



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

**June 7, 2010**

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

CommerceWest Bank, National Association  
Charter Number: 24208

4685 MacArthur Court, Suite 100  
Newport Beach, CA 92660

Office of the Comptroller of the Currency  
Southern California South Field Office  
1925 Palomar Oaks Way, Suite 202  
Carlsbad, CA 92008

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

**INSTITUTION'S CRA RATING: This institution is rated Satisfactory.**

- The bank originates a majority of loans inside its defined assessment areas (AAs) and meets the standard for satisfactory performance.
- The bank's loan-to-deposit ratio is reasonable and meets the standard for satisfactory performance.
- The geographic distribution of loans reflects excellent dispersion throughout the AAs considering the location of branches, large geographically dispersed AAs, and the bank's available resources and meets the standard for satisfactory performance.
- The bank has not received any complaints during this evaluation period in regards to its CRA performance.

**SCOPE OF EXAMINATION**

We evaluated the bank's record of meeting community credit needs using the "Small Bank" lending test. This included analyzing a random sample of commercial loans originated or purchased in each assessment area beginning January 1, 2008, through March 31, 2010. We sampled commercial loans because they represent the substantial majority of the bank's lending activity.

**DESCRIPTION OF INSTITUTION**

CommerceWest Bank, N.A. (CWB) is a locally owned and independent community financial institution headquartered in the city of Irvine, Orange County, California. CWB opened for business in September 2001. The main branch is located at 4685 MacArthur Court in Newport Beach. In January 2005, CWB opened a branch in Corona to attract business in the rapidly growing Inland Empire area. The bank also opened a branch in Gardena in November 2005 to establish a presence in the South Bay area of Los Angeles County. The main branch is located in a middle-income census tract, the Corona branch is located in a moderate-income census tract, and the Gardena branch is located in a middle-income census tract. With the acquisition of Discovery Bank in July 2009, CWB expanded into San Diego County with a branch in San Marcos located in a moderate-income census tract, one branch in Poway in San Diego County in a middle-income census tract, and one branch in Los Angeles in a low-income census tract. Management closed the Poway and Los Angeles branches in March 2010 because of low account volume. CWB is relocating the main branch to 4440 Von Karman Avenue, Irvine, California, a middle-income census tract in Newport Beach, for cost savings purposes.

CWB engages in traditional lending products with an emphasis in commercial real estate (CRE) and commercial/industrial loans. Management stated that CWB stresses

a more "personal touch" than the larger institutions offer. Management specifically targets small-to-medium sized businesses disenchanted with the service provided by the larger competitors. Historically, CWB maintained limited exposure to non-owner occupied CRE properties. With the acquisition of Discovery Bank's CRE loan portfolio, CWB now has a significant concentration in non-owner occupied CRE loans. Management plans to let the majority of these loans exit the bank. CWB also participates in the Small Business Administration 504 and 7(a) loan programs; although, the volume has decreased. Consumer and retail lending activities are limited. The bank offers consumer lending products as an added service for commercial customers, and most of the loans are home equity lines of credit.

Management offers traditional services at all branches, but only the San Marcos branch has safe deposit boxes. The bank also offers investment management services and concierge services to all customers. CWB has an Automated Teller Machine (ATM) at the main branch and the San Marcos branch; although, the location for the new main branch will not have an ATM. Management does not see the need for ATMs since most of the clientele are commercial customers. However, customers can get debit cards for use on the MoneyPass and STAR networks. All branches are open for business Monday through Friday from 9:00 AM to 4:00 PM. The bank does not offer weekend hours since most of the customers are commercial businesses that have Remote Deposit Capture or use Brinks cash logistics services. However, there is a telephone contact number to reach a bank officer at any time if customers need assistance in making short notice arrangements for the next business day.

As of March 31, 2010, assets totaled \$344 million and loans totaled \$203 million representing 59 percent of total assets. Deposits and equity capital totaled \$291 million and \$43 million, respectively. The following chart summarizes the loan portfolio by major loan type as reflected in the Call Report of Condition and Income.

