tracts. RB's home purchase lending in the moderate-income tracts reflects reasonable dispersion considering the strong market competition and the lack of affordable housing in the AA as median housing values are \$389,800.

The Bank's geographic distribution of home refinance loans also exceeded the percent of owner occupied units and was comparable to aggregate lending data in the low-income census tracts. RB's home refinance lending in the moderate-income tracts was in-line with both the percent of owner occupied housing units and aggregate lending data. Considering the strong market competition and the Bank's market share of lending in the AA, this geographic distribution is more than reasonable.

The following tables illustrate the geographic distribution of residential real estate loans in MA AA1 as compared to the percentage of owner occupied housing units in each of

the census tracts by income level as well as the aggregate lending data within these census tracts.

Table 3 – Geographic Distribution of Residential Real Estate Loans in MA AA1								
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	9	12	8	47	13	37	70
Home Improvement	4	0	12	50	47	0	37	50
Home Refinance	4	5	12	11	47	14	37	70

Source: 2010 U.S. Census Bureau Data; 1/1/2012-9/30/2014 Bank HMDA Data

Table 3A – Aggregate Lending Data for Geographic Distribution in MA AA1								
Census Tract 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	5	9	13	8	42	13	40	70
Home Improvement	3	0	9	50	44	0	44	50
Home Refinance	4	5	11	11	41	14	44	70

Source: 2013 Peer Mortgage Data; 1/1/2012-9/30/2014 Bank HMDA Data

Business Loans

The Bank's geographic distribution of small business loans reflects excellent dispersion in the low- and moderate-income census tracts. Although the number of Bank loans in the low-income tracts was below the percent of business in these tracts, it was in-line with the aggregate lending data, which is a better benchmark to identify lending opportunities. This, as well as the strong market competition from larger commercial banks in the AA and the small percent of businesses in these tracts, reflects excellent dispersion. The percent of loans within the moderate-income tracts significantly surpassed the percent of businesses and the aggregate lending data in these tracts, which reflects excellent dispersion.

The following tables illustrate the Bank’s lending performance compared to the number of businesses and level of aggregate lending data in each census tract by income level.

Table 3B - Geographic Distribution of Loans to Businesses in MA AA1								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Type of Loan	% of Businesses	% of Number of Loans	% of Businesses	% of Number of Loans	% of Businesses	% of Number of Loans	% of Businesses	% of Number of Loans
Small Business Loans	7	3	11	23	36	43	46	31

Source: 2014 Dun & Bradstreet Business Data; 1/1/2012-9/30/2014 Bank Small Business Loan Register

Table 3C – Aggregate Lending Data for Geographic Distribution of Business Loans in MA AA1								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Type of Loan	% of Aggregate Lending	% of Number of Loans	% of Aggregate Lending	% of Number of Loans	% of Aggregate Lending	% of Number of Loans	% of Aggregate Lending	% of Number of Loans
Small Business Loans	3	3	17	23	47	43	33	31

Source: 2013 Peer Small Business Data; 1/1/2012-9/30/2014 Bank Small Business Loan Register

Conclusion for MA AA2

Home Loans

The overall geographic distribution of home loans within the Bank’s MA AA2 reflects reasonable dispersion throughout the low- and moderate-income census tracts.

The Bank’s primary home loan products in this MA AA2 were Home Purchase and Home Refinance loans, comprising 60% and 38%, respectively, of the Bank’s 148 loans in this AA. We could not perform a meaningful analysis on Home Improvement loans, as they comprised only two percent, amounting to three loans during the evaluation period. Therefore, our analysis includes geographic distribution performance for only Home Purchase and Home Refinance loans, with Home Purchase weighted more heavily in the analysis.

The Bank’s geographic distribution of home purchase loans reflects excellent dispersion in the low-income census tracts. RB’s lending performance exceeded the owner occupied housing units and was in-line with aggregate lending data in the low-income census tracts. The Bank’s home purchase lending in the moderate-income tracts is reasonable, considering the strong market competition and lack of affordable housing in

the AA. More specifically, the AA has over a 95% owner-housing rate, with only 5% of housing units being vacant. This along with a 58% owner occupied rate and a 37% rental rate illustrates the lack of available housing for purchase.

The Bank did not originate or purchase any home refinance loans in the low-income census tracts. These low-income census tracts amount to only two percent of all the tracts in MA AA2, or six of 245 in total and has a low percent of owner occupied housing. However, this performance is reasonable considering the strong market competition for these loans and the Bank’s low market share of lending in the AA. RB’s lending performance for home refinance loans in the moderate-income tracts is reasonable. The Bank’s home refinance lending performance in these tracts is below both owner occupied housing and aggregate lending data. However, it is reasonable when considering the strong market competition the Bank faces from larger, regional financial institutions and mortgage companies in the AA.

