



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

November 26, 2007

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Rabobank, National Association  
Charter Number: 24583

1448 Main Street  
El Centro, CA 92243-0000

Office of the Comptroller of the Currency

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**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

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

The following table indicates the performance level of Rabobank, National Association with respect to the Lending, Investment, and Service Tests:

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	X
High Satisfactory			
Low Satisfactory	X		
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- Good geographic distribution of loans.
- Adequate penetration to businesses of different sizes and borrowers of different income levels.
- Excellent levels of community development investments.
- Branch locations are readily accessible to low- and moderate-income individuals.

## Definitions and Common Abbreviations

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

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

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

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

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

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

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

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

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multi-family (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

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

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

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

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

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

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

**Rated Area:** A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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

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

## Description of Institution

Rabobank, National Association (Rabobank) is an intrastate financial institution and a wholly owned subsidiary of VIB Corp (VIB), a one-bank holding company. Both Rabobank and VIB have total assets of \$8 billion and are headquartered in El Centro, California.

VIB is a wholly owned subsidiary of Rabobank Nederland (Rabobank International), which is headquartered in the Netherlands and maintains an office in New York City. Rabobank, formally known as Valley Independent Bank converted to a national bank charter in March 2005. Loans originated by the bank's affiliate, Rabo AgriFinance (RAF) are included in our analysis of the bank's CRA performance. RAF specializes in financing agricultural real estate and providing assistance to producers.

In March 2005, Rabobank operated 22 branches in the counties of Imperial, San Diego, Riverside, Kern, Kings, Tulare and Fresno. The following merger and acquisition activity occurred during the evaluation period:

- De novo branch opened in San Bernardino County in late 2005
- January 2006 acquisition of Community Bank of Central California included 14 branches and added Monterey, San Benito, Santa Clara, and Santa Cruz counties as assessment areas (AAs).
- De novo branch opened in April 2006 in Placer County.
- De novo branch opened in November 2006 in Los Angeles County.
- April 2007 acquisition of Mid-State Bancshares included 41 branches and added San Luis Obispo, Santa Barbara, and Ventura counties as AAs.

Rabobank is a full-service banking institution offering retail and commercial banking services to individuals, businesses, commercial real estate developers, and agricultural customers. The bank operates 80 banking offices throughout 15 assessment areas (AA) in California. This includes one de novo branch that opened in Glendale, California on November 10, 2006, and 41 branches added after the acquisition and merger of Mid-State Bancshares. These AA's are not included in this evaluation due to the short amount of time it has been part of the bank.

Rabobank specializes in commercial real estate financing and agricultural lending with a strong focus on serving the banking needs of small- to medium-sized businesses. Net loans represent 78 percent of total assets as of March 31, 2007. The loan portfolio (by dollar volume) is comprised of 52 percent commercial and construction/land development, 38 percent agricultural, 6 percent one-to-four family residential, 2 percent multi-family, and 1 percent consumer loans. Other miscellaneous loans represent 1 percent of the loan portfolio. Tier 1 capital is \$657 million.

There are no legal or financial constraints that impede the bank's ability to help meet the credit needs in its AAs.

This is the first CRA examination for Rabobank since its conversion to a national charter.



## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period for the lending test, excluding community development (CD) loans, is January 1, 2005, through December 31, 2006. Products reviewed in the lending test include home mortgage, small business, and small farm loans originated and purchased. We also included loans originated by the bank's affiliate, Rabo AgriFinance (RAF). For CD loans, the Investment Test and the Service Test, the evaluation period is January 1, 2006 through November 26, 2007.

### Data Integrity

We performed data integrity reviews prior to this examination to test the accuracy of Home Mortgage Disclosure Act (HMDA) and CRA data. We did not find any significant errors. Loan data is accurate and reliable. CD loan, investment and service information was evaluated during this examination

### Selection of Areas for Full-Scope Review

Rabobank has 15 AAs in California. We performed a full-scope review in the following MAs:

- El Centro
- Riverside – San Bernardino – Ontario (Riverside)
- Salinas

Full-scope AAs represent 59 percent of loan activity and 79% of deposit activity during our evaluation period.

The following AAs were not evaluated since branches in these areas were opened within the last twelve months.

- Los Angeles – Long Beach – Glendale MA:      opened November 2006
- \* San Luis Obispo – Paso Robles MA:
- \* Santa Barbara – Santa Maria – Goleta MA
- \* Oxnard – Thousand Oaks – Ventura MA

\* These AAs became part of Rabobank after the acquisition of Mid-State Bancshares.

We performed limited-scope procedures on the remaining eight AAs.

Refer to Appendix A for additional information.

### Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews.

More weight is given to small business loans followed by HMDA loans. Small business loans represent 65 percent of the total number and 55 percent of the total dollar amount of loans originated during the evaluation period. HMDA and small farm loans represent 21 percent and 13 percent of the number of loans originated, respectively, during this period. Home improvement followed by refinanced loans is the primary HMDA loan product in the El Centro

and Riverside AAs. In the Salinas AA, the primary HMDA loan product is home purchase followed by refinanced loans.

More weight is given to the El Centro AA based on the higher volume of loans by both number and dollar volume. The Riverside-San Bernardino-Ontario AA carries more weight than the Salinas AA based on higher loan volumes.

### **Other**

We conducted one community contact during this examination with a grass roots community group in the El Centro AA. We also reviewed two OCC community contacts in the Riverside AA made within the last twelve months with a small business development group and government organization.

Primary credit needs identified in the El Centro AA includes funding for emergency services to low- and moderate-income individuals and small business financing/support. In the Riverside AA, community contacts indicated that the primary credit needs are small business financing and affordable housing.

## **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated "Low Satisfactory". Based on full-scope reviews, the bank's performance in the El Centro MA is adequate. In the Riverside and Salinas MAs the bank's performance is good.

#### Lending Activity

Refer to Table 1 (Lending Volume) in appendix C for the facts and data used to evaluate the bank's lending activity.

Lending activity is adequate. Rabobank's net loan-to-deposit ratio is 138 percent as of March 31, 2007. Home mortgage loans are not a major product for the bank and do not represent the bank's primary business focus.

Rabobank is ranked first in deposits in the El Centro AA with a 51 percent market share. This compares to a ranking of 7<sup>th</sup> (4 percent market share) in small business loans. For small farm loans, the bank is ranked 1<sup>st</sup> with a 33 percent market share. The bank's affiliate, Rabo AgriFinance (RAF), also originated ten small farm loans totaling \$2 million in this AA. The bank is ranked 4<sup>th</sup> (6 percent market share) and 2<sup>nd</sup> (21 percent market share) in home improvement and multi-family loans, respectively. Market share is not significant at less than 0.5 percent for home purchase and refinanced loans.

In the Riverside AA, Rabobank is ranked 21<sup>st</sup> in deposits with a 0.79 percent market share. This compares to a ranking of 11<sup>th</sup> (1 percent market share) in small farm loans. RAF originated two small farm loans totaling \$260 thousand in this AA. Market share is not significant at less than 0.5 percent for small business and home mortgage loans.