<b>CommerceWest Bank, N.A.</b> <b>March 31, 2010</b> <b>Loan Portfolio by Major Product Type</b>		
Loan Type	(\$000s)	Percent
Commercial Real Estate	106,136	52
Commercial & Industrial	85,096	42
Consumer	10,727	5
Other	1,004	< 1
Total	202,963	100

*\*Source: March 31, 2010 Report of Condition and Income*

There are no financial or legal factors that impede the bank's ability to meet the credit needs of the community. CWB received a "Satisfactory" rating under the "Small Bank" rating criteria at the last CRA examination dated May 3, 2004.

## DESCRIPTION OF ASSESSMENT AREA(S)

CWB has four AAs that meet regulatory requirements and do not arbitrarily exclude low- or moderate-income geographies. The original AA was the Santa Ana-Anaheim-Irvine Metropolitan Statistical Area (MSA). Since the last CRA performance evaluation, the bank has grown and expanded its CRA delineated area to include Los Angeles-Long Beach-Glendale MSA, a portion of the Riverside-San Bernardino-Ontario MSA, and the San Diego-Carlsbad-San Marcos MSA. Competition among financial institutions in the area includes large- and mid-size bank branches, including Union Bank, Wells Fargo Bank, U.S. Bank, City National Bank, and California Bank & Trust and other community banks

### **Santa Ana-Anaheim-Irvine Metropolitan Statistical Area**

The AA comprises all of Orange County. Orange County is situated along 42 miles of southern California coast and is bounded by the counties of Los Angeles to the north, San Diego to the south, Riverside and San Bernardino to the east, and the Pacific Ocean to the west. The county's incorporated cities are mostly located in the northwest area, stretching south along the coast. Orange County has extensive transportation facilities including airports, railroads, and freeways. The freeway system connects the county's labor force to employment centers in Los Angeles as well as providing extensive access within the County's borders. CWB helps meet community credit needs in the AA through its main branch located in Irvine. The 2000 U.S. Census indicates a population of 2.8 million in Orange County. Based on California Department of Finance information, the 2010 County population is 3.2 million.

The AA has 577 census tracts: 4 percent are low-income, 27 percent are moderate-income, 33 percent are middle-income, and 36 percent are upper-income tracts. The low- and moderate-income tracts are located mainly in the central and northwestern parts of the county. Because of the high cost of real estate in Orange County, only 6 percent of housing in low-income tracts and 11 percent in moderate-income tracts are owner occupied. The 2000 Census median housing value was \$275,476. According to MDA DataQuick, the median home price in May 2010 was \$450,000. Approximately 57 percent of all housing units are owner occupied. The weighted average of census MSA median family income is \$69,844. The 2009 HUD updated MSA median family income is \$86,100.

Orange County previously had a robust and diverse economy, including biotechnology research and development, retail sales, services, and tourism. However, the OC Metro reported that the recession had a greater impact than previously thought. Orange County was the second hardest-hit metropolitan area in the state for the highest percentage of payroll jobs lost.

The California Employment Development Department reported an unemployment rate of 9.2 percent in Orange County in May 2010, below the state unemployment rate of 12.4 percent and the national unemployment rate of 9.7 percent. The employed labor force is approximately 1.4 million. Major employers include the Walt Disney Company, University of California Irvine, Boeing Company, St. Joseph Health System, and

Albertsons, Inc. As of May 2010, according to MDA DataQuick, home sales in Orange County increased 22.1 percent from a year ago. According to First American CoreLogic, Orange County mortgage delinquencies increased to 8.4 percent in April 2010, up from 5.8 percent the previous year. However, Orange County is faring better than most of California, which had an 11.6 percent delinquency rate as of April 2010.

An examiner contacted one citywide economic development organization to determine primary credit needs in the AA. This organization represents the business interests of people to the city government and the business community. The contact believes in general that people in Southern California have a lesser understanding of banking than those in other areas. The contact thinks banks should do more outreach to educate the public on lending products. Also, banks should refer customers to other options if they are a better fit for the customers' needs.

