



PUBLIC DISCLOSURE

May 04, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Banc of California, National Association
Charter Number 25080

18500 Von Karman Avenue
Irvine, CA 92612

Office of the Comptroller of the Currency

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Suite 500
Glendale, CA 91203-1985

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 **Outstanding**.

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

Performance Levels	Banc of California, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		X
High Satisfactory			
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- An excellent level of lending activity in the Los Angeles County assessment area (AA) and a good level in the Orange County AA.
- An overall excellent distribution of loans in low- and moderate-income (LMI) geographies in the bank’s AAs. This includes an excellent geographic distribution in the Los Angeles County AA and a good geographic distribution in the Orange County AA.
- An overall adequate distribution of loans to LMI borrowers. This includes an adequate borrower distribution in the Los Angeles County AA and a good borrower distribution in the Orange County AA.
- A very high level of Community Development (CD) loans in the Los Angeles County AA and a high level in the Orange County AA, which positively impacted the Lending Test rating.
- A flexible loan product, which provides an alternative to payday loans.
- An adequate level of investments in the Los Angeles County and Orange County AAs.
- A distribution of branches that are accessible to persons living in LMI geographies.
- A leader in providing qualified CD services, specifically in its largest AA, Los Angeles County.

Definitions and Common Abbreviations

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

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

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

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

Community Development: Affordable housing (including 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

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

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

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

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

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

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

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

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancing, 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 ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

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

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

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

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

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

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) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

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

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

Description of Institution

Banc of California, N.A. (Banc) is an intrastate bank headquartered in Irvine, California. The bank began as a credit union in 1941. In January 2000, the credit union was chartered as Pacific Trust Bank, F.S.B., a federally chartered stock savings bank. In 2009, Banc acquired Gateway Business Bank. This acquisition included an agency mortgage banking business with agency licenses enabling the bank to better serve LMI communities with over 60 loan production offices (LPOs). In 2012, Banc moved its headquarters from Chula Vista to Irvine. In October 2013, Pacific Trust Bank and The Private Bank of California merged into a single bank and became Banc of California, N.A. In early 2014, Banc acquired Renovation Ready, a Federal Housing Administration (FHA) 203K Rehab lender. This acquisition enabled the bank to provide agency rehabilitation loans, which makes it possible for borrowers to purchase a property in need of repairs and include the cost of the repairs in the loan. In November 2014, Banc purchased the California branch network of Banco Popular, which included 20 branch locations in Los Angeles and Orange Counties. The various acquisitions have enabled Banc to move from a bank that focused on originating jumbo residential mortgage loans to one that originates loans that are more focused on the needs of its AAs, including LMI individuals and small businesses. The impact of these changes is only partially reflected in this evaluation, since most of the significant acquisitions occurred in 2014.

The acquisition of Banco Popular substantially increased Banc's assets and caused a significant shift in the AAs with the highest volume of deposits. The most notable change was that of Los Angeles County where deposits represented 17 percent of Banc's total deposits in 2013 but increased to 42 percent after the acquisition of Banco Popular. As of December 31, 2014, Banc had total assets of nearly \$6 billion, total deposits of \$4.7 billion and tier one capital of \$472 million. Banc is a wholly owned subsidiary of Banc of California, Inc. located in Irvine, California. As of December 31, 2014, the holding company reported consolidated assets of \$5.971 billion.

Banc is a full-service bank that offers various consumer and business deposit and loan products. Banc operates 37 branches and 33 ATMs in its AAs. There are 19 branches and 17 ATMs in Los Angeles County, 14 branches and 12 ATMs in Orange County, and four branches and four ATMs in San Diego County. During the evaluation period, Banc also operated three branches in Riverside County. The branches were closed in 2013 because they served a narrow client base of employees from Rohr Industries. However, since Riverside County was an AA during the evaluation period, it is included in our assessment of the bank's overall performance in helping to meet the needs of its AAs. In addition, Banc has one branch and one ATM in Santa Barbara County that was opened in February 2015. This branch is not considered in this evaluation or in the above totals.