In the Salinas AA, Rabobank is ranked 4<sup>th</sup> in deposits with a 14 percent market share. This compares to a ranking of 13<sup>th</sup> (1 percent market share) and 4<sup>th</sup> (8 percent market share) in small business and small farm loans, respectively. For multi-family loans, the bank is ranked 5<sup>th</sup> (8 percent market share). Market share for home purchase, home improvement, and refinanced loans is not significant at less than 0.5 percent. The Salinas AA became part of Rabobank in 2006, which impacts loan volumes.

There is strong competition for small business loans. In each of our full-scope AAs, American Express is the dominant small business lender in the market. In the El Centro AA, lenders with a higher market share than Rabobank are all large banks. In the Riverside and Salinas AAs, large banks also hold the top four market positions.

## **Distribution of Loans by Income Level of the Geography**

Rabobank's overall distribution of loans by geography is good. A majority of loans were originated in the AAs. Primary weight is placed on performance in the El Centro AA followed by the Riverside AA. The bank's primary business focus is in commercial real estate and agricultural lending. There are no low-income areas in the El Centro and Salinas AAs.

### ***Home Mortgage Loans***

Refer to Tables 2, 3, 4 and 5 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The overall geographic distribution of home mortgage loans is poor. HMDA loans are not a primary product or business focus for the bank. Primary weight is placed on home improvement and refinanced loans in the El Centro and Riverside AAs. In the Salinas AA, home purchase and refinanced loans carry the most weight.

Performance is impacted by the suspension of the bank's mortgage loan program during the second half of 2006, except for home equity loans. Operations were suspended due to the bank's processor being purchased by an institution that would no longer provide these services.

In the El Centro AA, the bank's performance in moderate-income tracts for home purchase loans is very poor. In the Riverside AA, performance in moderate-income tracts is good. No loans were made in low-income tracts; however, less than 2 percent of owner-occupied housing is in these geographies. In the Salinas AA, Rabobank did not make any loans in moderate-income tracts. However, housing costs in this AA are very high given the median family income.

For home improvement and refinanced loans, performance in the El Centro AA is poor in moderate-income tracts. However, the percentage of loans in moderate-income tracts is above demographics and considered excellent in the Riverside and Salinas AAs. The Riverside AA also demonstrates excellent performance in low-income geographies.

Ten multi-family loans were made in the full-scope AAs. The percentage of loans in moderate-income tracts is above demographics and considered excellent in the El Centro and Salinas AAs. In the Riverside AA, there are no loans in low- or moderate-income tracts. However, only one multi-family loan was made in this AA.

### ***Small Loans to Businesses***

Refer to Table 6 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The overall distribution of small loans to businesses is excellent.

Rabobank demonstrates good performance in the El Centro AA. The percentage of loans in moderate-income tracts is 86 percent of demographics. The market share in moderate-income geographies exceeds the bank's overall market share.

Performance is excellent in the Riverside and Salinas AAs. The percentage of loans in moderate-income tracts is above demographics. Performance in low-income tracts in the Riverside AA is adequate given that only 4 percent of businesses are in these geographies.

### ***Small Loans to Farms***

Refer to Table 7 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

The overall distribution of small loans to farms is poor.

In the El Centro AA, the bank's performance in moderate-income tracts is poor. The percentage of loans in moderate-income tracts is above demographics in the Riverside AA. No loans were made in low-income tracts; however, only 2 percent of farms are in these geographies. In the Salinas AA, performance is good. The percentage of loans in moderate-income tracts is 61 percent of demographics. However, the market share in these tracts meets the bank's overall market share.

### ***Lending Gap Analysis***

Maps and reports were reviewed to identify any gaps in the geographic distribution of home mortgage, small loans to businesses and small loans to farms. No unexplained or conspicuous gaps were identified.

### ***Inside/Outside Ratio***

A majority of total loans originated and purchased are within the bank's AAs.

For the period 2005-2006, 94 percent of the number of all loans reviewed originated in the AAs. By product type, the percentage (by number) of home mortgage, small business, and small farm loans within the AAs is 99 percent, 96 percent, and 81 percent, respectively.

The bank's performance was a positive factor in the overall analysis of the geographic distribution of lending.

### **Distribution of Loans by Income Level of the Borrower**

The overall distribution of loans by income level of the borrower is adequate. In the El Centro, Riverside, and Salinas AAs, the percentage of families below poverty levels are 19 percent, 12 percent, and 10 percent, respectively.

## ***Home Mortgage Loans***

Refer to Tables 8, 9, and 10 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall borrower distribution of home mortgage loans is adequate. HMDA loans are not a primary product or business focus for the bank. Primary weight is placed on home improvement loans followed by refinanced loans in the El Centro and Riverside AAs. In the Salinas AA, home purchase and refinanced loans carry the most weight.

Housing costs in the Salinas AA are very high given the median family income. An individual person would need to make 130 percent of the median family income to purchase a home within the median housing value range.

The overall distribution of home purchase loans by income level of the borrower is poor. Rabobank did not make any loans to moderate-income borrowers in the El Centro and Riverside AAs. Performance to low-income borrowers in the Riverside AA is excellent given the percent of families below poverty. The percentage of loans to moderate-income borrowers is above demographics in the Salinas AA. The percentage of families below poverty mitigates the lack of loans made to low-income borrowers in the El Centro and Salinas AAs. Also, as stated above, Salinas is a high-cost area.

The overall distribution of home improvement loans by income level of the borrower is adequate. In the El Centro AA, performance to low-income borrowers is adequate given the poverty level. While the percentage of loans to moderate-income borrowers is less than 50 percent of demographics, the bank's market share of loans to these borrowers exceeds the bank's overall market share. In the Riverside AA, performance to moderate-income borrowers is excellent. However, performance to low-income borrowers is very poor. No loans were made to low- or moderate-income borrowers in the Salinas AA, which is mitigated due to the high housing costs and poverty levels.

The overall distribution of refinanced loans by income level of the borrower is poor. Performance in the El Centro AA to moderate-income borrowers is very poor compared to demographics. Performance to low-income borrowers is mitigated by the number of families below poverty. In the Riverside AA, performance to moderate-income borrowers is excellent and performance to low-income borrowers is adequate given the poverty level. No loans were made to low- or moderate-income borrowers in the Salinas AA, which is mitigated due to the high housing costs and poverty levels.

## ***Small Loans to Businesses***

Refer to Table 11 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The overall distribution of small loans to businesses of different sizes is adequate. In the El Centro and Riverside AA,s the percentage of loans to businesses with revenues of \$1 million or less is less than 55 percent of demographics. In the Salinas AA, the percentage of loans to businesses with revenues of \$1 million or less is adequate. However, the market share of these loans exceeds the bank's overall market share in all three full-scope AAs.

### **Small Loans to Farms**

Refer to Table 12 in the appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The overall distribution of small loans to farms is good. In the El Centro AA, the percentage of loans to farms with revenues of \$1 million or less is good and the market share of these loans exceeds the bank's overall market share. Performance in the Riverside AA is very poor compared to demographics. In the Salinas AA, the percentage of loans to farms with revenues of \$1 million or less is adequate and the bank is ranked 4<sup>th</sup> in the market, which equals the bank's overall market rank.