The following tables illustrate the geographic distribution of residential real estate loans in MA AA2 as compared to the percentage of owner occupied housing units in each of the census tracts by income level as well as the aggregate lending data within these census tracts.

Table 3D – Geographic Distribution of Residential Real Estate Loans in MA AA2								
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	1	2	12	5	41	20	46	73
Home Improvement	1	0	12	0	41	0	46	100
Home Refinance	1	0	12	7	41	14	46	79

Source: 2010 U.S. Census Bureau Data; 1/12012-9/30/2014 Bank HMDA Data

Table 3E– Aggregate Lending Data for Geographic Distribution in MA AA2								
Census Tract 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	2	2	15	5	47	20	36	73
Home Improvement	1	0	12	0	50	0	37	100
Home Refinance	1	0	13	7	45	14	41	79

Source: 2013 Peer Mortgage Data; 2012-Q3 2014 Bank HMDA Data

Business Loans

The Bank’s geographic distribution of small business loans reflects excellent dispersion throughout the low- and moderate-income census tracts in this AA. The Bank significantly exceeded both the percentage of businesses and aggregate lending data for the low- and moderate-income census tracts.

Table 3F - Geographic Distribution of Loans to Businesses in MA AA2								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Type of Loan	% of Businesses	% of Number of Loans	% of Businesses	% of Number of Loans	% of Businesses	% of Number of Loans	% of Businesses	% of Number of Loans
Small Business Loans	2	10	15	37	38	17	45	36

Source: 2014 Dun & Bradstreet Business Data; 1/1/2012-9/30/2014 2014 Bank Small Business Loan Register

Table 3G – Aggregate Lending Data for Geographic Distribution of Business Loans in MA AA2								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Type of Loan	% of Aggregate Lending	% of Number of Loans	% of Aggregate Lending	% of Number of Loans	% of Aggregate Lending	% of Number of Loans	% of Aggregate Lending	% of Number of Loans
Small Business Loans	4	10	17	37	46	17	33	36

Source: 2013 Peer Small Business Data; 1/1/2012-9/30/2014 Bank Small Business Loan Register

Responses to Complaints

Radius Bank did not receive any CRA related complaints during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The Bank’s performance under the CD test is MA is rated Satisfactory.

RB demonstrates adequate responsiveness to the CD needs of the AA through CD lending, investments, and services.

Number and Amount of Community Development Loans

The Bank’s level of CD lending demonstrates adequate responsiveness to an identified AA need. During the evaluation period, the Bank originated four loans, amounting to

\$1.4 million that qualify as community development loans and directly benefited the Bank's AA. The CD loans made by the Bank are all to borrowers for multifamily rental properties serving LMI persons.

Number and Amount of Qualified Investments

RB made a satisfactory level of qualified community development investments and donations. During the evaluation period, the Bank made \$3.9 million in investments that benefited the MA AAs. This included two CD investments and nine grants/donations to six community development organizations targeting its services to LMI individuals or families.

The first CD investment provided 10 LMI targeted mortgages to the MA AA1 that amounted to \$2.2 million. The second CD investment provided six LMI targeted mortgages to the MA AA2 that amounted to \$1.7 million. The Bank made nine grants/donations totaling \$20,300 during the evaluation period. These grants/donations provided funds to six different community development organizations within the MA AAs. While the actual level of Bank grants/donations was higher, these grants/donations met the definition of community development.

Extent to Which the Bank Provides Community Development Services

The Bank's level of community development services is satisfactory. During the evaluation period, the Bank had three officers/employees provide financial expertise to different economic development groups. This included providing guidance on small business startups within the Bank's AA that promote economic development opportunities to small businesses, some being in LMI tracts; community organizations providing financial and budgeting guidance to LMI families; and multiple small business lectures were performed, providing financial expertise, guidance, and advice in funding small businesses in the AA.

In addition to the qualified services noted above, many other Bank employees volunteered at numerous other community organizations, providing support and/or financial expertise. The Bank has board members contributing to other community organizations outside of the Bank's AA, which also support this rating as the Bank has adequately addressed its AA needs.

Responsiveness to Community Development Needs

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

State Rating

State of New York

CRA Rating for New York: Needs to Improve.
The Lending Test is rated: Needs to Improve.
The Community Development Test is rated: Satisfactory.

