



PUBLIC DISCLOSURE

January 13, 2020

COMMUNITY REINVESTMENT ACT (CRA) PERFORMANCE EVALUATION

Provident Savings Bank, FSB
Charter Number 706051

3756 Central Avenue
Riverside, CA 92517

Office of the Comptroller of the Currency

1551 North Tustin Avenue, Suite 1050
Santa Ana, CA 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

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

The lending test is rated: Satisfactory.

The community development test is rated: Outstanding.

The major factors that support this rating include:

- The Lending Test rating, which is based on the bank's good performance in its assessment area (AA), the Riverside-San Bernardino-Ontario Metropolitan Statistical Area (MSA). This includes:
 - A reasonable geographic distribution of home mortgage loans.
 - A reasonable borrower distribution of home mortgage loans to individuals of different income levels.
- The Community Development (CD) Test rating, which is based on the bank's excellent performance in the Riverside-San Bernardino-Ontario MSA. This includes:
 - A very high level of CD lending, along with a good level of qualified investments and a good level of CD services that were responsive to identified needs within the bank's AA.
 - An excellent distribution of the bank's branches in moderate-income census tracts, which further extends financial services to low- and moderate-income individuals in the bank's AA.

Loan-to-Deposit Ratio

Considering Provident Savings Bank's (Provident or bank) size, financial condition and the credit needs of the AA, the bank's loan-to-deposit (LTD) ratio is more than reasonable. Provident's quarterly LTD ratio for the previous 12 quarters ending September 30, 2019, averaged 106.13 percent. The bank's LTD ratio ranged from a low of 102.96 percent to a high of 109.76 percent. The bank's average LTD ratio compares favorably to other financial institutions of similar size, AA demographics and/or lending products. For the purpose of this evaluation, we compared seven similarly situated financial institutions. The LTD ratios ranged from a low of 74.40 percent to a high of 128.38 percent, with an average LTD ratio of 99.76 percent.

Lending in Assessment Area

A majority of the bank's loans are outside its AA. The bank originated and purchased 40 percent of its total number of loans inside its AA during the evaluation period and does not meet the standard for satisfactory performance. However, this is explained by the bank's overall business

strategy and lending footprint. During the review period, the bank originated home mortgage loans throughout the State of California, with a significant portion in a nearby MSA, the Los Angeles-Long Beach-Anaheim MSA, where the bank had a number of loan production offices. This analysis is performed at the bank, rather than the AA level. This performance factor had a neutral impact on the overall assessment of the bank's geographic distribution of loans.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	5,706	40.0	8,549	60.0	14,255	1,577,532	32.4	3,295,322	67.6	4,872,854
Total	5,706	40.0	8,549	60.0	14,255	1,577,532	32.4	3,295,322	67.6	4,872,854

*Source: Evaluation Period: 1/1/2016 - 12/31/2018 Bank Data
Due to rounding, totals may not equal 100.0*

Description of Institution

Provident is a full-service federally chartered stock savings bank headquartered in Riverside, California, wholly owned by Provident Financial Holdings, Inc. (PFH), a Delaware corporation. PFH has not engaged in any significant activity other than holding the stock of the bank. Provident is an intrastate bank that conducts its business operations primarily as Provident Bank.

Provident has one rating area, the State of California, with one AA consisting of the Riverside-San Bernardino-Ontario MSA. The bank operates 12 full-service branches in Riverside County and one full-service branch in San Bernardino County. The bank closed its La Quinta branch in 2019. In addition to the 13 ATMs located in the bank's branches, Provident has access to a network of 55 thousand ATMs worldwide. During the evaluation period, Provident also operated a mortgage division with 14 loan production offices. On February 4, 2019, the bank announced that it would discontinue the Provident Bank Mortgage division and would exit the mortgage banking business. As a result, the 14 retail loan production offices were closed in 2019. This change had no impact on the bank's lending during this review period. The bank continues to originate and purchase single-family residential loans. However, the volume of these loans is significantly declining.