### **Community Development Lending**

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multi-family loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

CD lending performance is adequate and had a neutral impact on the Lending Test. During the evaluation period, the bank made 14 CD loans totaling \$21 million in the full-scope AAs.

In both the El Centro and Salinas AAs, Rabobank originated five CD loans for \$2 million and \$7.5 million, respectively. In the Riverside AA, the bank originated four CD loans totaling \$11 million.

### **Product Innovation and Flexibility**

Rabobank offers a flexible small farm lending product, which gives more emphasis on the borrower's credit score rather than farming experience. Borrowers can obtain operating lines or purchase real estate. When more focus was given to the credit score, loan volumes increased from 58 originations in 2006 to over 100 loans in 2007.

The bank's offering of this flexible loan product had a neutral impact on the Lending Test.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the lending test in the Bakersfield, Fresno, Hanford-Corcoran, and Santa Cruz-Watsonville MAs is not inconsistent with the bank's overall "Low Satisfactory" performance under the lending test. In the San Diego-Carlsbad-San Marcos (San Diego), San Jose-Sunnyvale-Santa Clara (San Jose), and Visalia-Porterville (Visalia) MAs the bank's performance is stronger than the bank's overall performance. The geographic distribution of small business loans is excellent. The percentage of loans to businesses with revenues of \$1 million or less is over 60 percent of demographics in the San Diego and Visalia MAs. In the San Jose MA, the distribution of small loans to businesses of different sizes is excellent. In the Placer County AA, the bank's performance is weaker than the bank's overall performance. There were no small business,



small farm, or HMDA loans made in this AA during our evaluation period. Performance differences did not impact the lending test rating.

Refer to Tables 1 through 13 in appendix C for the facts and data that support these conclusions.

## INVESTMENT TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test is rated "Outstanding". Based on full-scope reviews, the bank's performance in the EI Centro MA is good and in the Riverside MA is excellent. In the Salinas MA, the bank's performance is adequate.

Refer to Table 14 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Overall, Rabobank has an excellent level of qualified investments and donations that are responsive to AA needs. During the evaluation period, qualified investments and donations totaled \$52 million, which represents 8 percent of Tier 1 Capital. A majority of investments address affordable housing. Donations helped provide community services to low- and moderate-income (LMI) individuals and support economic development organizations.

In the EI Centro AA, qualified investments and donations totaled \$7 million during the evaluation period. This represents 3 percent of allocated Tier 1 Capital.

- Current period investments and donations totaled \$3 million. Rabobank purchased low-income housing tax credits totaling \$4.5 million, of which \$2.2 million has been funded. The purpose of these tax credits is to finance the development of a 72-unit multi-family affordable housing project. The bank is a limited partner in this project. In addition, Rabobank purchased mortgage-backed securities totaling \$266 thousand. The primary purpose of these securities is to provide mortgage loans to LMI borrowers. Donations of \$121 thousand were provided to organizations that promote economic development, and provide affordable housing and community services to LMI individuals.
- Prior period investments include a \$4 million investment to an organization that helps revitalize and stabilize LMI geographies. In addition, Rabobank invested \$379 thousand in a CRA Mutual Fund that provides mortgages to LMI borrowers. Both investments were sold during our evaluation period.

In the Riverside AA, qualified investments and donations totaled \$12 million, which represents 17 percent of allocated Tier 1 Capital.

- Current period investments and donations totaled \$7 million. Approximately 99 percent of this total is in mortgage-backed securities, which provide affordable housing to LMI borrowers. Donations of \$53 thousand helped promote economic development.
- Prior period investments totaled \$5 million. Mortgage-backed securities that provide affordable housing total \$4 million. In addition, Rabobank has \$849 thousand in a CRA Mutual Fund and \$374 in Blythe California Redevelopment Agency bonds. These investments also helped provide affordable housing.

In the Salinas AA, qualified investments and donations totaled \$2.8 million, which represents 1 percent of allocated Tier 1 Capital. There are no prior period investments in this AA.

- o Current period investments and donations include a \$2 million grant to complete construction on a museum in a moderate-income tract, which is part of a revitalization effort. Rabobank also invested \$350 thousand in mortgage-backed securities and \$371 thousand in a CRA Mutual Fund that provides affordable housing to LMI borrowers. An additional \$74 thousand in donations was made to organizations that provide community services to LMI individuals.

Positive consideration was given to statewide investments with potential to benefit one or more AAs totaling \$84 thousand. Donations totaling \$40 thousand helped implement Individual Development Accounts (IDA) for low-income individuals and beginning farmers in California. The bank also made donations totaling \$41.5 thousand to help sponsor conferences that promote affordable housing and economic development for small business and small farm owners. An additional donation of \$2.5 thousand was made to an affordable housing organization. All of these investments were made in the current period.

Rabobank has adequately met needs in its AAs. Therefore, we also gave positive consideration to statewide investments with no potential to benefit any AAs totaling \$3 million. Both current and prior period investments of \$2.8 million and \$624 thousand, respectively, consisted of mortgage-backed securities that provide affordable housing.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank’s performance under the investment test in the Bakersfield, Fresno, Hanford-Cocoran, San Diego-Carlsbad-San Marcos, and Visalia-Porterville MAs is not inconsistent with the bank’s overall “Outstanding” performance under the investment test. In the Placer County, San Jose-Sunnyvale-Santa Clara (San Jose), and Santa Cruz-Watsonville (Santa Cruz) AAs, the bank’s performance is weaker than the bank’s overall performance. Performance in the Placer County and San Jose AAs is good. Performance in the Santa Cruz AA is adequate given the legally binding unfunded loan commitments in place. Performance differences did not impact the lending test rating.

Refer to Table 14 in appendix C for the facts and data that support these conclusions.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank’s performance under the Service Test is rated “Outstanding”. Based on full-scope reviews, the bank’s performance in the El Centro, Riverside, and Salinas MAs is excellent.

### **Retail Banking Services**

Refer to Table 15 in appendix C for the facts and data used to evaluate the distribution of the bank’s branch delivery system and branch openings and closings.

Rabobank's distribution of branches in the El Centro, Riverside, and Salinas AAs is excellent. The percentage of branches in moderate-income geographies exceeds demographics in each AA. There are no low-income tracts in either the El Centro or Salinas AAs. Rabobank does not have any branches in low-income tracts in the Riverside AA. However, only 4% of the population resides in these areas. There are no significant differences in hours of operation and services in branches located in moderate-income geographies.

During our evaluation period, Rabobank opened two de novo branches and 14 branches through its acquisition of the Community Bank of Central California (CBCC). The CBCC acquisition included seven branches in moderate-income tracts and seven branches in middle-income tracts.

Hours of operation are flexible and based on customer needs. Banking hours generally range between 9 a.m. to 5 p.m. Monday through Thursday, and 9 a.m. to 6 p.m. on Friday. Branches are primarily located in rural areas, which is consistent with the bank's business strategy to serve commercial and agricultural customers. Six branches offer Saturday hours, including one in a moderate-income tract. Hours of operation do not vary significantly between AAs.

Rabobank's ATM network is an effective alternative delivery system. The percentage of ATMs in moderate-income geographies exceeds demographics in each full-scope AA.