The major factors that support this rating include:

- The distribution of loans reflects poor penetration among individuals of different income levels.
- The distribution of loans reflects poor penetration to businesses of different sizes.
- The geographic distribution of home loans reflects reasonable dispersion among the low- and moderate-income census tracts.
- The geographic distribution of business loans reflects poor dispersion among the low- and moderate-income census tracts.
- The Bank's community development performance reflects adequate responsiveness to identified community needs, given the Bank's capacity and opportunities in the defined AA.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEW YORK

The Bank's defined NY AA (Nassau County-Suffolk County, NY MD 35004) includes the two counties (Nassau and Suffolk) and all 607-census tracts in the MD. RB operates a full service branch in a middle-income census tract and a commercial loan office. There are 13 low-income and 96 moderate-income census tracts, comprising two percent and 16 % respectively, of all the tracts in the AA. According to the 2010 U.S. Census Bureau data, the population in the AA is approximately 2.8 million and contains 938,122 households and 715,052 families. The 2010 median family income (MFI) was \$101,543 and the 2014 HUD updated MFI was \$105,100. Approximately 19% of the families are low-income, 18% are moderate-income, 24% are middle income, and 39% are upper-income. There are 56,287 (6%) of households below the poverty level. There are 1,031,405 housing units in the AA, of which, 74% are owner occupied, 17% are rentals, and 9% are vacant. The median housing value is \$405,900.

The following chart describes the demographics of the assessment area.

Demographic Information for: NY AA (MD 35004)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA' % of #
Geographies (Census Tracts/BNAs)	607	2.14	15.82	58.32	22.24	1.48
Population by Geography	2,832,882	2.32	17.95	58.87	20.71	0.15
Owner-Occupied Housing by Geography	766,459	1.02	14.16	61.25	23.57	0.00
Business by Geography	261,212	1.47	14.76	58.96	24.80	0.00
Farms by Geography	5,636	1.83	19.23	61.44	17.49	0.00
Family Distribution by Income Level	715,052	19.01	18.46	23.77	38.76	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	267,894	3.16	24.95	58.84	13.05	0.00
Median Family Income	\$101,543	Median Housing Value*			\$405,900	
HUD Adjusted Median Family Income for 2014^	\$105,100	Unemployment Rate**			5.8%	
Households Below Poverty Level	6%					

Source: 2010 US Census and 2014 HUD updated MFI; *Realtor.org; **Data from U.S. Bureau of Labor Statistics Unemployment Rates for MSAs as of 11/2014 (not seasonally adjusted) for Boston-Quincy MA-NH MD; ^FFIEC data (based on 2006-2010 ACS and reflects MSA/MD delineations as defined by OMB); N/A=Census tract income is undetermined.

RB operates in a highly competitive market with competition from local savings banks, large commercial banks, and credit unions. The FDIC Deposit Market Share Report for June 30, 2014, identifies 41 financial institutions operating in the Nassau County-Suffolk County, NY MD. RB’s local competitors include, but are not limited to, New York Community Bank, Signature Bank, Apple Bank for Savings, Flushing Bank, and the First National Bank of Long Island. Some larger, regional commercial institutions include JPMorgan Chase Bank, N.A., Capital One Bank, N.A. Citibank, N.A., TD Bank, N.A., and Bank of America, N.A.

Economic indicators show the national recession has affected the NY economy. Although the NY economy has been stabilizing in recent years, the unemployment trend is lagging behind the national recovery trend. According to Moody’s Analytics, the Nassau-Suffolk County MD remains the sole NY metro area that is not experiencing expansion. Although the unemployment rate is NY State’s second lowest, weekly earnings and labor force participation are trending in the wrong direction and the housing market is a persistent drag. Home sales fell in 2014, and population-adjusted housing starts were second lowest to Detroit among the top 100 metro areas last year. The state’s slow foreclosure process and the post-Sandy moratorium on foreclosures have delayed the clearing process as well. The Nassau-Suffolk County employment is shown to rely heavily on Education and Health Services as well as State and Local Government, Retail Trade, and Professional and Business Services sectors. The AA’s top employers include North Shore-Long Island Jewish Health Systems, Cablevision Systems, Diocese of Rockville Centre, SUNY at Stoney Brook, and Waldbaum’s.

Property values have remained relatively unchanged based on the Federal Housing Finance Agency home price index. Median housing values are \$405,900 in the AA.

