



PUBLIC DISCLOSURE

January 2, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank of Southern California, N.A.
Charter Number 24100

12265 El Camino Real, Suite 100
San Diego, CA 92130

Office of the Comptroller of the Currency

Santa Ana Field Office
1551 N. Tustin Avenue, Suite 1050
Santa Ana, California 92705

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

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors that support this rating include:

- The bank's loan-to-deposit ratio is reasonable given the bank's size, financial condition, and business strategy.
- The bank's distribution of loans to businesses of different sizes reflects reasonable penetration compared to area demographics.
- A substantial majority of the bank's lending activity is within its delineated assessment areas.
- The geographic distribution of business loans reflects excellent dispersion throughout the assessment areas compared to area demographics.

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 generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. 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 multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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 conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), 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 multifamily (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 five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above 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 Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

Multifamily: Refers to a residential structure that contains five or more units.

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) 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 noncumulative 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

Bank of Southern California, N.A. (bank) is a locally-owned, independent, full-service community bank headquartered in San Diego, California, near the community of Del Mar. The bank opened for business in December 2001 as Ramona National Bank. Management changed the bank's name to First Business Bank in March 2007 after relocating to the north San Diego County area. The bank's name changed again to Bank of Southern California, N.A. (effective June 28, 2010) because another bank held the name of First Business Bank.

The bank has seven branches. The San Diego main branch opened in January 2008. In September 2008, the bank opened a deposit production office in Carlsbad and converted it to a full-service branch in February 2009. The bank opened the Del Mar and Carlsbad branches to establish a presence in the coastal communities where there are professional business lending opportunities. The branch in Ramona is the original location where the bank opened for business. The bank opened the downtown San Diego branch in July 2010. The Palm Springs and La Quinta branches were acquired through an acquisition of Palm Desert National Bank in December 2010. In January 2014, the bank acquired the Palm Desert branch from AmericanWest Bank and consolidated the Palm Springs branch into the Palm Desert branch. In November 2014, the bank acquired Frontier Bank, FSB, which included another branch in Palm Desert and a branch in Rancho Mirage. In May 2015, the Palm Desert branches were consolidated into the El Paseo branch in Palm Desert. All branches are located in upper-income CTs except for the Ramona branch, which is located in a middle-income CT.

The bank offers traditional lending products with an emphasis in commercial real estate loans. The bank also participates in the Small Business Administration 504 and 7(a) loan programs. Consumer and retail lending activities are limited. The bank offers traditional services including on-line banking and cash management services. Four of the bank's branches (Ramona, La Quinta, El Paseo, and Rancho Mirage) have automated teller machines (ATMs), safe deposit boxes, and night drop services. All branches are open for business Monday through Friday from 9:00 AM to 5:00 PM.

The bank serves two designated assessment areas (AA), the San Diego-Carlsbad, CA MSA, and the Riverside County portion of the Riverside-San Bernardino-Ontario, CA MSA. The banking environment is highly competitive in both AAs. In San Diego County, the bank ranks 25th out of 53 institutions with 0.26 percent deposit market share and in Riverside County, the bank ranks 19th out of 31 institutions with 0.57 percent deposit market share. Major competitors in both AAs include Wells Fargo, Bank of America, JPMorgan Chase, and MUFG Union Bank.

The bank's Report of Condition and Income reported total assets of \$468 million, total loans of \$388 million, total deposits of \$418 million, and total equity capital of \$49 million

as of September 30, 2017. Total loans represented approximately 83 percent of total assets. The following chart summarizes the loan portfolio by major loan type.

Bank of Southern California, N.A. Loan Portfolio by Major Product Type September 30, 2017		
Loan Type	\$ (000's)	Percent
Commercial Real Estate	152,076	39.2
1-4 Family Residential RE	106,293	27.4
Commercial-Industrial	56,107	14.5
Multifamily Residential RE	30,950	8.0
Construction	26,101	6.7
Farmland	8,628	2.2
Other	5,266	1.4
Consumer	2,367	0.6
Total	\$387,788	100%