### **Los Angeles-Long Beach-Glendale Metropolitan Statistical Area**

The AA consists of the entire County of Los Angeles. Los Angeles County is located in southern California and borders 70 miles of coastline along the Pacific Ocean. The County covers over 4,000 square miles and includes the Santa Catalina islands. Los Angeles County has an extensive transportation network, including seaports and airports, freeway systems, mass transit systems, rail systems, and cross-country railroads. The neighboring counties include Orange to the southeast, Kern to the north, San Bernardino to the east, and Ventura to the northwest. There are 88 incorporated cities in Los Angeles County and many unincorporated areas. The northern half of the County is inland and desert with a lesser population, and the southern half of the County is heavily urbanized. Los Angeles County is the most populous county in the United States. CWB helps meet community credit needs in the AA through its Gardena branch located in the South Bay area. The 2000 U.S. Census indicates a population of 9.5 million in Los Angeles County. Based on California Department of Finance information, the 2010 County population is 10.4 million.

The AA has 2,054 census tracts: 9 percent are low-income, 28 percent are moderate-income, 28 percent are middle-income, and 34 percent are upper-income tracts. The low- and moderate-income tracts are primarily located in the south-central part of the County. Because of the high cost of real estate in Los Angeles County, only 5 percent of the housing in low-income tracts and 10 percent in moderate-income tracts are owner occupied. The 2000 Census median housing value was \$240,248. According to MDA DataQuick, the median home price in May 2010 was \$345,000. Approximately 45 percent of all housing units are owner occupied. The weighted average of census MSA median family income is \$53,036. The 2009 HUD updated MSA median family income is \$62,100.

Los Angeles County has a diverse economic base. Historically, the leading industry clusters were tourism and hospitality, professional and business services, entertainment (motion picture and TV production), wholesale distribution, and health services and biomedical. The "new economy" of Los Angeles County is largely technology driven. This sector includes bio-medical, digital information technology, and environmental technology, all of which build on the vibrant technical research capabilities in the

County. Another key driver is creativity. There is a growing fusion between technology and creativity such as in video games and film production. Los Angeles also is the largest manufacturing center in the United States, and the seaports and airports support international trade.

Los Angeles County is experiencing the affect of the current worldwide recession. The California Employment Development Department reported the unemployment rate in Los Angeles County of 12.1 percent in May 2010, which is close to the state unemployment rate of 12.4 percent and above the national unemployment rate of 9.7 percent. The employed labor force is approximately 4.3 million. The top employers in the County are University of California Los Angeles, Kaiser Permanente, Northrop Grumman Corporation, The Boeing Company, Kroger Company, University of Southern California, Target Corporation, and The Home Depot. According to MDA DataQuick for May 2010, home sales in Los Angeles County increased 12.3 percent from a year ago. According to First American CoreLogic, Los Angeles County mortgage delinquencies increased to 9.9 percent in May 2010, up from 9.5 percent the previous year.

### **Riverside-San Bernardino-Ontario Metropolitan Statistical Area.**

The AA consists only of the Riverside County portion of the Riverside-San Bernardino-Ontario MSA. Riverside and San Bernardino counties comprise what is commonly known as the Inland Empire, one of the fastest growing metropolitan areas in the nation. Riverside County is bordered by San Bernardino County to the north, Orange County to the west, San Diego and Imperial counties to the south and the state of Arizona to the east. CWB helps meet community credit needs in the AA through its branch located in Corona. The 2000 U.S. Census indicates a population of 1.5 million in Riverside County. Based on California Department of Finance information, the 2010 County population is 2.1 million.

The AA has 343 census tracts: 4 percent are low-income, 28 percent are moderate-income, 41 percent are middle-income, and 27 percent are upper income tracts. There are low- and moderate-income tracts scattered around the region of the county, and there are large low- and moderate-income tracts in the central and eastern regions of the County. Housing is somewhat affordable in Riverside County. Approximately 8 percent of the housing in low-income tracts and 12 percent in moderate-income tracts are owner occupied. The 2000 Census median housing value was \$136,366. According to MDA DataQuick, the median home price in May 2010 was \$210,000. Approximately 52 percent of all housing units are owner occupied. The weighted average of census MSA median family income is \$50,451. The 2009 HUD updated MSA median family income is \$64,500.

