Report at the close of business as of the end of fiscal year

This Report is required by law, Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844 (c)(1)(A)); Section 8(a) of the International Banking Act (12 U.S.C. § 3106(a)); Sections 11(a)(1), 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 248a(1), 602, and 611a), Section 211.13(c) of Regulation K (12 C.F.R. § 211.13(c)); and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)) and section 10(c)(2)(H) of the Home Owners’ Loan Act. Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

NOTE: The Annual Report of Holding Companies must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report.

I. Brian Murphy
Name of the Holding Company Director and Official
President

Title of the Holding Company Director and Official

attest that the Annual Report of Holding Companies (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board’s “Rules Regarding Availability of Information,” 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Signature of Holding Company Director and Official

Date of Signature

For holding companies not registered with the SEC—Indicate status of Annual Report to Shareholders:
☐ is included with the FR Y-6 report
☐ will be sent under separate cover
☒ is not prepared

For Federal Reserve Bank Use Only

RSSD ID 3834922
C.I.

Date of Report (top-tier holding company’s fiscal year-end):
December 31, 2015

Month / Day / Year

Reporters’ Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporters’ Name, Street, and Mailing Address
Prospect Financial Corporation
One Home Loan Plaza
(Warwick, RI 02886)

City State Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:
Randy Wyrofsky
CFO

Name Title

401-739-8800
Area Code / Phone Number / Extension

401-739-9652
Area Code / FAX Number

rwyrofsky@homeloanbank.com
E-mail Address

Address (URL) for the Holding Company’s web page

Does the reporter request confidential treatment for any portion of this submission?

☐ Yes Please identify the report items to which this request applies:

☐ In accordance with the instructions on pages GEN-2 and 3, a letter justifying the request is being provided.

☒ The information for which confidential treatment is sought is being submitted separately labeled “Confidential.”

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 5.25 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0297), Washington, DC 20503.

12/2015
Annual Report of Holding Companies—FR Y-6

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844 (c)(1)(A)); Section 8(a) of the International Banking Act (12 U.S.C. § 3106(a)); Sections 11(a)(1), 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); Section 211.13(c) of Regulation K (12 C.F.R. § 211.13(c)); and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)) and section 10(c)(2)(H) of the Home Owners' Loan Act. Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

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I, Brian Murphy
Name of the Holding Company Director and Official
President
Title of the Holding Company Director and Official

attest that the Annual Report of Holding Companies (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

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Signature of Holding Company Director and Official

Date of Signature

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☐ is included with the FR Y-6 report
☐ will be sent under separate cover
☒ is not prepared

For Federal Reserve Bank Use Only

RSSD ID
C.I.

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2015

Month / Day / Year
N/A

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)
N/A

Reporter's Name, Street, and Mailing Address
Prospect Financial Corporation

Legal Title of Holding Company
One Home Loan Plaza
(Mailing Address of the Holding Company) Street / P.O. Box
Warwick 02886
City State Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:
Randy Wyrofsky
CFO

Name Title
401-739-8800
Area Code / Phone Number / Extension
401-739-9852
Area Code / FAX Number
rwyrofsky@homeloanbank.com
E-mail Address

Address (URL) for the Holding Company's web page

Does the reporter request confidential treatment for any portion of this submission?
☐ Yes Please identify the report items to which this request applies:
☐ In accordance with the instructions on pages GEN-2
☐ The information for which confidential treatment is sought
and 3, a letter justifying the request is being provided.
☒ No

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 5.29 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7150-0297), Washington, DC 20503.
Report Item 1: Annual Report to Shareholders

The holding company is not registered with the SEC and does not prepare an annual report to the shareholders. The company will provide audited financial statements under separate cover.
Report Item 2(a) Organizational Chart

Chart is enclosed.
Prospect Financial Corporation  
Warwick, RI  
Fiscal Year Ending December 31, 2015

Family Trust  
Jamestown Trust  
Warwick, RI

77%  

Prospect Financial Corporation  
Warwick, RI  
Incorporated in Rhode Island  

100%  

Family Trust  
Geesala Trust  
Warwick, RI

23%  

Home Loan Investment Bank, FSB  
Warwick, RI  
Federal Savings Bank

*LEI not applicable unless otherwise noted.
Report Item 2(b) Branch Verification

This depository institution is held by PRIVACY FINANCIAL CORPORATION (DBA RBSID) of WARWICK, RI, the date was as of 12/31/2015. Data reflects information that was received and processed through 12/30/2015.

Reconciliation and Verification Steps:
1. In the Data Action column of each branch row, enter one or more of the actions specified below.
2. If required, enter the date in the Effective Date column.