There are no financial or legal factors that impede the bank's ability to meet the credit needs of the community. The bank received a "Satisfactory" rating under the "Small Bank" rating criteria at the last CRA examination, dated April 27, 2015.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This examination evaluates the CRA performance of the bank using Intermediate Small Bank (ISB) CRA procedures. We performed a full-scope examination of the San Diego and Riverside AAs. This process included an evaluation of CRA activities under the Lending Test criteria, and an evaluation of lending, investments, and services under the Community Development (CD) Test. For the bank's Lending Test, we evaluated a random sample of the bank's commercial loans granted from January 1, 2015 through December 31, 2016. Our analysis included commercial loans because they represent the major portion of the bank's lending activity. For the CD test, we considered all qualifying CD activities since the bank qualified as an ISB, from January 2016 through December 31, 2017.

Data Integrity

We verified the accuracy of the bank's business loan data and found it reliable.

Selection of Areas for Full-Scope Review

We completed a full-scope review of the bank's two AAs, the San Diego-Carlsbad, CA MSA, and the Riverside County portion of the Riverside-San Bernardino-Ontario, CA MSA. The AAs meet the requirements of the regulation and do not arbitrarily exclude any low- or moderate-income geographies. Refer to the table in Appendix A for more information.

Ratings

The bank's overall rating is based on the areas that received full-scope reviews. The San Diego-Carlsbad MSA was weighted more heavily due to a majority of deposits and loans being from this area.

Discriminatory or Other Illegal Credit Practices Review

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

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

Conclusions with Respect to Performance Tests

The following sections of this evaluation present the data that support our conclusions under the Lending Test and the CD Test.

LENDING TEST

The bank's performance under the Lending Test is rated Satisfactory. Each of the areas considered in the Lending Test is described below.

Loan-to-Deposit Ratio

The bank's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and local economic conditions, and meets the standard for satisfactory performance. The ratio is calculated on a bank-wide basis. We evaluated the bank's quarterly average LTD ratio for the 11 quarters since the prior CRA examination through September 2017. During this period, the bank's LTD ratio averaged 91 percent. This ratio ranged from a quarterly low of 80 percent to a quarterly high of 100 percent during this period. The bank's LTD ratio was similar to other banks of similar asset size in the AAs. The average LTD ratio for peer banks was 93 percent over the same period, and the ratio ranged from 73 percent to 108 percent. The bank's average ratio was comparable to the peer bank average and met the standard for satisfactory performance.

Lending in Assessment Area

The bank originated a substantial majority of its loans within its delineated AAs and exceeds the standard for satisfactory performance. This proportion of lending inside versus outside the bank's AA is calculated on a bank-wide basis. The bank originated 85 percent of the number of commercial loans in our random sample and approximately 86 percent of the dollar amount within the AAs during our evaluation period. See Table 1 for details.

Table 1 - Lending in the Defined CRA Area San Diego-Carlsbad MSA and Riverside County Assessment Areas Commercial Loans January 2015 through December 2016										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total #	Inside		Outside		Total \$(000's)
	#	%	#	%		\$(000's)	%	\$(000's)	%	
Commercial Loan Sample	17	85	3	15	20	13,170	85.8	2,180	14.2	15,350

Source: Random sample of 20 bank commercial loan originations from January 2015 through December 2016.

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

The bank’s distribution of loans to businesses of different sizes reflects reasonable penetration compared to area demographics and meets the standard for satisfactory performance. The bank’s lending performance for commercial lending reflects reasonable penetration in both the San Diego-Carlsbad and Riverside AAs. While the percentages are somewhat below the area demographics, lending to small businesses within the AAs is highly competitive and the bank competes with a number of large national financial institutions, as well as regional and local lenders.

Performance in the San Diego-Carlsbad AA

The distribution of loans to businesses of different sizes reflects reasonable penetration in the AA. The bank originated 50 percent of loans by number and 71 percent by dollar volume to small business borrowers in the San Diego-Carlsbad AA. The percentage of the number and dollar volume of sampled loans reasonably compares to small business demographics in the AA. See Table 2A for details.

Table 2A – Lending to Businesses of Different Sizes - Borrower Distribution Commercial Loans San Diego-Carlsbad Assessment Area January 2015 through December 2016				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	87.64%	5.14%	7.22%	100%
% of Bank Loans in AA by #	50%	50%	0%	100%
% of Bank Loans in AA by \$	70.80%	29.20%	0%	100%

Sources: Dun and Bradstreet reported revenue data. Random sample of 20 commercial loan originations from January 2015 through December 2016.