The City of Riverside is at the economically strategic mid-point between Los Angeles and Orange Counties and the Palm Springs resorts. Riverside is developing as the "Downtown of the Inland Empire," and it is the largest city east of Los Angeles. However, the Riverside-San Bernardino economy is struggling to recover. There is an increasing amount of trade passing through the metro area's warehouse and distribution centers. However, weaknesses in new construction and faltering local government revenues are the biggest impediments to sustained economic recovery.

The California Employment Development Department reported that the unemployment rate in Riverside County was 14 percent in May 2010. This is above the state and national unemployment rates of 12.4 percent and 9.7 percent, respectively. The employed labor force is approximately 782,000. According to Labor Market Statistics, the largest labor markets in Riverside County are in accommodations and food services, education services, health care and social assistance, and construction. Major employers in the County are U.S. Marine Corps Air Ground Combat Center, Kaiser Permanente, March Air Reserve Base, Fort Irwin, University of California Riverside, Stater Brothers Markets, and Wal-Mart Stores, Inc. Employment has leveled in recent months, but hiring in the transportation and warehousing industry and the hiring of temporary workers across many industries have added the most to payrolls. According to MDA DataQuick, as of May 2010, home sales in Riverside County decreased 5.7 percent from a year ago. According to First American CoreLogic, the mortgage delinquency rate in the Riverside-San Bernardino-Ontario area has been increasing. In January 2010, more than 19 percent delinquent compared to 13.7 percent a year earlier.

#### **San Diego-Carlsbad-San Marcos Metropolitan Statistical Area.**

The AA consists of the entire San Diego County. San Diego County is the southernmost county in California and is bounded by Orange and Riverside counties to the north, Imperial County to the east, the Pacific Ocean to the west, and Mexico to the south. The bank helps meet community credit needs in the AA through its branch located in San Marcos. The 2000 U.S. Census indicates a population of 2.8 million in San Diego County. Based on California Department of Finance information, the 2010 county population is 3.2 million.

The AA has 605 census tracts: 8 percent are low-income, 23 percent are moderate-income, 38 percent are middle-income, and 31 percent are upper-income tracts. The low-income tracts are primarily in central portion of the city of San Diego, and the moderate-income tracts are disbursed around the city of San Diego with large individual moderate-income tracts in the northern, southern, and eastern sections of the county. Because of the high cost of real estate in San Diego County, only 6 percent of the housing in low-income tracts and 8 percent in moderate-income tracts are owner occupied. The 2000 Census median housing value was \$229,602. According to MDA DataQuick, the median home price in May 2010 was \$340,000. Approximately 51 percent of all housing units are owner occupied. The weighted average of census MSA median family income is \$53,544. The 2009 HUD updated MSA median family income is \$74,900.

The San Diego County economy was one of the state's fastest growing at the beginning of the decade, with seven industries tied to the biotech and military sectors. However, San Diego County's economy has slowed, reflecting the nationwide and global economic downturn. The San Diego Business Journal cites that trade-industry, transportation, and utilities posted the largest declines followed by retail, mainly general-merchandise and clothing stores. Other declines occurred in professional and business services and the hospitality sector, primarily in restaurants and bars. However, the

education and health services industries as well as federal, state, and local government jobs increased.

The California Employment Development Department reported that the unemployment rate in San Diego County was 10 percent in May 2010, below the state unemployment rate of 12.4 percent but close to the national unemployment rate of 9.7 percent. The employed labor force is approximately 1.4 million. San Diego County's major industries include government, professional, and business services; and trade, transportation, and utilities. Major employers consist of the Marine Corps Base Camp Pendleton, Coronado Naval Base, Naval Base San Diego, University of California San Diego, Qualcomm, Inc, Scripps Health, and Sharp HealthCare. According to MDA DataQuick, as of May 2010, home sales in San Diego County increased 19.6 percent from a year ago. According to TransUnion, as of April 2010, 9.4 percent of mortgages were delinquent compared to 9.9 percent in the previous year.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

### **Loan-to-Deposit Ratio**

The bank's loan-to-deposit ratio (LTD) is reasonable and meets the standard for satisfactory performance. We analyzed the bank's average quarterly LTD ratio over the past 25 quarters from March 2004 through March 2010. The bank's average LTD ratio over that period was 73 percent. The average LTD ratio of six similarly situated banks was 79 percent during the same period, with a range of 66 percent and 97 percent (banks with similar asset size headquartered in the Orange County MSA).