Actions:
- OR: If the branch information is correct, enter "OK" in the Data Action column.
- Change: If the branch information is incorrect or incomplete, revise the data, enter "Change" in the Data Action column and the date when the information first became valid in the Effective Date column.
- Close: If the branch listed was sold or closed, enter "Close" in the Data Action column and the sale or closure date in the Effective Date column.
- Delete: If a branch listed was never owned by this depository institution, enter "Delete" in the Data Action column.
- Add: If a separate branch is missing, insert a new, and the branch data, and enter "Add" in the Data Action column and the opening or acquisition date in the Effective Date column.

Formatting Note: You may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedures:
When you are finished, send a copy to your FRB contact. See the detailed instructions on this site for more information.
If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note: To satisfy the FR Y-10 reporting requirements, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a Data Action of Change, Close, Delete, or Add. The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application: https://y10online.federalreserve.gov.

* FDIC UNNUM, Office Number, and ID_RBSID columns are for reference only. Verification of these values is not required.

<table>
<thead>
<tr>
<th>Date Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Branch ID</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>County</th>
<th>Country</th>
<th>FDIC UNNUM*</th>
<th>Office Number*</th>
<th>Head Office</th>
<th>Federal Office ID_RBSID*</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK</td>
<td>12/31/2015</td>
<td>Full Service (Head Office)</td>
<td>724501</td>
<td>HOME DEPARTMENT INVESTMENT BANK F S B</td>
<td>1 HOME LOAN PLAZA, SUITE 3</td>
<td>WARWICK</td>
<td>RI</td>
<td>02886</td>
<td>KENT</td>
<td>UNITED STATES</td>
<td>39887</td>
<td>HOME LOAN INVESTMENT BANK F S B</td>
<td>724501</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>12/31/2015</td>
<td>Full Service</td>
<td>28006297</td>
<td>PROVIDENCE OFFICE</td>
<td>244 BAY ROAD STREET</td>
<td>PROVIDENCE</td>
<td>RI</td>
<td>02905</td>
<td>PROVIDENCE</td>
<td>UNITED STATES</td>
<td>251955</td>
<td>HOME LOAN INVESTMENT BANK F S B</td>
<td>724501</td>
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</tr>
<tr>
<td>OK</td>
<td>12/31/2015</td>
<td>Full Service</td>
<td>28006295</td>
<td>PROVIDENCE BRANCH</td>
<td>40 AIRPORT ROAD</td>
<td>PROVIDENCE</td>
<td>RI</td>
<td>02905</td>
<td>KENT</td>
<td>UNITED STATES</td>
<td>251955</td>
<td>HOME LOAN INVESTMENT BANK F S B</td>
<td>724501</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Form FR Y-6**

**Prospect Financial Corporation**  
**Warwick, Rhode Island**  
**Fiscal Year Ending December 31, 2015**

**Report Item 3: Securities Holders**

<table>
<thead>
<tr>
<th>(1)(a)</th>
<th>(1)(b)</th>
<th>(1)(c)</th>
<th>(2)(a)</th>
<th>(2)(b)</th>
<th>(2)(c)</th>
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</thead>
<tbody>
<tr>
<td>Name &amp; Address (City, State, Country)</td>
<td>Country of Citizenship or Incorporation</td>
<td>Number and Percentage of Each Class of Voting Securities</td>
<td>Name &amp; Address (City, State, Country)</td>
<td>Country of Citizenship or Incorporation</td>
<td>Number and Percentage of Each Class of Voting Securities</td>
</tr>
<tr>
<td>Jamestown Trust Warwick, RI</td>
<td>USA</td>
<td>77%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Geesala Trust Warwick, RI</td>
<td>USA</td>
<td>23%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Names &amp; Address (City, State, Country)</td>
<td>Principal Occupation if other than with Bank Holding Company</td>
<td>Title &amp; Position with Bank Holding Company</td>
<td>Title &amp; Position with Subsidiaries (include names of subsidiaries)</td>
<td>Title &amp; Position with Other Businesses (include names of other businesses)</td>
<td>Percentage of Voting Securities in Bank Holding Company</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>-------------------------------------------------------------</td>
<td>------------------------------------------</td>
<td>-------------------------------------------------</td>
<td>-------------------------------------------------</td>
<td>-------------------------------------------------</td>
</tr>
<tr>
<td>Brian Murphy</td>
<td>President</td>
<td>President and CEO</td>
<td>Home Loan Investment Bank, FSB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warwick, RI USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daniel Murphy</td>
<td>Treasurer</td>
<td>Vice President</td>
<td>Home Loan Investment Bank, FSB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warwick, RI USA</td>
<td>Secretary</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>