Performance in the Riverside AA

The distribution of loans to businesses of different sizes reflects reasonable penetration in the AA. The bank originated 60 percent of loans by number and 67 percent by dollar volume to small business borrowers in the Riverside AA. The percentage of the number and dollar volume of sampled loans reasonably compares to small business demographics in the AA. See Table 2B for details.

Table 2B – Lending to Businesses of Different Sizes - Borrower Distribution Commercial Loans Riverside Assessment Area January 2015 through December 2016				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Business	87.07%	4.54%	8.39%	100%
% of Bank Loans in AA by #	60%	40%	0%	100%
% of Bank Loans in AA by \$	67%	33%	0%	100%

Source: Dun and Bradstreet reported revenue data. Random sample of 20 commercial loan originations from January 2015 through December 2016.

Geographic Distribution of Loans

The overall geographic distribution of commercial loans reflects excellent dispersion throughout the AAs compared to area demographics and exceeds the standard for satisfactory performance. The bank’s lending performance for commercial lending reflects excellent dispersion in the San Diego-Carlsbad AA. The bank’s lending performance for commercial lending reflects reasonable dispersion in the Riverside AA.

Performance in the San Diego-Carlsbad AA

The geographic distribution for commercial loans reflects excellent dispersion in the San Diego-Carlsbad AA. The bank’s lending to businesses in both low- and moderate-income CTs exceeds the demographic data for the AA. See Table 3A for details.

Table 3A - Geographic Distribution of Commercial Loans San Diego-Carlsbad Assessment Area January 2015 through December 2016								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial Loan Sample	5.75%	10%	15.53%	25%	35.22%	20%	43.35%	45%

Sources: Dun and Bradstreet business data by geographic location. Random sample of 20 commercial loan originations from January 2015 through December 2016. (Note: 0.15 percent of CTs in geo-demographic data are not income-designated tracts).

Performance in the Riverside AA

The geographic distribution for commercial loans reflects reasonable dispersion in the Riverside AA. The bank’s lending to businesses in low-income CTs is below the demographic data for the AA. However, the bank’s lending to businesses in moderate-income CTs exceeds the demographic data for the AA. See Table 3B for details.

Table 3B - Geographic Distribution of Commercial Loans Riverside Assessment Area January 2015 through December 2016								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial Loan Sample	2.87%	0%	23.46%	35%	33.25%	15%	40.42%	50%

Sources: Dun and Bradstreet business data by geographic location. Random sample of 20 commercial loan originations from January 2015 through December 2016.

Responses to Complaints

The bank has not received any complaints about its performance under the Community Reinvestment Act during this evaluation period.

COMMUNITY DEVELOPMENT TEST

Performance with respect to the CD test is satisfactory. During the evaluation period, the bank demonstrated adequate responsiveness to the CD needs of the bank's AAs, considering performance context and the needs and opportunities within the AAs. The bank's CD activities meet the standard for satisfactory performance.

Number and Amount of CD Loans

CD loan activities meet the standards for satisfactory performance and reflect adequate responsiveness to the needs within the AAs. The bank made nine CD loans totaling \$9.2 million within the San Diego AA during our CD evaluation period (January 01, 2016 through December 31, 2017). These loans helped provide community services to low- or moderate-income individuals and provide economic development to low- or moderate-income areas. There were no CD loan activities for the Riverside AA for the same time period.

Number and Amount of Qualified Investments

CD investment activities meet the standards for satisfactory performance and reflect adequate responsiveness to the needs within the AAs. During the evaluation period, the bank made donations totaling almost \$21,000 to fifteen CD organizations primarily in the San Diego AA. These donations were used for community services benefitting impoverished or low- or moderate-income women, children, and youth in the AAs. The bank also participated in a \$1.5 million Federal Home Loan Mortgage Corporation (FHLMC) commercial mortgage-backed securities pool and invested \$250,000 in a community development financial institution for economic development.