The bank's business strategy consists of community banking activities serving consumers and small to mid-sized businesses. Provident offers a full range of loan and deposit products and services. The bank also originates and purchases multifamily, commercial real estate, construction, commercial business, and consumer loans. Up until June 30, 2019, other services included mortgage banking services, primarily the origination of fixed rate loans. Going forward, Provident's strategy includes balancing the loan portfolio by originating and purchasing single family residential adjustable rate mortgage loans. Provident provides a variety of alternative banking services including telephone banking, on-line banking, mobile banking, automated teller machine (ATM) services, bill payment, and direct deposit. In May 2006, Provident established the Provident Savings Bank Charitable Foundation (Foundation). The Foundation was

established to promote and provide charitable contributions to local community organizations in the bank's AA, the Riverside-San Bernardino-Ontario MSA.

As of September 30, 2019, Provident reported total assets of \$1.1 billion with loans totaling \$931.2 million or 84 percent of total assets. The loan portfolio primarily consists of single-family mortgage and multifamily loans. Total deposits were \$849 million, and tier 1 capital totaled \$110.5 million. 1-4 family residential real estate (1st lien) loans totaled \$320 million or 35 percent of total loans, multifamily loans totaled \$483 million or 52 percent of total loans, and commercial real estate loans totaled \$111 million or 12 percent of total loans.

There are no known legal, financial or other factors that impede the bank's ability to help meet the credit needs of its AA. Provident received a "Satisfactory" rating under the Intermediate Small Bank institution rating criteria at the prior CRA examination in January 2017.

Scope of the Evaluation

Evaluation Period/Products Evaluate

This examination evaluates the CRA performance of Provident Savings Bank using Intermediate Small Bank (ISB) CRA procedures. We performed a full-scope examination of the bank's AA, the Riverside-San Bernardino-Ontario MSA. This process included an evaluation of CRA activities under the Lending Test criteria, as well as an evaluation of activities under the Community Development Test. The review consisted of the following:

Lending Test: We evaluated the bank's Home Mortgage Disclosure Act (HMDA) lending activity. For purposes of this evaluation, home mortgage loans include home purchase, home refinance, home improvement, and multifamily loans from January 1, 2016 through December 31, 2018. Commercial loans are not a significant loan product for the bank. In addition, the bank did not originate any farm loans during the review period.

Community Development Test: We considered all qualifying CD activities, including CD loans, qualified investments, and CD services since the bank's prior CRA examination. This includes all qualified CD activity beginning January 1, 2017 through December 31, 2019.

Selection of Areas for Full-Scope Review

We performed a full-scope review of the bank's single AA, the Riverside-San Bernardino-Ontario MSA. Refer to appendix A, Scope of Examination for additional details.

Ratings

Provident's overall rating is based on the bank's performance in the Riverside-San Bernardino-Ontario MSA, which is located in Southern California. In addition, the lending test is based only on home mortgage lending. Ratings for the Lending Test and the Community Development Test are equally weighted. In assessing the bank's distribution of home mortgage loans to low- and moderate-income (LMI) borrowers, we placed more weight on the bank's performance compared

to the aggregate and less weight on performance compared to the demographics. This is due to the high cost of housing in the more populated areas within the AA, which impacted the availability of affordable homes for LMI and reduced the opportunities for home purchase lending for all lenders during the review period. However, it is important to note that there were some opportunities for originating home improvement and home refinance loans to LMI individuals. Finally, we gave equal weight to lending performance during the 2016 evaluation period and the 2017-2018 evaluation period since the number of loans during each of these review periods did not vary significantly.

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 AA 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 Bureau of Consumer Financial Protection, 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.

State Rating

State of California

CRA rating for the State of California: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

The major factors that support this rating include:

- A reasonable geographic distribution of home mortgage loans throughout the AA.
- A reasonable borrower distribution of home mortgage loans to individuals of different income levels.
- CD activities reflect excellent responsiveness to community development needs.