### **Lending in Assessment Area**

CWB originated a majority of loans inside its defined AAs and meets the standard for satisfactory performance. For this evaluation, we randomly sampled 20 commercial loans the bank originated or purchased from January 2008 through March 2010. We sampled commercial loans since they represent the bank's primary lending activity. Based on our random sample, the bank originated 90 percent of the number of loans and 85 percent of the dollar volume within its AAs.

**Table 1**

<b>Lending in the Defined CRA Area                      San Diego County, Orange, LA, and Riverside Assessment Areas                      Commercial Loans                      January 2008 through March 2010</b>										
	Number of Loans				Total #	Dollar Amount of Loans				Total (000's)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$(000's)	%	\$(000's)	%	
Commercial Loan Sample	18	90%	2	10%	20	\$4,809	85%	\$877	15%	\$5,686

*Source: Random sample of 20 bank loan originations from January 2008 through March 2010*

**Lending to Businesses of Different Sizes**

The distribution of lending to business borrowers reflects poor penetration among businesses of different sizes in three of the four AAs and does not meet the standard for satisfactory performance. We analyzed a random sample of 20 commercial loans that the bank originated or purchased within each AA from January 2008 through March 2010.

CWB’s lending to businesses with revenues of \$1 million or less was below each area demographics by number and dollar amount. However, credit card companies and larger institutions presented strong competition as these institutions could offer small business loans at a lower cost, which CWB could not match. Small businesses within the AAs still had sufficient sources to meet their credit needs.

The bank’s business strategy focuses heavily on commercial real estate, which are most often large dollar loans to businesses with revenues over \$1 million. The bank has a large number of business customers, which started out small, but, over the years, have increased annual gross revenues in excess of \$1 million. As a result, these businesses have larger dollar borrowing requirements. Additionally, local economic conditions, during the evaluation period, have made it difficult for small businesses to meet loan qualifications.

We reviewed the bank’s trial balance of all loans originated during the evaluation period. The data indicated the bank had made small loans to small businesses. Over 29 percent of the bank’s loans were made to businesses with revenues of \$1 million or less, and over 23 percent of business loans were made in amounts of \$100,000 or less. Additionally, the sample of loan originations included several loans to start-up businesses, which further illustrates the bank’s willingness to lend to businesses of different sizes.

To improve performance, CWB’s management is committed to expanding lending to small businesses over time as the bank increases its presence in each AA.

**SAN DIEGO COUNTY AA**

Based on our review, the bank’s number of loans to small businesses was below the area demographics by number and by dollar amount. However, considering the bank’s recent entry into the market and the above mitigating factors, this is considered reasonable. The resulting percentages were 35 percent and 28 percent, respectively. The 2009 Geodemographic data reflects that 74 percent of reporting businesses have gross revenues of \$1 million or less.

**Table 2a**

<b>Lending to Business of Different Sizes – Borrower Distribution Commercial Loans San Diego County, California - Assessment Area January 2008 through March 2010</b>			
Business Revenue	≤\$1,000,000	>\$1,000,000	Total
% of AA Businesses *	73.56%	4.38%	100%
% of Bank Loans in AA by # **	35.00%	65.00%	100%
% of Bank Loans in AA by \$ **	28.00%	72.00%	100%

Source: \*2009 Dunn & Bradstreet reported revenue data (22% of businesses did not report revenue data); \*\*Loan Sample

**ORANGE COUNTY AA**

Based on our review, the bank’s number of loans to small businesses was below the area demographics by number and by dollar amount reflecting poor penetration. The resulting percentages were 15 percent and 7 percent, respectively. The 2009 Geodemographic data reflects that 76 percent of reporting businesses have gross revenues of \$1 million or less.