Extent to Which the Bank Provides CD Services

The bank's CD services program demonstrates adequate responsiveness to the needs within its AAs. Bank employees contributed 455 community service hours to nine organizations within the AAs. All activities were in the San Diego AA. These activities included financial literacy education programs, technical assistance to small businesses, active board memberships in CD organizations, fundraising for CD organizations, and other services that provide for low- or moderate-income individuals and families.

The bank offers a full range of products and services through its seven full-service branch offices within the two AAs. There were no branches located in low- or moderate-income CTs. Branch hours are comparable to other local financial institutions. The bank also has four ATMs at its branch locations in Ramona, La Quinta, El Paseo and Rancho Mirage. The bank closed its Palm Desert branch in April 2015. The bank offers internet banking, telephone banking, and remote deposit capture services to its business customers.

Responsiveness to Community Development Needs

Considering the bank's capacity and opportunities, the bank's overall CD performance demonstrates adequate responsiveness to CD needs through CD loans, investments, and services activities.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD loans): 1/1/15 to 12/31/16 Investment and Service Tests and CD Loans: 1/1/16 to 12/31/17	
Financial Institution	Products Reviewed	
Bank of Southern California, N.A. (bank) San Diego, California	Commercial loans originated in the San Diego and Riverside AAs.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A		N/A
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
San Diego-Carlsbad, CA MSA	Full-Scope	
Riverside County portion of the Riverside-San Bernardino-Ontario, CA MSA.	Full-Scope	

Appendix B: Community Profiles for Full-Scope Areas

The bank's AAs include two adjacent MSAs: the San Diego-Carlsbad, CA MSA and the Riverside County portion of the Riverside-San Bernardino-Ontario MSA. The AAs meet the requirements of the regulation and do not arbitrarily exclude low- and moderate-income geographies.

In conjunction with this CRA examination, examiners contacted a nonprofit organization in the San Diego AA to determine primary needs in the AA. The nonprofit organization provides financing for low-income, very low-income, and special needs populations, provides education on housing opportunities, issues, and needs; and provides a forum for communication, partnerships, and innovative solutions addressing community needs. The contact stated that there are opportunities for banks to help through:

- Participation in neighborhood preservation investment projects that address affordable housing needs;
- Providing low-interest loans for LMI individuals; and,
- Providing financing expertise by serving as a director for nonprofit organizations.

Examiners also contacted a nonprofit organization in the Riverside AA to determine primary credit needs in the AA. This organization constructs and rehabilitates homes to eliminate substandard housing locally while providing training and access to resources to help families improve their shelter conditions. The contact felt there is a need for affordable housing and home ownership, lending for home repairs for seniors, and food and supplies for in-need families. The contact also stated that there are numerous opportunities for bank involvement including organizational support and financial education.

San Diego Assessment Area

Demographic Information for Full Scope Area: San Diego County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	628	10.03	21.34	36.15	31.53	0.96
Population by Geography	3,095,313	9.80	21.57	35.24	33.05	0.33
Owner-Occupied Housing by Geography	593,945	3.31	14.32	38.78	43.59	0.00
Business by Geography	245,710	5.75	15.53	35.22	43.35	0.16
Farms by Geography	4,775	3.96	15.96	38.81	41.28	0.00
Family Distribution by Income Level	703,747	22.36	17.55	18.75	41.34	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	280,889	16.43	31.05	33.90	18.62	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		73,560 73,500 11%	Median Housing Value Unemployment Rate (2010 U.S. Census)	496,417 3.78%		

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

Source: 2010 U.S. Census and 2016 FFIEC updated MFI

Based on the 2010 U.S. Census data, the San Diego-Carlsbad CA MSA consists of 628 CTs in one county – San Diego County. There are 63 low-income CTs, 134 moderate-income CTs, 227 middle-income CTs, 198 upper-income CTs, and six CTs with no income data available. Low- and moderate-income CTs account for 10.0 percent and 21.3 percent, respectively, of the total number of CTs in this AA. The San Diego-Carlsbad CA MSA is the 17th most populous MSA in the US, with a population of almost 3.1 million based on 2010 U.S. Census data. It is the second largest MSA in California. The area has a large population of military personnel. A number of U.S. naval bases, the Naval Medical Center San Diego, the U.S. Marine Corps, and the U.S. Coast Guard are located in the MSA.