Description of Institution's Operations in California

Provident has one AA, which is the Riverside-San Bernardino-Ontario MSA. The MSA consists of both Riverside and San Bernardino Counties. The bank operates 12 branches in Riverside County and one branch in San Bernardino County. Riverside and San Bernardino Counties comprise what is known as the Inland Empire (IE). According to the Employment Development Department of the State of California, the IE is one of the fastest growing metropolitan areas in the nation. Each county comprises a very large land area as noted below:

Riverside County encompasses 7,303 square miles. It is the fourth largest county by area and the fourth most populous in California. The majority of the population resides within the western half of the county. There are 12 Native American reservations in the county. The county also has several outdoor tourism attractions including the California Citrus State Historic Park and the Living Desert Zoo and Gardens.

San Bernardino County encompasses 20,105 square miles and is the largest county (based on area) in California and the continental U.S. As noted for Riverside County, the vast majority of the population resides to the west, as most of San Bernardino County is open land. Maps of World refers to San Bernardino County as California's playground due to the large amount of outdoor tourism attractions. The Mojave National Preserve, Death Valley National Park, Joshua Tree National Park, Apple Valley, Silver Lakes, and Big Bear Lake are some of the main attractions that account for the majority of square miles in the county.

Economy

According to the U.S. Bureau of Labor Statistics, as of November 2019, the Riverside-San Bernardino-Ontario MSA included a civilian labor force of 2.09 million. Employment was approximately 2.02 million, for an unemployment rate of 3.6 percent. The unemployment rate

was slightly higher than the U.S. unemployment rate of 3.5 percent, but lower than the state of California unemployment rate of 3.9 percent.

The major industries in the AA are centered on transportation, utilities, and government. Other notable industries include education, health services, leisure and hospitality, and professional and business services. Total wage and salary employment comprise 1.59 million workers. Nonfarm wage and salary employment comprise 1.57 million workers.

Housing and Opportunities for Home Mortgage Lending

The Riverside-San Bernardino-Ontario MSA has a rapidly growing population, partially due to a fast-growing logistics industry that is causing a late-cycle population shift from California's more costly coastal areas to its interior. However, residential construction has not caught up with the influx of new residents. As a result, the prices of single-family residences (SFR) are still rising. The median property value for 2018 was \$360,300.

Due to the geographical size of both Riverside and San Bernardino Counties, the median price of a SFR for any given year may appear more affordable than what the median values or sales prices reflect. Property values and sales prices are considerably lower in the far eastern parts of both counties. However, the population and job centers are concentrated in the middle (Coachella Valley) and the western parts of Riverside County, and in the southwestern part of San Bernardino County. As a result, much of the population resides where housing is less affordable as noted below:

- *Riverside County* – According to the National Association of REALTORS®, in December 2019, the median listing price of homes in Riverside County was \$410,000. The median sold price was \$389,900. However, Riverside County has 84 cities and the median listing price of a SFR varies considerably in the more populated areas. For example, Indian Wells has the highest cost for a SFR, with a median listing price of \$839,000. Desert Hot Springs has the most affordable cost, with a median listing price of \$255,000.
- *San Bernardino County* – For the same period, the median listing price of homes in San Bernardino County was \$349,000. The median sold price was \$344,500. San Bernardino County has 101 cities and the listing price of a SFR also varies considerably. Rancho Cucamonga is the most expensive city with a median listing price of \$580,000. Blythe is the most affordable with a median listing price of \$150,000.

Nonetheless, there are some limited opportunities for financial institutions to originate loans to LMI individuals for SFRs and loans to non-profit organizations to develop multifamily housing for LMI individuals. Some examples are noted below:

- The State of California Department of Housing & Community Development awarded the city of Riverside the CalHOME Grant. The grant provides first-time homebuyers with purchasing assistance up to \$50 thousand in the form of an interest-free, deferred loan.

Combined household income cannot exceed 80 percent of the Area Median Income (AMI) for Riverside County.