**Table 2b**

<b>Lending to Business of Different Sizes – Borrower Distribution Commercial Loans Orange County, California - Assessment Area January 2008 through March 2010</b>			
Business Revenue	≤\$1,000,000	>\$1,000,000	Total
% of AA Businesses *	75.63%	5.38%	100%
% of Bank Loans in AA by # **	15.00%	85.00%	100%
% of Bank Loans in AA by \$ **	6.40%	93.60%	100%

Source: \*2009 Dunn & Bradstreet reported revenue data (19% of businesses did not report revenue data); \*\*Loan Sample

**LOS ANGELES AA**

Based on our review, the bank’s number of loans to small businesses was below the area demographics by number and by dollar amount reflecting poor penetration. The resulting percentages were 20 percent and 12 percent, respectively. The 2009 Geodemographic data reflects that 76 percent of reporting businesses have gross revenues of \$1 million or less.

**Table 2c**

<b>Lending to Business of Different Sizes – Borrower Distribution                      Commercial Loans                      Los Angeles County, California - Assessment Area                      January 2008 through March 2010</b>			
Business Revenue	≤\$1,000,000	>\$1,000,000	Total
% of AA Businesses *	75.51%	4.58%	100%
% of Bank Loans in AA by # **	20.00%	80.00%	100%
% of Bank Loans in AA by \$ **	12.12%	87.88%	100%

Source: \*2009 Dunn & Bradstreet reported revenue data (20% of businesses did not report revenue data); \*\*Loan Sample

**RIVERSIDE AA**

Based on our review, the bank’s number of loans to small businesses was below the area demographics by number and by dollar amount reflecting poor penetration. The resulting percentages were 15 percent and 8 percent, respectively. The 2009 Geodemographic data reflects that 76 percent of reporting businesses have gross revenues of \$1 million or less.

**Table 2d**

<b>Lending to Business of Different Sizes – Borrower Distribution                      Commercial Loans                      Riverside County, California - Assessment Area                      January 2008 through March 2010</b>			
Business Revenue	≤\$1,000,000	>\$1,000,000	Total
% of AA Businesses *	78.40%	3.93%	100%
% of Bank Loans in AA by # **	15.00%	85.00%	100%
% of Bank Loans in AA by \$ **	8.00%	92.00%	100%

Source: \*2009 Dunn & Bradstreet reported revenue data (18% of businesses did not report revenue data); \*\*Loan Sample

**Geographic Distribution of Loans**

The geographic distribution of loans reflects excellent dispersion throughout the AAs considering the location of branches, large geographically dispersed AAs, and the bank’s available resources and exceeds the standard for satisfactory performance. We analyzed 20 commercial loans the bank originated or purchased within each of the four AAs from January 2008 through March 2010. Based on the sample, the distribution of the number of loans exceeds area demographics, primarily in moderate-income census tracts. We placed more weight on the bank’s performance in moderate-income geographies as there are more lending opportunities within those geographies based upon the higher percentage of businesses in moderate-income census tracts. We found no conspicuous gaps in the bank’s distribution of loans.

**SAN DIEGO AA**

As shown in Table 3a, the bank's distribution of business loans originated in low-income geographies, by the percentage of number of loans, was zero as compared to area demographics of 7.93 percent. Considering the bank’s recent entry into the market, its sole location, and distance from low-income census tracts, this is considered reasonable. The bank had excellent dispersion of business loans originated in moderate-income geographies. The sample included 40 percent of the number of loans made to moderate-income geographies, significantly exceeding the area demographics of 22 percent.