Rabobank offers 24-hour telephone and Internet banking services. Customers are able to obtain deposit account information, pay bills electronically, and transfer funds from remote locations. Online banking is offered free of charge. These services do not impact the service test performance. Rabobank could not demonstrate the impact of these systems in LMI geographies or the use of these systems by LMI individuals.

## **Community Development Services**

Rabobank's performance in providing CD services is adequate.

During the evaluation period, Rabobank provided several CD services through its employees. In each of the full-scope AAs, employees provided financial services to organizations that provide affordable housing, promote economic development by financing small businesses, and provide community services to low- and moderate-income individuals. Activities include membership on Boards and loan committees, financial education sessions, and fundraising.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Bakersfield, Fresno, Hanford-Corcoran, San Diego-Carlsbad-San Marcos, San Jose-Sunnyvale-Santa Clara, Santa Cruz-Watsonville, and Visalia-Porterville MAs is not inconsistent with the bank's overall "Outstanding" performance under the Service Test. In the Placer County AA, the bank's performance is weaker than the bank's overall performance due to the lack of branches in moderate-income tracts. However, only 3 percent of the population resides in these areas. This does not impact the service test rating.

Refer to Table 15 in appendix C for the facts and data that support these conclusions.



## 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”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): (01/01/2005 to 12/31/06) Investment and Service Tests and CD Loans: (01/01/05 to 11/26/07)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Rabobank, National Association El Centro, California	HMDA loans Small loans to businesses Small loans to farms Community Development loans Qualified Investments Community Development Services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Rabo AgriFinance	Subsidiary of Utrecht America Holdings.	Small Farm loans
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
El Centro MA AA #20940 Riverside-San Bernardino -Ontario MA AA #40140 Salinas MA AA #41500 Bakersfield MA AA #12540 Fresno MA AA #23420 Hanford-Corcoran MA AA #25260 Placer County AA #40900 San Diego-Carlsbad-San Marcos MA AA #41740 San Jose-Sunnyvale-Santa Clara MA AA #41940 Santa Cruz-Watsonville MA AA #42100 Visalia-Porterville MA AA #47300	Full-Scope  Full-Scope Full-Scope Limited-Scope Limited-Scope  Limited-Scope Limited-Scope  Limited-Scope Limited-Scope  Limited-Scope Limited-Scope	

## Appendix B: Market Profiles for Full-Scope Areas

### El Centro, CA MA #20940

Demographic Information for Full-Scope Area: El Centro MA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	29	0.00	27.59	41.38	31.03	0.00
Population by Geography	142,361	0.00	25.50	47.45	27.05	0.00
Owner-Occupied Housing by Geography	22,971	0.00	23.53	42.36	34.11	0.00
Businesses by Geography	6,208	0.00	32.76	37.97	29.27	0.00
Farms by Geography	473	0.00	14.38	49.26	36.36	0.00
Family Distribution by Income Level	31,731	23.24	17.60	17.11	42.05	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	12,959	0.00	38.32	45.19	16.49	0.00
Median Family Income HUD Adjusted Median Family Income for XXXX Households Below the Poverty Level	= \$ 35,221 = \$43,300 = 20%				Median Housing Value 2006 Annual Unemployment Rate	= \$ 90,720 = 15.3%

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census, and 2006 HUD updated MFI.

The El Centro MA assessment area (AA) includes the entire metropolitan area and is located in Imperial County. Imperial County is in the southeast corner of the state of California. This AA complies with the regulation and does not arbitrarily exclude any moderate-income areas. Rabobank's business strategy is focused on commercial real estate financing and agricultural lending with a strong focus on serving the banking needs of small- to medium-sized businesses. A wide variety of retail and commercial banking services is offered to individuals, businesses, commercial real estate developers, and agricultural customers.

Approximately 36 percent of total deposits and 31 percent of total reported loans originated/purchased during the evaluation period are in the El Centro AA. Four other commercial banks (including interstate banks) and one savings institution provide strong competition. Rabobank ranked first in deposit market share as of June 30, 2007, with 51 percent of all deposits reported by financial institutions in the El Centro MA. Rabobank ranked first in small farm loans, fourth in home improvement loans, and seventh in small business loans.

Rabobank has four branches in the El Centro AA and four ATMs. Based on information from community contacts, current economic conditions are poor but stable. The unemployment rate is very high compared to the national average unemployment rate of 4.6 percent for 2006. The largest employers in the AA are in the government, agriculture, and service sectors.

## Appendix B: Market Profiles for Full-Scope Areas

### Riverside-San Bernardino-Ontario, CA MA #40140

Demographic Information for Full-Scope Area: Riverside-San Bernardino-Ontario MA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	587	4.60	28.79	41.06	24.87	0.68
Population by Geography	3,254,821	3.53	28.54	41.16	26.73	0.04
Owner-Occupied Housing by Geography	689,493	1.49	21.74	43.33	33.44	0.00
Businesses by Geography	199,870	3.84	29.10	40.96	26.04	0.07
Farms by Geography	4,367	2.11	27.30	41.54	29.06	0.00
Family Distribution by Income Level	782,412	21.73	17.48	20.23	40.56	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	306,792	5.90	39.74	41.18	13.19	0.00
Median Family Income	= \$47,448					
HUD Adjusted Median Family Income for XXXX	= \$57,500					
Households Below the Poverty Level	= 13%					
				Median Housing Value	= \$130,941	
				2006 Annual	= 4.9%	
				Unemployment Rate		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census, and 2006 HUD updated MFI.

The Riverside-San Bernardino-Ontario (Riverside) MA) AA includes the entire metropolitan area, which consists of two counties: Riverside and San Bernardino. This AA complies with the regulation and does not arbitrarily exclude any LMI areas. Rabobank's business strategy is focused on commercial real estate financing and agricultural lending with a strong focus on serving the banking needs of small- to medium-sized businesses.

Approximately 11 percent of total deposits and 19 percent of total reported loans originated/purchased during the evaluation period are in the Riverside AA. Over sixty commercial banks (including interstate banks) and savings associations provide strong competition. Rabobank ranked 21<sup>st</sup> in deposit market share as of June 30, 2007, with 0.08 percent of all deposits reported by financial institutions in the Riverside MA. In 2006, Rabobank ranked 11<sup>th</sup> in small farm loans. The overall market share of small business and HMDA loans is not significant at less than 0.15 percent.

Rabobank has nine branches in the Riverside AA and eight ATMs. Based on information from community contacts, the economy has experienced tremendous growth over the last few years as individuals and families have migrated into the area from more expensive communities on the coast. The largest employers in the MA are in the trade, transportation, and utilities sectors.

## Appendix B: Market Profiles for Full-Scope Areas

### Salinas, CA MA #41500

Demographic Information for Full-Scope Area: Salinas MA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	84	0.00	21.43	48.81	28.57	1.19
Population by Geography	401,762	0.00	26.32	48.43	25.25	0.00
Owner-Occupied Housing by Geography	66,266	0.00	13.83	45.09	41.08	0.00
Businesses by Geography	25,405	0.00	20.49	45.41	34.10	0.00
Farms by Geography	1,158	0.00	21.42	50.86	27.72	0.00
Family Distribution by Income Level	88,539	19.70	18.38	21.52	40.40	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	33,713	0.00	35.74	50.08	14.18	0.00
Median Family Income HUD Adjusted Median Family Income for XXXX Households Below the Poverty Level	= \$51,211 = \$62,200 = 10%				Median Housing Value 2006 Annual Unemployment Rate	= \$296,076 = 7%

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 U.S. Census, and 2006 HUD updated MFI.