- On July 1, 2015, the Housing Authority of the County of Riverside (HACR) opened the Housing Choice Voucher (HCV or Section 8) waiting list. According to the HACR, there is limited funding for housing assistance programs and a large number of families requesting assistance (approximately 40,000).

Competition

There is a high level of competition for both deposits and loans in the Riverside-San Bernardino-Ontario MSA. June 2018 FDIC Deposit Market Share reports included 43 institutions that competed for deposits in the AA. Provident had a deposit market share of 1.77 percent. Approximately 58 to 60 percent of total deposits were held by Bank of America, Wells Fargo Bank, and JPMorgan Chase Bank. Peer Mortgage Loan Data for 2018 reported 786 lenders for all types of home mortgage loans. Provident had a lending market share of 0.69 percent. No lender had more than a seven percent market share; Wells Fargo Bank had the largest market share at nearly seven percent.

Community Development Needs

We performed one community contact and reviewed another recent community contact. These contacts indicated the following are the most significant needs in the AA.

- Affordable home mortgage loans for LMI individuals to include a low down payment, no private mortgage insurance (PMI), and a reasonable interest rate.
- Low interest construction lines of credit to non-profits to help finance affordable housing for LMI individuals.
- Affordable bank accounts for LMI individuals.
- Secured credit card or credit builder credit card.
- Small dollar consumer loans.
- Equity investments to help finance single and multifamily housing.
- Investments in small business lenders who in turn can provide access to low cost capital for small businesses.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Riverside – San Bernardino						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	822	5.2	29.9	36.6	27.5	0.7
Population by Geography	4,392,801	5.4	27.6	35.4	31.2	0.4
Housing Units by Geography	1,521,284	5.0	27.4	36.5	31.1	0.1
Owner-Occupied Units by Geography	819,653	2.6	21.0	37.2	39.1	0.1
Occupied Rental Units by Geography	493,904	9.1	37.8	33.8	19.2	0.0
Vacant Units by Geography	207,727	4.5	27.5	40.0	27.5	0.5
Businesses by Geography	224,792	4.6	25.9	34.9	34.5	0.1
Farms by Geography	4,946	3.8	23.9	38.2	34.1	0.1
Family Distribution by Income Level	979,189	23.0	16.8	18.9	41.3	0.0
Household Distribution by Income Level	1,313,557	24.6	15.9	17.4	42.2	0.0
Median Family Income MSA - 40140 Riverside-San Bernardino-Ontario, CA MSA		\$61,507	Median Housing Value			\$246,946
			Median Gross Rent			\$1,192
			Families Below Poverty Level			14.3%
<i>Source: 2015 ACS Census and 2018 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in California

We performed a full-scope review of the bank’s single AA, the Riverside-San Bernardino-Ontario MSA. Refer to appendix A, Scope of Examination for additional details.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN California

LENDING TEST

The bank’s performance under the Lending Test in California is rated Satisfactory.

Based on a full-scope review of the Riverside-San Bernardino-Ontario MSA, the bank’s lending performance in the state of California is reasonable.

In concluding on the bank's performance relative to the distribution of home mortgage loans to LMI borrowers in the bank's AA, we considered the barriers to lending to LMI individuals and families. Specifically, the high cost of SFRs in the Riverside-San Bernardino-Ontario MSA is a significant factor, which made it more difficult to originate home mortgage loans to LMI in the more densely populated areas in the MSA.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of home mortgage loans in the state.

Home Mortgage Loans

Refer to tables O in appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

During the 2016 evaluation period, the distribution of the bank's home mortgage loans in LMI geographies is good. The proportion of the bank's loans in both LMI census tracts (CT) was below the proportion of owner-occupied housing units. In addition, the proportion of home mortgage loans in low-income CTs exceeded the 2016 aggregate; and the proportion of loans in moderate-income CTs was near to the 2016 aggregate.