SCOPE OF EVALUATION IN NEW YORK

Performance in the New York AA was not weighted as heavily as the performance in the Massachusetts AAs. Although the Bank operated a full service branch in the AA and a commercial loan office, the substantial majority of lending activity as well as deposit share was held in Massachusetts. Of all deposits held (\$597.5 million as of June 30, 2014), only 3%, or \$19 million were in NY. Of all HMDA originations and/or purchases within the Bank's AAs, the NY AA comprised only 2.6% (9/354) by count and 2.9% (\$6.7 million/\$226.4 million) by dollar. The small business lending in the NY AA comprised only of 17% (15/86) by count and 29% (\$13.2 million/\$45.4 million) by dollar of all loans. Considering the commercial loan and HMDA loan breakdowns (63% by count and 66% by dollar) of lending in the AA represents small business loans, emphasis was placed on the Bank's small business lending in the AA. Due to the low number of HMDA loans, which amounts to six Home Purchase loans, no Home Improvement loans, and three Home Refinance loans, the analysis focused only on Home Purchase loans. The analysis does note that the lending volume percentages of both HMDA and business loans are in-line with deposit share between the two states.

In assessing the Bank's community development performance, a local economic development organization was contacted to assess the area's business needs. The contact's primary purpose is to assist small businesses in Long Island area of NY with loans, seminars, and technical assistance. The contact stated the economic outlook was still bleak due to the recession and super storm Sandy. The area has been facing employment challenges due to a lack of job creation. The contact also stated that national policies regarding changes to the healthcare system appear to be affecting Long Island Health Systems, the area's largest employer. This impact has a residual effect on hiring, job creation, and employee wage increases. Local banks have appeared to be involved within the community and economic development by providing funds for small business seminars.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW YORK

LENDING TEST

The Bank's performance under the Lending Test in NY is rated Needs to Improve.

- The borrower distribution of home loans reflects very poor penetration to individuals of different income levels.
- The distribution of business loans reflects reasonable penetration to businesses of different sizes.
- The geographic distribution of home loans reflects reasonable dispersion.

- The geographic distribution of business loans reflects poor dispersion to businesses of different sizes.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

Home Loans

The distribution of home loans reflects very poor penetration among individuals of different income levels. The Bank did not originate nor did it purchase any home loans to borrowers considered either low- or moderate-income. There is strong market competition for these loans in the AA. The housing market in the AA has been stagnant since the upturn in the national and local economy making lending to low- or moderate-income borrowers more challenging. In addition, with the relatively high unemployment and lack of job creation, relatively high housing values compared to median incomes, and the illustrated lack of wage growth as documented by Moody’s Analytics has limited the Bank’s opportunities in the AA. However, even within the context provided, this performance is still very poor.

RB had nine reported HMDA loans, of which six were home purchase loans and three were home refinance loans. The Bank did not have any home improvement loans during the evaluation period. Due to the low or null volume of home refinance and home improvement loans, a meaningful analysis could not be performed. The lending analysis is based on the Bank’s performance of borrower distribution of home purchase loans.

The following table illustrates the Bank’s lending activity of HMDA loans among borrowers of different income levels as compared to the percent of families in each income category.

Table 4 - Borrower Distribution of Residential Real Estate Loans in NY AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	19	0	18	0	24	25	39	75
Home Improvement	19	0	18	0	24	0	39	0
Home Refinance	19	0	18	0	24	0	39	100

Source: 2010 U.S. Census Bureau Data; 1/1/2012-9/30/2014 Bank HMDA Data

Business Loans

The distribution of loans to businesses reflects reasonable penetration among businesses of different sizes. The Bank originated 20% of loans by number and 23% by dollars to businesses with gross annual revenues of \$1 million or less. Market share reports illustrate the four largest lenders are credit card providers, comprising 82% of all small business loans in the AA. The average dollar amounts for the top four lenders range from \$7,000 - \$10,000. The Bank does not have the capacity to compete with these larger financial institutions. Although the Bank’s performance is below the AA demographics, its level of lending, considering the strong market competition is reasonable.

The following table illustrates the Bank’s lending performance to businesses of different sizes in the AA.

Table 4A - Borrower Distribution of Loans to Businesses in NY AA				
Business Gross Annual Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	76%	24%	0	100%
% of Bank Loans in AA by #	20%	80%	0	100%
% of Bank Loans in AA by \$	23%	77%	0	100%

Source: 2010 U.S. Census Bureau Data; 1/1/2012-9/30/2014 Bank Small Business Loan Register

Geographic Distribution of Loans

Home Loans

The Bank’s geographic distribution of home purchase loans in the NY AA reflects excellent dispersion in the moderate-income census tracts and poor dispersion in the low-income census tracts. The Bank only had nine HMDA loans within the AA, for which six (or 67%) were home purchase loans. The three other loans were home refinance loans, for which due to the small number, a meaningful analysis could not be performed. The Bank did not have any Home Improvement loans during the evaluation period. The Bank does not originate HMDA loans; rather, it purchases conforming loans from the secondary market. In addition, with the strong market competition, lack of affordable housing, and the low percent of owner occupied housing, which is a benchmark of lending opportunities in the low-income tracts, supports a conclusion of reasonable dispersion in the AA.