The Salinas MA AA includes the entire metropolitan area located in Monterey County. This AA complies with the regulation and does not arbitrarily exclude any moderate-income areas. Rabobank's business strategy is focused on commercial real estate financing and agricultural lending with a strong focus on serving the banking needs of small- to medium-sized businesses.

Approximately 32 percent of total deposits and 11 percent of total reported loans originated/purchased during the evaluation period are in the Salinas AA. Over fifteen commercial banks (including interstate banks) and savings associations provide strong competition. Rabobank ranked fourth in deposit market share as of June 30, 2007, with 14 percent of all deposits reported by financial institutions in the Salinas MA. In 2006, Rabobank ranked fourth in small farm loans and 13th in small business loans. The overall market share for HMDA loans is not significant.

Rabobank has ten branches in the Salinas AA and ten ATMs. The area has high housing costs and affordable housing is a critical need. The two primary industries are agriculture and tourism.



## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE. [Note: Do not renumber the tables.]

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multi-family Loans** - Compares the percentage distribution of the number of multi-family loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multi-family housing units throughout those geographies. The table

also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm.

Market share information is presented based on the most recent aggregate market data available.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

**Table 1. Lending Volume**

LENDING VOLUME												
Geography: CALIFORNIA												
Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2006												
MA/Assessment Area (2006):	% of Rated Area Loans (#) in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
El Cent	29.32	170	23,893	396	68,550	126	24,407	5	2,264	697	119,114	36.19
Riverside-San Bernardino	18.59	98	27,989	308	42,336	32	8,763	4	11,143	442	90,231	10.78
Salin	11.06	21	9,889	214	37,347	23	4,458	5	7,541	263	59,235	31.91
<b>Limited Review:</b>												
Bakersfie	13.25	74	15,384	224	31,869	9	2,324	8	2,085	315	51,662	6.52
Fres	9.17	36	10,883	132	21,509	50	11,735	0	0	218	44,127	3.65
Hanford-Corcor	4.29	16	1,600	70	4,301	16	2,775	0	0	102	8,676	0.82
Placer	0.04	0	0	0	0	0	0	1	1,230	1	1,230	2.62
San Diego-Carlsbad-San	3.53	20	3,625	64	10,164	0	0	0	0	84	13,789	2.25
San Jose-Sunnyvale-San	2.69	5	2,497	46	4,344	12	1,635	1	5,333	64	13,809	2.27
Santa Cruz-Watsonvi	1.81	0	0	35	8,054	8	759	0	0	43	8,813	1.53
Visalia-Portervi	6.23	20	2,229	77	19,573	49	13,898	2	2,928	148	38,628	1.46

\* Loan Data as of December 31, 2006. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2005 to November 26, 2007.

\*\*\* Deposit Data as of June 30, 2007. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: CALIFORNIA					Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2006					Market Share (%) by Geography				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
El Centro MSA	15	34.09	0.00	0.00	23.53	6.67	42.36	40.00	34.11	53.33	0.04	0.00	0.00	0.03	0.06	
Riverside-San Bernardino-Ontario MSA	5	11.36	1.49	0.00	21.74	20.00	43.33	80.00	33.44	0.00	0.00	0.00	0.00	0.00	0.00	
Salinas MSA	7	15.91	0.00	0.00	13.83	0.00	45.09	71.43	41.08	28.57	0.09	0.00	0.00	0.15	0.09	
<b>Limited Review:</b>																
Bakersfield MSA	5	11.36	2.10	0.00	23.06	0.00	33.51	20.00	41.33	80.00	0.00	0.00	0.00	0.00	0.01	
Fresno MSA	2	4.55	1.60	0.00	21.71	0.00	35.87	0.00	40.82	100.00	0.01	0.00	0.00	0.00	0.02	
Hanford-Corcoran MSA	2	4.55	0.00	0.00	22.35	50.00	39.08	50.00	38.57	0.00	0.03	0.00	0.13	0.00	0.00	
Placer County	0	0.00	0.00	0.00	2.34	0.00	52.42	0.00	45.24	0.00	0.00	0.00	0.00	0.00	0.00	
San Diego-Carlsbad-San Marcos MSA	2	4.55	2.30	0.00	14.03	50.00	41.01	50.00	42.66	0.00	0.00	0.00	0.01	0.00	0.00	
San Jose-Sunnyvale-Santa Clara MSA	2	4.55	1.13	0.00	16.54	0.00	47.80	0.00	34.53	100.00	0.00	0.00	0.00	0.00	0.01	
Santa Cruz-Watsonville MSA	0	0.00	0.00	0.00	20.21	0.00	40.44	0.00	39.35	0.00	0.00	0.00	0.00	0.00	0.00	
Visalia-Porterville MSA	4	9.09	0.00	0.00	22.02	0.00	38.85	100.00	39.13	0.00	0.01	0.00	0.00	0.02	0.00	

\* Based on 2006 Peer Mortgage Data (Western)

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT			Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2006					Market Share (%) by Geography				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
El Centro MSA	100	38.76	0.00	0.00	23.53	11.00	42.36	41.00	34.11	48.00	6.34	0.00	4.62	5.16	8.11	
Riverside-San Bernardino-Ontario MSA	64	24.81	1.49	3.13	21.74	39.06	43.33	39.06	33.44	18.75	0.10	0.00	0.20	0.09	0.08	
Salinas MSA	3	1.16	0.00	0.00	13.83	33.33	45.09	33.33	41.08	33.33	0.11	0.00	0.22	0.11	0.00	
<b>Limited Review:</b>																
Bakersfield MSA	41	15.89	2.10	2.44	23.06	2.44	33.51	26.83	41.33	68.29	0.48	0.00	0.09	0.26	0.89	
Fresno MSA	20	7.75	1.60	0.00	21.71	15.00	35.87	40.00	40.82	45.00	0.22	0.00	0.27	0.16	0.25	
Hanford-Corcoran MSA	9	3.49	0.00	0.00	22.35	0.00	39.08	33.33	38.57	66.67	0.55	0.00	0.71	0.71	0.33	
Placer County	0	0.00	0.00	0.00	2.34	0.00	52.42	0.00	45.24	0.00	0.00	0.00	0.00	0.00	0.00	
San Diego-Carlsbad-San Marcos MSA	11	4.26	2.30	0.00	14.03	0.00	41.01	81.82	42.66	18.18	0.07	0.00	0.00	0.13	0.03	
San Jose-Sunnyvale-Santa Clara MSA	0	0.00	1.13	0.00	16.54	0.00	47.80	0.00	34.53	0.00	0.00	0.00	0.00	0.00	0.00	
Santa Cruz-Watsonville MSA	0	0.00	0.00	0.00	20.21	0.00	40.44	0.00	39.35	0.00	0.00	0.00	0.00	0.00	0.00	
Visalia-Porterville MSA	10	3.88	0.00	0.00	22.02	10.00	38.85	30.00	39.13	60.00	0.20	0.00	0.00	0.30	0.21	