During the 2017-2018 evaluation period, the distribution of the bank's home mortgage loans in LMI geographies is adequate. The proportion of the bank's loans was below the proportion of owner-occupied housing units in both LMI CTs. In addition, the proportion of the bank's loans in both LMI CTs was below the aggregate.

Lending Gap Analysis

We reviewed summary reports and maps and analyzed the bank's home mortgage lending activity over the evaluation period to identify any gaps in geographic distribution of loans. We did not identify any unexplained conspicuous gaps in the bank's AA.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of home mortgage loans to individuals of different income levels. In concluding on the bank's performance, we considered performance context factors, including the affordability of a SFR in the AA during the review period. See the "Ratings" section for additional details.

Home Mortgage Loans

Refer to tables P in appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

During the 2016 evaluation period, the distribution of home mortgage loans to LMI borrowers is good. The proportion of the bank's loans to low-income borrowers was significantly below the

proportion of low-income families. However, the proportion of the bank’s loans to low-income borrowers exceeded the aggregate. In addition, the proportion of loans to moderate-income borrowers was below the proportion of moderate-income families. The proportion of loans to moderate-income families exceeded the aggregate.

During the 2017-2018 evaluation period, the distribution of loans to LMI borrowers is adequate. The proportion of the bank’s home mortgage loans to low-income borrowers was significantly below the proportion of low-income families. However, the proportion of home mortgage loans to low-income borrowers was below the aggregate. In addition, the proportion of loans to moderate-income borrowers was below the proportion of moderate-income families. The proportion of these loans to moderate-income borrowers met the aggregate.

Responses to Complaints

During the evaluation period, Provident did not receive any complaints relative to the bank’s CRA performance.

COMMUNITY DEVELOPMENT TEST

The bank’s performance under the Community Development Test in the state of California is rated outstanding.

Based on a full-scope review, the bank exhibits excellent responsiveness to CD needs in its AA through CD loans, qualified investments, and CD services, as appropriate, considering the bank’s capacity and the need and availability of such opportunities for CD in the bank’s AA.

Number and Amount of Community Development Loans

During the evaluation period, Provident provided 94 CD loans totaling over \$31.5 million. This represents an excellent level of CD loans. The loans helped provide 483 units of affordable housing to LMI individuals and families. Forty-two of the loans were subordinate loans for SFRs under the California Housing Finance Agency. (The bank elected to include them in the bank’s CD Test rather than in the Lending Test). All of these loans were responsive to the significant need for affordable housing for LMI individuals in the bank’s AA.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000’s)	#	\$(000’s)	#	% of Total #	\$(000’s)	% of Total \$	#	\$(000’s)
Riverside-San Bernardino-Ontario	0	0	72	\$1,146.6	72	100	\$1,146.6	100	0	0

* Prior Period Investments’ means investments made in a previous evaluation 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.

The Qualified Investment Table, shown above, sets forth the information and data used to evaluate the bank's level of qualified CD investments. These tables include all CD investments, including any prior period investments that remain outstanding as of the examination date.

During the evaluation period, the bank provided 72 investments/grants totaling over \$1.1 million. This represents a good level of qualified investments and grants. The investments include \$26.5 thousand to organizations that provide affordable housing for LMI individuals, \$120.1 thousand to organizations that provide services to LMI individuals, and \$1.0 million in deposits in minority-owned financial institutions. The following are some of the more significant grants the bank provided:

- \$15 thousand was provided to an organization that provides affordable housing to LMI individuals.
- \$12.5 thousand was provided to an organization that provides specialized services to LMI individuals that reside at properties the organization provides to these LMI individuals.
- \$10 thousand was provided to an organization that provides services to children of LMI families. This organization provides funds for new clothes, hygiene kits, shoes, and school supplies to economically disadvantaged students.