According to the Employment Development Department of California, the unemployment rate in San Diego peaked in 2010 at 11.1 percent, but has declined steadily every year since and is currently at 3.3 percent. In comparison, the unemployment rate in California is currently at 4.6 percent. The MSA's main economic drivers include military and defense related activities, biotechnology, tourism, international trade, and manufacturing. The area's largest employers include University of California San Diego, the City and County of San Diego, U.S. Navy, San Diego Unified School District, Sharp Health Care, and Qualcomm.

The June 30, 2016 FDIC Summary of Deposits indicates there is significant banking competition in the AA. There are 53 chartered institutions operating 597 branches in the San Diego-Carlsbad MSA. This includes Wells Fargo Bank, N.A., Bank of America, N.A., JP Morgan Chase Bank, N.A., and MUFG Union Bank, N.A. which have the

largest deposit share, with combined deposits of \$52.2 billion representing 65.6 percent of total deposits. The bank ranks 25th and has a 0.26 percent market share with \$209.2 million in deposits. The bank operates four branches, one with an ATM, in the AA.

The 2010 Census median housing value was \$496,417. Approximately, 51.4 percent of all housing units are owner-occupied. The 2016 FFIEC MSA MFI was \$73,500. According to the National Association of Realtors, the median home price in June 2017 was \$556,879, having increased by almost 60 percent from \$349,000 in 2012. Approximately 11 percent of the households are living below the poverty level.

Riverside County Assessment Area

Demographic Information for Full Scope Area: Riverside County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	453	4.42	26.93	35.10	33.11	0.44
Population by Geography	2,189,641	4.72	25.46	33.17	36.30	0.35
Owner-Occupied Housing by Geography	467,086	2.37	21.57	33.81	42.25	0.00
Business by Geography	113,402	2.87	23.46	33.25	40.42	0.00
Farms by Geography	2,881	4.30	24.61	33.22	37.87	0.00
Family Distribution by Income Level	493,115	21.11	17.25	19.50	42.13	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	189,181	8.01	39.01	33.50	19.48	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		63,176 61,400 12%	Median Housing Value Unemployment Rate (2010 U.S. Census)		326,531 4.98%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 U.S. Census and 2016 FFIEC updated MFI

The AA includes the Riverside County portion of the Riverside-San Bernardino-Ontario MSA which consists of Riverside and San Bernardino Counties. It is part of what is commonly known as the Inland Empire region of Southern California. The AA consists of 453 CTs. There are 20 low-income CTs, 122 moderate-income CTs, 159 middle-income CTs, 150 upper-income CTs, and two CTs with no income data available. Low- and moderate-income CTs account for 4.42 per cent and 26.93 per cent, respectively, of the total number of CTs in this AA. Based on the 2010 Census, the population of the AA is almost 2.2 million. The AA is the 11th most populous county in the United States, and the 4th most populous in California. Most of the area's population is located in the northwest portion of Riverside County.

According to the Employment Development Department of California, the unemployment rate in Riverside County was 4.3 percent in June 2017. In comparison, the unemployment rate in California is 4.6 percent. The area's largest employers

include: University of California Riverside, Riverside Unified School District, City of Riverside, Pacific Bell/AT&T, and Kaiser Permanente.

The June 30, 2016 FDIC Summary of Deposits indicates there is significant banking competition in the AA. There are 31 chartered institutions operating 319 branches in Riverside County. This includes Wells Fargo Bank, N.A., Bank of America, N.A., and JP Morgan Chase Bank, N.A. which have the largest deposit share, with combined deposits of \$14.4 billion representing 57.7 percent of total deposits. The bank ranks 19th and has a 0.57 percent market share with \$143.1 million in deposits. The bank operates three branches with ATMs in the AA.

The 2010 Census median housing value in the AA was \$326,531. According to the National Association of Realtors, the median home price in June 2017 was \$355,089. Approximately 60 percent of all housing units in the AA are owner-occupied. The 2010 MSA median family income was \$63,176. The 2016 FFIEC adjusted median family income is \$61,400 for the AA. Approximately 12 percent of the households are living below the poverty level.