\* Based on 2006 Peer Mortgage Data (Western)

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE				Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2006							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
El Centro MSA	50	36.23	0.00	0.00	23.53	14.00	42.36	40.00	34.11	46.00	0.35	0.00	0.58	0.33	0.30
Riverside-San Bernardino-Ontario MSA	28	20.29	1.49	3.57	21.74	35.71	43.33	42.86	33.44	17.86	0.00	0.00	0.01	0.00	0.00
Salinas MSA	7	5.07	0.00	0.00	13.83	14.29	45.09	42.86	41.08	42.86	0.04	0.00	0.03	0.04	0.04
<b>Limited Review:</b>															
Bakersfield MSA	24	17.39	2.10	0.00	23.06	16.67	33.51	12.50	41.33	70.83	0.02	0.00	0.01	0.01	0.04
Fresno MSA	11	7.97	1.60	0.00	21.71	9.09	35.87	27.27	40.82	63.64	0.02	0.00	0.01	0.02	0.03
Hanford-Corcoran MSA	4	2.90	0.00	0.00	22.35	25.00	39.08	50.00	38.57	25.00	0.02	0.00	0.10	0.00	0.00
Placer County	0	0.00	0.00	0.00	2.34	0.00	52.42	0.00	45.24	0.00	0.00	0.00	0.00	0.00	0.00
San Diego-Carlsbad-San Marcos MSA	7	5.07	2.30	0.00	14.03	28.57	41.01	42.86	42.66	28.57	0.01	0.00	0.01	0.00	0.00
San Jose-Sunnyvale-Santa Clara MSA	1	0.72	1.13	0.00	16.54	100.00	47.80	0.00	34.53	0.00	0.00	0.00	0.01	0.00	0.00
Santa Cruz-Watsonville MSA	0	0.00	0.00	0.00	20.21	0.00	40.44	0.00	39.35	0.00	0.00	0.00	0.00	0.00	0.00
Visalia-Porterville MSA	6	4.35	0.00	0.00	22.02	16.67	38.85	83.33	39.13	0.00	0.01	0.00	0.00	0.01	0.02

\* Based on 2006 Peer Mortgage Data (Western)

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 5. Geographic Distribution of Multi-family Loans**

Geographic Distribution: MULTI-FAMILY																
Geography: CALIFORNIA																
Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2006																
MA/Assessment Area:	Total Multi-family Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid
<b>Full Review:</b>																
El Centro MSA	5	25.00	0.00	0.00	38.97	60.00	27.45	20.00	33.58	20.00	21.43	0.00	25.00	11.11	100.00	
Riverside-San Bernardino-Ontario MSA	1	5.00	7.73	0.00	38.68	0.00	37.84	100.00	15.76	0.00	0.00	0.00	0.00	0.00	0.00	
Salinas MSA	4	20.00	0.00	0.00	28.29	50.00	58.50	25.00	13.21	25.00	8.51	0.00	12.50	3.85	20.00	
<b>Limited Review:</b>																
Bakersfield MSA	4	20.00	5.58	0.00	33.58	25.00	31.60	25.00	29.24	50.00	2.13	0.00	0.00	3.33	4.35	
Fresno MSA	3	15.00	6.51	0.00	38.38	33.33	39.03	33.33	16.08	33.33	1.36	0.00	0.00	2.08	8.33	
Hanford-Corcoran MSA	1	5.00	0.00	0.00	30.00	0.00	38.19	0.00	31.80	100.00	0.00	0.00	0.00	0.00	0.00	
Placer County	0	0.00	0.00	0.00	4.63	0.00	61.21	0.00	34.16	0.00	0.00	0.00	0.00	0.00	0.00	
San Diego-Carlsbad-San Marcos MSA	0	0.00	11.77	0.00	32.61	0.00	37.33	0.00	18.29	0.00	0.00	0.00	0.00	0.00	0.00	
San Jose-Sunnyvale-Santa Clara MSA	2	10.00	6.94	0.00	26.10	100.00	53.65	0.00	13.30	0.00	0.72	0.00	2.20	0.00	0.00	
Santa Cruz-Watsonville MSA	0	0.00	0.00	0.00	43.78	0.00	44.77	0.00	11.45	0.00	0.00	0.00	0.00	0.00	0.00	
Visalia-Porterville MSA	0	0.00	0.00	0.00	40.02	0.00	30.92	0.00	29.06	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2006 Peer Mortgage Data (Western)

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multi-family housing units in the area based on 2000 Census information.

\*\*\*\* Multi-family loan distribution includes Home Purchases, Home Improvement and Refinances.



**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: CALIFORNIA								Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2006					
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
El Centro MSA	396	25.29	0.00	0.00	32.76	28.03	37.97	48.74	29.27	23.23	3.93	0.00	4.08	5.21	2.56
Riverside-San Bernardino-Ontario MSA	308	19.67	3.84	1.62	29.10	43.83	40.96	30.19	26.04	24.35	0.08	0.09	0.15	0.07	0.06
Salinas MSA	214	13.67	0.00	0.00	20.49	29.44	45.41	42.52	34.10	28.04	1.12	0.00	2.14	1.14	0.85
<b>Limited Review:</b>															
Bakersfield MSA	224	14.30	2.91	0.89	29.57	24.11	29.08	22.32	38.44	52.68	0.39	0.18	0.41	0.26	0.49
Fresno MSA	132	8.43	6.68	0.76	27.43	40.15	33.35	22.73	32.32	36.36	0.18	0.07	0.27	0.14	0.20
Hanford-Corcoran MSA	70	4.47	0.00	0.00	38.15	58.57	32.80	28.57	29.05	12.86	1.56	0.00	3.54	1.12	0.41
Placer County	0	0.00	0.00	0.00	3.61	0.00	54.42	0.00	41.98	0.00	0.00	0.00	0.00	0.00	0.00
San Diego-Carlsbad-San Marcos MSA	64	4.09	5.03	0.00	21.69	39.06	37.28	45.31	35.96	15.63	0.01	0.00	0.03	0.02	0.00
San Jose-Sunnyvale-Santa Clara MSA	46	2.94	3.01	6.52	23.96	69.57	43.21	21.74	29.83	2.17	0.04	0.11	0.14	0.02	0.00
Santa Cruz-Watsonville MSA	35	2.23	0.00	0.00	21.88	60.00	46.83	34.29	31.30	5.71	0.21	0.00	0.62	0.17	0.04
Visalia-Porterville MSA	77	4.92	0.00	0.00	30.49	40.26	33.88	29.87	35.60	29.87	0.24	0.00	0.37	0.19	0.23