Extent to Which the Bank Provides Community Development Services

Provident provided 1,080 hours of qualified CD services. This represents almost a 24 percent increase over the number of hours in CD services that bank employees provided during the prior review period. In summary, the bank provided 792 hours to organizations that provide CD services to LMI individuals and 288 hours to organizations that provide affordable housing to LMI individuals. These services are as follows:

- A bank officer served as the president and provided financial expertise to an organization that provides food to LMI individuals.
- A vice president served as a committee member and chair for the finance committee of an organization that provides affordable housing to LMI.
- A vice president provided financial expertise as a committee member of an organization that provides affordable housing to LMI.
- A bank officer provided financial expertise as a board member of an organization that provides job training and other job-related services primarily to LMI individuals.

In addition, five or 38 percent of the bank's 13 branches are located in moderate-income CTs. This compares very favorably to the demographics, which note that LMI geographies represent 34 percent of the total CTs in the bank's AA. Moderate-income CTs represent 28 percent and low-income CTs represent six percent of total CTs in the AA. This increases the level of

financial services, including financial workshops, that are available to LMI individuals in the AA.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) 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:	See below.	
Bank Products Reviewed:	Home Mortgage Loans: January 1, 2016 – December 31, 2018 CD Loans, Qualified Investments, and CD Services: January 1, 2016 – December 31, 2019	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
MMSA(s)		
N/A		
California		
Riverside-San Bernardino-Ontario MSA	Full-scope	

Appendix B: Summary of State Ratings

RATINGS Provident Savings Bank, FSB			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Provident Savings Bank, FSB	Satisfactory	Outstanding	Satisfactory
State:			
California	Satisfactory	Outstanding	Satisfactory

*The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in 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. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): 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; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, 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, 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-Scope 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), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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-Scope 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: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/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. The median is the point at which half of the families have income above, and half below, a range of incomes. 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, and half below, a range of incomes.

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: 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.

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.

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 statistical area, the institution will receive a rating for the multi-state metropolitan statistical 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 1 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.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of 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 are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography - 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 aggregate peer data for the years the data is available.

Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower - 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 MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were 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) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.

Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - 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 aggregate peer data for the years the data is available. Because aggregate 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 T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - 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 in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - 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 households by income level in each MMSA/assessment area.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2016
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Riverside – San Bernardino-Ontario	2,702	690,057	100.0	192,442	2.9	2.3	2.1	21.6	14.8	15.9	36.3	39.5	36.6	39.2	43.4	45.4	0.0	0.0	0.0	
Total	2,702	690,057	100.0	192,442	2.9	2.3	2.1	21.6	14.8	15.9	36.3	39.5	36.6	39.2	43.4	45.4	0.0	0.0	0.0	

Source: 2010 U.S Census: 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2017-18
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Riverside - San Bernardino-Ontario	3,004	887,475	100.0	151,584	2.6	1.7	2.3	21.0	16.3	19.6	37.2	37.3	37.9	39.1	44.6	40.1	0.1	0.0	0.1	
Total	3,004	887,475	100.0	151,584	2.6	1.7	2.3	21.0	16.3	19.6	37.2	37.3	37.9	39.1	44.6	40.1	0.1	0.0	0.1	

Source: 2015 ACS Census: 01/01/2017 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2016**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Riverside – San Bernardino-Ontario	2,702	690,057	100.0	192,442	21.8	2.5	2.2	17.5	11.2	9.5	19.8	28.9	18.7	40.8	54.7	47.5	0.0	2.7	22.1
Total	2,702	690,057	100.0	192,442	21.8	2.5	2.2	17.5	11.2	9.5	19.8	28.9	18.7	40.8	54.7	47.5	0.0	2.7	22.1

Source: 2010 U.S Census: 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2017-18**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Riverside-San Bernardino-Ontario	3,004	887,475	100.0	151,584	23.0	2.4	3.2	16.8	9.1	9.2	18.9	25.4	18.8	41.3	61.5	48.9	0.0	1.7	19.8
Total	3,004	887,475	100.0	151,584	23.0	2.4	3.2	16.8	9.1	9.2	18.9	25.4	18.8	41.3	61.5	48.9	0.0	1.7	19.8

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0