The following table illustrates the Bank’s lending performance as compared to the percentage of owner-occupied housing units in each census tract income level.

Table 5 - Geographic Distribution of Residential Real Estate Loans in NY 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	1	0	14	33	61	0	24	67
Home Improvement	1	0	14	0	61	0	24	0
Home Refinance	1	0	14	0	61	33	24	67

Source: 2010 U.S. Census Bureau Data; 1/1/2012-9/30/2014 Bank HMDA Data

Business Loans

The Bank’s distribution of business loans reflects poor dispersion in the low- and moderate-income tracts. Although the Bank had limited business loans in the AA and faces strong market competition, dispersion was poor. We note that there are only 13 low-income (2%) and 96 (16%) moderate- income census tracts in the Bank’s AA, which limits their opportunity to lend in these areas. In addition, based on the MSA market share report, the top four lenders comprise 82% by count of all originated small business loans. These loans range from \$7,000 - \$10,000, which are typical credit card lines of credit. The Bank cannot compete with these larger credit card institutions for these small dollar loans that appeal to small startup businesses. This identifies less of a lending opportunity for the Bank.

The following table illustrates the distribution of business loans compared to the percentage of businesses within each census tract income level.

Table 5A - Geographic Distribution of Loans to Businesses in NY AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Type of Loan	% of Businesses	% of Number of Loans	% of Businesses	% of Number of Loans	% of Businesses	% of Number of Loans	% of Businesses	% of Number of Loans
Small Business Loans	1	0	15	0	59	80	25	20

Source: 2014 Dun & Bradstreet Business Data; 1/1/2012-9/30/2014 Bank Small Business Loan Register

Responses to Complaints

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

COMMUNITY DEVELOPMENT TEST

The Bank's community development rating is Satisfactory and reflects adequate responsiveness in the NY AA.

Number and Amount of Community Development Loans

The Bank's level of CD lending is adequate. The Bank originated six CD qualified loans during the evaluation period, amounting to \$5.4 million. Four CD loans, amounting to \$4.8 million were to borrowers that rehabilitate affordable housing for multifamily rental properties serving LMI persons. Two other loans amounting to \$600 thousand were to rehabilitate existing businesses destroyed by super storm Sandy, for which the federal government declared the applicable tract a disaster area, thus qualifying these loans.

Number and Amount of Qualified Investments

The Bank's level of CD investments and donations within the NY AA are satisfactory and reflects adequate responsiveness to the AA's needs. The Bank's investments and donations during the assessment period totaled approximately \$1.3 million. This is comprised of one CD investment to provide mortgage loans to six LMI borrowers. The Bank also made four qualifying grants/donations amounting to \$5,000 in the AA. While the actual level of Bank grants/donations was higher, these donations met the definition of community development.

Extent to Which the Bank Provides Community Development Services

The Bank provides a satisfactory level of CD services within the NY AA. During the evaluation period, Bank employees and Bank officers provided an adequate level of services to qualified CD organizations. This included a Bank director on the board of a community services organization that targets its services towards LMI families. Another Bank employee is on the board of a community development organization that provides services to businesses in the greater AA, including LMI areas, to help with economic development and sustainability of local businesses. Although many Bank employees volunteered and provided services to local organizations as well, only those that qualified were included in the assessment.

Responsiveness to Community Development Needs

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

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 metropolitan and nonmetropolitan areas 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: (01/01/2012 to 09/30/2014) Community Development Test: (11/01/2011 to 12/01/2014)	
Financial Institution	Products Reviewed	
Radius Bank Boston, Massachusetts	Residential Mortgage Loans, Small Business Loans, Community Development Loans, Investments, and Services.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None reviewed	N/A	N/A
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 County	Full-Scope	
Essex County, Middlesex County	Full-Scope	
<i>State of New York</i> NY- Nassau-Suffolk County	Full-Scope	

Appendix B: Summary of Multistate Metropolitan Area and State Ratings

Overall Bank:	Lending Test Rating	Community Development Test Rating	Overall Bank/State/Multistate Rating
RADIUS BANK	Satisfactory	Satisfactory	Satisfactory
Massachusetts	Satisfactory	Satisfactory	Satisfactory
New York	Needs to Improve	Satisfactory	Needs to Improve