\* Based on 2006 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2006).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS			Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2006					Market Share (%) by Geography				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans						
<b>Full Review:</b>																
El Centro MSA	126	38.77	0.00	0.00	14.38	4.76	49.26	66.67	36.36	28.57	32.89	0.00	14.29	44.78	29.63	
Riverside-San Bernardino-Ontario MSA	32	9.85	2.11	0.00	27.30	34.38	41.54	15.63	29.06	50.00	0.93	0.00	0.00	0.36	2.21	
Salinas MSA	23	7.08	0.00	0.00	21.42	13.04	50.86	56.52	27.72	30.43	7.89	0.00	7.89	10.00	9.09	
<b>Limited Review:</b>																
Bakersfield MSA	9	2.77	1.85	0.00	34.89	33.33	33.43	55.56	29.83	11.11	1.47	0.00	1.79	2.73	0.65	
Fresno MSA	50	15.38	1.22	2.00	26.75	10.00	44.41	64.00	27.52	24.00	2.71	0.00	1.14	3.54	3.02	
Hanford-Corcoran MSA	16	4.92	0.00	0.00	15.16	0.00	62.48	81.25	22.37	18.75	3.69	0.00	0.00	3.75	5.71	
Placer County	0	0.00	0.00	0.00	3.30	0.00	61.95	0.00	34.75	0.00	0.00	0.00	0.00	0.00	0.00	
San Diego-Carlsbad-San Marcos MSA	0	0.00	3.29	0.00	18.64	0.00	40.23	0.00	37.82	0.00	0.00	0.00	0.00	0.00	0.00	
San Jose-Sunnyvale-Santa Clara MSA	12	3.69	2.20	0.00	32.13	83.33	43.06	16.67	22.61	0.00	3.38	0.00	10.42	1.23	0.00	
Santa Cruz-Watsonville MSA	8	2.46	0.00	0.00	25.48	100.00	41.39	0.00	33.13	0.00	4.42	0.00	14.04	0.00	0.00	
Visalia-Porterville MSA	49	15.08	0.00	0.00	25.69	26.53	43.16	40.82	31.15	32.65	4.37	0.00	2.34	5.91	5.31	

\* Based on 2006 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2006).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE			Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2006					Market Share				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>1</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
El Centro MSA	15	34.09	23.24	0.00	17.60	0.00	17.11	40.00	42.05	60.00	0.05	0.00	0.00	0.21	0.04	
Riverside-San Bernardino-Ontario MSA	5	11.36	21.73	20.00	17.48	0.00	20.23	40.00	40.56	40.00	0.00	0.00	0.00	0.00	0.00	
Salinas MSA	7	15.91	19.70	0.00	18.38	42.86	21.52	0.00	40.40	57.14	0.12	0.00	2.88	0.00	0.07	
<b>Limited Review:</b>																
Bakersfield MSA	5	11.36	23.46	0.00	16.67	0.00	18.13	0.00	41.75	100.00	0.00	0.00	0.00	0.00	0.00	
Fresno MSA	2	4.55	22.80	0.00	17.05	0.00	18.53	50.00	41.63	50.00	0.01	0.00	0.00	0.04	0.01	
Hanford-Corcoran MSA	2	4.55	20.55	0.00	18.31	0.00	19.92	0.00	41.22	100.00	0.03	0.00	0.00	0.00	0.04	
Placer County	0	0.00	12.66	0.00	14.99	0.00	21.10	0.00	51.25	0.00	0.00	0.00	0.00	0.00	0.00	
San Diego-Carlsbad-San Marcos MSA	2	4.55	21.02	0.00	17.91	50.00	20.09	0.00	40.98	50.00	0.00	0.00	0.06	0.00	0.00	
San Jose-Sunnyvale-Santa Clara MSA	2	4.55	20.54	0.00	18.11	0.00	21.70	0.00	39.66	100.00	0.00	0.00	0.00	0.00	0.00	
Santa Cruz-Watsonville MSA	0	0.00	19.96	0.00	17.98	0.00	21.23	0.00	40.83	0.00	0.00	0.00	0.00	0.00	0.00	
Visalia-Porterville MSA	4	9.09	22.23	0.00	17.27	0.00	19.30	75.00	41.20	25.00	0.01	0.00	0.00	0.00	0.01	

\* Based on 2006 Peer Mortgage Data (Western)

\*\* As a percentage of loans with borrower income information available. No information was available for 4.5% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

<sup>1</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: CALIFORNIA							Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2006						
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>2</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
El Centro MSA	100	38.76	23.24	1.05	17.60	8.42	17.11	20.00	42.05	70.53	6.31	4.55	8.33	7.19	5.94
Riverside-San Bernardino-Ontario MSA	64	24.81	21.73	0.00	17.48	20.34	20.23	28.81	40.56	50.85	0.10	0.00	0.25	0.15	0.07
Salinas MSA	3	1.16	19.70	0.00	18.38	0.00	21.52	0.00	40.40	100.00	0.12	0.00	0.00	0.00	0.15
<b>Limited Review:</b>															
Bakersfield MSA	41	15.89	23.46	0.00	16.67	15.38	18.13	20.51	41.75	64.10	0.48	0.00	0.60	0.41	0.51
Fresno MSA	20	7.75	22.80	0.00	17.05	10.00	18.53	35.00	41.63	55.00	0.23	0.00	0.20	0.57	0.13
Hanford-Corcoran MSA	9	3.49	20.55	0.00	18.31	0.00	19.92	22.22	41.22	77.78	0.58	0.00	0.00	0.00	0.87
Placer County	0	0.00	12.66	0.00	14.99	0.00	21.10	0.00	51.25	0.00	0.00	0.00	0.00	0.00	0.00
San Diego-Carlsbad-San Marcos MSA	11	4.26	21.02	0.00	17.91	0.00	20.09	0.00	40.98	100.00	0.04	0.00	0.00	0.00	0.06
San Jose-Sunnyvale-Santa Clara MSA	0	0.00	20.54	0.00	18.11	0.00	21.70	0.00	39.66	0.00	0.00	0.00	0.00	0.00	0.00
Santa Cruz-Watsonville MSA	0	0.00	19.96	0.00	17.98	0.00	21.23	0.00	40.83	0.00	0.00	0.00	0.00	0.00	0.00
Visalia-Porterville MSA	10	3.88	22.23	0.00	17.27	0.00	19.30	10.00	41.20	90.00	0.21	0.00	0.00	0.20	0.26

\* Based on 2006 Peer Mortgage Data (Western)

\*\* As a percentage of loans with borrower income information available. No information was available for 6.2% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

<sup>2</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2006					Market Share*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>3</sup>	% BANK Loans****	% Families* **	% BANK Loans****	% Families***	% BANK Loans* ***	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
El Centro MSA	50	36.23	23.24	0.00	17.60	2.22	17.11	15.56	42.05	82.22	0.38	0.00	0.00	0.48	0.39	
Riverside-San Bernardino-Ontario MSA	28	20.29	21.73	7.41	17.48	25.93	20.23	29.63	40.56	37.04	0.01	0.04	0.00	0.01	0.00	
Salinas MSA	7	5.07	19.70	0.00	18.38	0.00	21.52	0.00	40.40	100.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Bakersfield MSA	24	17.39	23.46	0.00	16.67	4.76	18.13	9.52	41.75	85.71	0.02	0.00	0.00	0.00	0.03	
Fresno MSA	11	7.97	22.80	11.11	17.05	11.11	18.53	11.11	41.63	66.67	0.02	0.00	0.03	0.00	0.03	
Hanford-Corcoran MSA	4	2.90	20.55	0.00	18.31	0.00	19.92	0.00	41.22	100.00	0.02	0.00	0.00	0.00	0.04	
Placer County	0	0.00	12.66	0.00	14.99	0.00	21.10	0.00	51.25	0.00	0.00	0.00	0.00	0.00	0.00	
San Diego-Carlsbad-San Marcos MSA	7	5.07	21.02	0.00	17.91	50.00	20.09	0.00	40.98	50.00	0.00	0.00	0.04	0.00	0.00	
San Jose-Sunnyvale-Santa Clara MSA	1	0.72	20.54	0.00	18.11	0.00	21.70	0.00	39.66	0.00	0.00	0.00	0.00	0.00	0.00	
Santa Cruz-Watsonville MSA	0	0.00	19.96	0.00	17.98	0.00	21.23	0.00	40.83	0.00	0.00	0.00	0.00	0.00	0.00	
Visalia-Porterville MSA	6	4.35	22.23	0.00	17.27	0.00	19.30	50.00	41.20	50.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2006 Peer Mortgage Data (Western)