**Table 3a**

<b>Geographic Distribution of Commercial Loans                      San Diego County, California - Assessment Area                      January 2008 through March 2010</b>								
<b>CT                      Income                      Levels</b>	<b>Low</b>		<b>Moderate</b>		<b>Middle</b>		<b>Upper</b>	
	% of AA Businesses *	% of Number of CWB Loans**	% of AA Businesses *	% of Number of CWB Loans**	% of AA Businesses *	% of Number of CWB Loans**	% of AA Businesses *	% of Number of CWB Loans**
Commercial Loan Sample	7.93%	0.00%	22.48%	40.00%	37.69%	40.00%	31.40%	20.00%

Source: \*2009 Dunn & Bradstreet business data by geographic location; \*\* Loan Sample

**ORANGE COUNTY AA**

As shown in Table 3b, the bank's distribution of business loans originated in low-income geographies, by the percentage of number of loans, was zero as compared to area demographics of 3.64 percent. Considering the bank’s sole banking location and

distance from low-income census tracts, this is considered reasonable. The bank had excellent dispersion of business loans originated in moderate-income geographies. The sample included 35 percent of the number of loans made to moderate-income geographies, exceeding the area demographics of 27 percent.

**Table 3b**

<b>Geographic Distribution of Commercial Loans Orange County, California - Assessment Area January 2008 through March 2010</b>								
<b>CT Income Levels</b>	<b>Low</b>		<b>Moderate</b>		<b>Middle</b>		<b>Upper</b>	
	<b>% of AA Businesses *</b>	<b>% of Number of CWB Loans**</b>	<b>% of AA Businesses *</b>	<b>% of Number of CWB Loans**</b>	<b>% of AA Businesses *</b>	<b>% of Number of CWB Loans**</b>	<b>% of AA Businesses *</b>	<b>% of Number of CWB Loans**</b>
Commercial Loan Sample	3.64%	0.00%	26.86%	35.00%	33.10%	35.00%	36.22%	30.00%

Source: \*2009 Dunn & Bradstreet business data by geographic location; \*\* Loan Sample

**LOS ANGELES AA**

As shown in Table 3c, the bank's distribution of business loans originated in low-income geographies, by the percentage of number of loans, was 10 percent and exceeds the area demographics of 8.71 percent. The bank's distribution of business loans originated in moderate-income geographies was 30 percent, which exceeds the area demographics of 28 percent.

**Table 3c**

<b>Geographic Distribution of Commercial Loans Los Angeles County, California - Assessment Area January 2008 through March 2010</b>								
<b>CT Income Levels</b>	<b>Low</b>		<b>Moderate</b>		<b>Middle</b>		<b>Upper</b>	
	<b>% of AA Businesses *</b>	<b>% of Number of CWB Loans**</b>	<b>% of AA Businesses *</b>	<b>% of Number of CWB Loans**</b>	<b>% of AA Businesses *</b>	<b>% of Number of CWB Loans**</b>	<b>% of AA Businesses *</b>	<b>% of Number of CWB Loans**</b>
Commercial Loan Sample	8.71%	10.00%	28.29%	30.00%	27.99%	10.00%	34.23%	50.00%

Source: \*2009 Dunn & Bradstreet business data by geographic location; \*\* Loan Sample

**RIVERSIDE COUNTY AA**

As shown in Table 3d, the bank's distribution of business loans originated in low-income geographies, by the percentage of number of loans, was zero as compared to area demographics of 3.79 percent. Considering the bank's sole location and distance from low-income census tracts, this is considered reasonable. The bank had excellent dispersion of business loans originated in moderate-income geographies. The sample included 50 percent of the number of loans made to moderate-income geographies, exceeding the area demographics of 27.70 percent.

**Table 3d**

<b>Geographic Distribution of Commercial Loans                      Riverside County, California - Assessment Area                      January 2008 through March 2010</b>								
<b>CT Income Levels</b>	<b>Low</b>		<b>Moderate</b>		<b>Middle</b>		<b>Upper</b>	
	% of AA Businesses*	% of Number of CWB Loans**	% of AA Businesses *	% of Number of CWB Loans**	% of AA Businesses *	% of Number of CWB Loans**	% of AA Businesses *	% of Number of CWB Loans**
Commercial Loan Sample	3.79%	0.00%	27.70%	50.00%	41.11%	10.00%	27.11%	40.00%

*Source: \*2009 Dunn & Bradstreet business data by geographic location; \*\* Loan Sample*

**Responses to Complaints**

CWB has not received any complaints during this evaluation period in regards to its CRA performance.

**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.