\*\* As a percentage of loans with borrower income information available. No information was available for 18.1% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

<sup>3</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: CALIFORNIA			Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2006		
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share		
	#	% of Total**	% of Businesses***	% BANK****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less	
<b>Full Review:</b>										
El Centro MSA	396	25.29	64.22	35.35	55.05	24.49	20.45	3.93	5.75	
Riverside-San Bernardino-Ontario MSA	308	19.67	68.04	33.12	74.03	10.06	15.91	0.08	0.09	
Salinas MSA	214	13.67	67.97	49.07	57.48	23.83	18.69	1.12	1.54	
<b>Limited Review:</b>										
Bakersfield MSA	224	14.30	66.60	37.95	66.96	16.96	16.07	0.39	0.49	
Fresno MSA	132	8.43	65.64	33.33	59.09	27.27	13.64	0.18	0.20	
Hanford-Corcoran MSA	70	4.47	62.83	31.43	92.86	4.29	2.86	1.56	1.49	
Placer County	0	0.00	67.51	0.00	0.00	0.00	0.00	0.00	0.00	
San Diego-Carlsbad-San Marcos MSA	64	4.09	67.92	45.31	70.31	7.81	21.88	0.01	0.02	
San Jose-Sunnyvale-Santa Clara MSA	46	2.94	64.98	73.91	78.26	17.39	4.35	0.04	0.08	
Santa Cruz-Watsonville MSA	35	2.23	71.20	34.29	60.00	17.14	22.86	0.21	0.18	
Visalia-Porterville MSA	77	4.92	66.39	42.86	41.56	24.68	33.77	0.24	0.40	

\* Based on 2006 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2006).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 14.43% of small loans to businesses originated and purchased by the bank.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: CALIFORNIA			Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2006				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
El Centro MSA	126	38.77	65.75	59.52	39.68	33.33	26.98	32.89	44.00
Riverside-San Bernardino-Ontario MSA	32	9.85	85.96	28.13	21.88	31.25	46.88	0.93	0.61
Salinas MSA	23	7.08	71.16	52.17	43.48	26.09	30.43	7.89	7.38
<b>Limited Review:</b>									
Bakersfield MSA	9	2.77	77.92	88.89	11.11	33.33	55.56	1.47	2.48
Fresno MSA	50	15.38	82.28	68.00	28.00	38.00	34.00	2.71	3.52
Hanford-Corcoran MSA	16	4.92	75.79	62.50	37.50	43.75	18.75	3.69	6.00
Placer County	0	0.00	88.36	0.00	0.00	0.00	0.00	0.00	0.00
San Diego-Carlsbad-San Marcos MSA	0	0.00	87.90	0.00	0.00	0.00	0.00	0.00	0.00
San Jose-Sunnyvale-Santa Clara MSA	12	3.69	87.02	100.00	50.00	33.33	16.67	3.38	4.82
Santa Cruz-Watsonville MSA	8	2.46	84.57	75.00	87.50	0.00	12.50	4.42	6.74
Visalia-Porterville MSA	49	15.08	77.83	38.78	20.41	26.53	53.06	4.37	4.20

\* Based on 2006 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&amp;B - 2006).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 30.20% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2005 TO NOVEMBER 26, 2007			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
El Centro MSA	2	4,379	20	2,615	22	6,994	13.54	2	2,440
Riverside-San Bernardino-Ontario MSA	7	5,019	22	6,927	29	11,946	23.12	0	0
Salinas MSA	0	0	9	2,795	9	2,795	5.41	2	787
<b>Limited Review:</b>									
Bakersfield MSA	8	3,190	22	4,226	30	7,416	14.35	0	0
Fresno MSA	10	4,254	26	4,475	36	8,729	16.89	0	0
Hanford-Corcoran MSA	5	530	3	451	8	981	1.90	0	0
Placer County	0	0	5	452	5	452	0.87	1	123
San Diego-Carlsbad-San Marcos MSA	4	599	13	4,797	17	5,396	10.44	0	0
San Jose-Sunnyvale-Santa Clara MSA	0	0	2	580	2	580	1.12	1	417
Santa Cruz-Watsonville MSA	0	0	1	1	1	1	0.00	1	224
Visalia-Porterville MSA	7	963	12	1,897	19	2,860	5.54	0	0
Statewide with No Potential Benefit to AA	2	624	3	2,815	5	3,439	6.66	2	1,361
Statewide with Potential Benefit to AA	0	0	11	84	11	84	0.16	0	0

\* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.



**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2005 TO NOVEMBER 26, 2007			
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population										
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography										
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp							
<b>Full Review:</b>																								
El Centro MSA	36.19	4	10.53	0.00	50.00	25.00	25.00	0	0	0	0	0	0	0.00	25.50	47.45	27.05							
Riverside-San Bernardino-Ontario MSA	10.78	9	23.69	0.00	55.56	33.33	11.11	1	0	0	0	1	0	3.53	28.54	41.16	26.73							
Salinas MSA	31.91	10	26.32	0.00	40.00	60.00	0.00	10	0	0	4	6	0	0.00	26.32	48.43	25.25							
<b>Limited Review:</b>																								
Bakersfield MSA	6.52	3	7.90	0.00	0.00	0.00	0.00	0	0	0	0	0	0	4.40	32.14	31.74	30.06							
Fresno MSA	3.65	2	5.26	0.00	0.00	0.00	0.00	0	0	0	0	0	0	4.73	32.88	35.66	26.63							
Hanford-Corcoran MSA	0.82	1	2.63	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0.00	35.42	35.84	23.81							
Placer County	2.62	1	2.63	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0.00	3.90	53.38	42.72							
San Diego-Carlsbad-San Marcos MSA	2.25	2	5.26	0.00	0.00	0.00	0.00	0	0	0	0	0	0	7.78	24.46	37.46	30.01							
San Jose-Sunnyvale-Santa Clara MSA	2.27	2	5.26	0.00	0.00	0.00	0.00	2	0	0	2	0	0	3.90	24.42	46.97	24.71							
Santa Cruz-Watsonville MSA	1.53	2	5.26	0.00	0.00	0.00	0.00	2	0	0	1	1	0	0.00	31.25	39.43	29.32							
Visalia-Porterville MSA	1.46	2	5.26	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0.00	32.31	38.64	28.80							