Historically, Banc's primary business focus has been single-family residential mortgage loans. Banc also has a significant portfolio of multi-family housing loans. In 2014, Banc launched its Multi-Family Lending Group, whose purpose is, in part, to enable the bank to serve the affordable housing needs of its AAs. The bank's loan portfolio includes small business loans, including Small Business Administration (SBA) loans and other commercial loans. However, commercial loans currently do not represent a significant portion of the bank's loan volume. As of December 31, 2014, net loans equaled \$5.1 billion and represented 86 percent of total assets.

Banc's loan portfolio consists of the following: 1-4 family residential real estate 61.40 percent, other real estate including multi-family 25.91 percent, commercial/industrial 8.82 percent, other consumer 0.64 percent, construction 1.39 percent, and lease financing receivables 1.54 percent.

There are no financial or legal factors that impede Banc's ability to meet the credit needs of its AAs. Banc was previously rated under the Intermediate Small Bank CRA Test and received a "Satisfactory" rating from the Office of the Comptroller of the Currency on June 4, 2012.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We reviewed home mortgage loans for the period beginning January 1, 2012 through December 31, 2014. We reviewed small business loans for the period beginning January 1, 2014 through December 31, 2014; Banc was not a small business loan reporter prior to 2014. Home improvement loans were not a primary loan product and were not evaluated in Orange County due to the small number of these loans originated in this AA. Primary loan products for this review are products in which the bank originated at least 25 loans in the AA during the evaluation period. In addition, Banc does not originate small farm loans. We reviewed CD loans, investments, and services for the period beginning June 5, 2012 through April 30, 2015.

Data Integrity

Prior to this evaluation, we tested the accuracy of Banc's publicly filed information on home mortgage loans and small loans to businesses. The data we reviewed was collected and reported by the bank during the evaluation period. The testing indicated no substantive inaccuracies in the data for small loans to businesses. We identified a number of errors in the HMDA data. However, management subsequently reviewed and corrected the data. Consequently, the HMDA data we reviewed for this analysis is substantially accurate. Additionally, CD investments, loans, and services made or rendered during the evaluation period were reviewed to determine their eligibility for consideration. We included in this review all activities found to meet the definition of community development.

Selection of Areas for Full-Scope Review

We selected the bank's Los Angeles County and the Orange County AAs for full-scope reviews as these two AAs currently represent the highest percentage of deposits. Over 42 percent of Banc's deposits and almost 52 percent of its loans are in the Los Angeles County AA. In addition, nearly 42 percent of the bank's deposits and 16 percent of its loans are in the Orange County AA. We performed limited scope reviews of the San Diego County and the Riverside County AAs. We did not analyze any data for the Santa Barbara County AA since the branch in that AA has been open less than six months.

Ratings

Banc's overall CRA rating is based primarily on the full-scope reviews of the Los Angeles County and the Orange County AAs. To conclude on Banc's overall record of performance, we assessed activities in the AA under the Lending, Investment, and Service tests. The rating methodology is structured such that the Lending Test is weighted the most heavily of the three tests.

Within the full-scope reviews, we placed substantially more weight on the Los Angeles County AA since more than half of Banc's reportable loans (52 percent) were originated or purchased in this AA. In contrast, only 16 percent of the loans were originated or purchased in the Orange County AA. Since 93 percent of the reportable loans were home mortgage loans, we placed substantially more weight on these loans and minimal weight on small business loans. Within home mortgage lending, we placed equal weight on home purchase, home refinance, and multi-family lending and limited weight on home improvement lending.

Other

We reviewed one recent community contact and performed three others in order to identify some of the most significant community development needs in the bank's AAs. Two of the organizations we contacted focus on providing affordable housing and services to LMI individuals. The third organization is a community development financial institution (CDFI), which is actively engaged in policy development for accessing goods and services in LMI areas for minority owned and lead organizations. In all AAs throughout the country, the need for affordable housing loans is a continuing need. Overwhelmingly, the contacts also identified the need for financial literacy training in the bank's AAs. Below are the needs we identified:

- Financial literacy training, particularly for young people and LMI individuals.
- Affordable housing loans.
- Home Equity Lines of Credit (HELOC), which are typically used by small business owners to finance their operations.
- Access to longer-term capital for non-profit organizations and small businesses.
- Investment products, where the proceeds can be used to seed a company that can provide a return to the lender.
- Consumer loan products that will meet the needs of LMI individuals and that will take the place of those offered by payday lenders.
- Investments in Low-Income Housing Tax Credit (LIHTC) projects.
- General operating support for Community Development Corporations (CDCs).
- Deposit products with low transaction fees.
- Branches in LMI communities.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any AA by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

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

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

Banc's performance under the lending test is rated "Outstanding." Based on full-scope reviews, Banc's performance in both the Los Angeles County and the Orange County AAs is excellent. The high level of CD loans positively influenced the lending test rating.

Lending Activity

Refer to Tables 1 Lending Volume and Other Products in Appendix C for the facts and data used to evaluate the bank's lending activity.

Los Angeles County AA

Lending levels reflect excellent responsiveness to the credit needs in the Los Angeles County AA. Banc originated 4,857 home mortgage loans and 508 small business loans in this AA. The bank's market share of loans compares favorably to its deposit market share. Banc has a market share of 0.89 percent and ranks 23rd out of 582 lenders that originate home purchase loans; a market share of 0.88 and ranks 20th out of 254 lenders that originate home improvement loans; a market share of 0.40 percent and ranks 37th out of 683 lenders that originate home refinance loans; and a market share of 0.40 and ranks 28th out of 118 lenders that originate multi-family loans. Based on 2013 market share data, which is the most recent market share data available, five mega banks dominate the market for mortgage loans of all types. (Banc does not have a market share for loans to small businesses since the bank was not required to report these loans prior to 2014.) In comparison, Banc has a deposit market share of 0.46 percent and ranks 24th among 111 competing financial institutions. Four mega banks hold 57 percent of the deposit market share. The substantial majority of the financial institutions operating in this AA holds less than one percent deposit market share.

Orange County AA

Lending levels in the Orange County AA reflect good responsiveness to the AA's credit needs. Banc originated 1,560 home mortgage loans and 139 small business loans in the Orange County AA. The bank's market share of loans is near to its deposit market share in this AA. Banc has a market share of 0.90 percent and ranks 23rd out of 481 lenders that originate home purchase loans, and a market share of 0.32 percent and ranks 52nd out of 575 lenders that originate home refinance loans. Banc does not have a market share in the Orange County AA for multi-family or small business loans. In comparison, Banc has a deposit market share of 1.67 percent and ranks 10th out of 85 banks competing for deposits in the Orange County AA. Five mega banks hold 62 percent of the deposits.

Distribution of Loans by Income Level of the Geography

Overall, the geographic distribution of home mortgage loans and small loans to businesses in LMI geographies is excellent. Distribution is excellent in the Los Angeles County AA and good in the Orange County AA.

Home Mortgage Loans

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

Los Angeles County AA

The geographic distribution of home purchase loans in the Los Angeles County AA is excellent. The distribution of these loans in both low- and moderate-income census tracts (CTs) significantly exceeds the demographic comparators. The bank's market share in low-income CTs significantly exceeds its overall market share and nearly meets overall market share in moderate-income CTs.

The geographic distribution of home improvement loans in the Los Angeles County AA is excellent. The distribution in both low- and moderate-income CTs significantly exceeds the demographic comparators. Market share in both low- and moderate-income CTs also significantly exceeds overall market share.

The geographic distribution of home refinance loans in the Los Angeles County AAs is excellent. The distribution in both low- and moderate-income CTs exceeds the demographic comparators. In addition, the bank's market share for originating home refinance loans in both low- and moderate-income CTs exceeds overall market share.

The geographic distribution of multi-family loans in the Los Angeles County AA is excellent. The distribution of these loans in both low- and moderate-income CTs significantly exceeds the demographic comparators. The bank's market share of multi-family loans in low-income CTs is near to the overall market share. Market share in moderate-income CTs significantly exceeds overall market share.

Orange County AA

The geographic distribution of home purchase loans in the Orange County AA is excellent. The distribution of home purchase loans in low-income CTs is near to the demographic comparator; market share is near to overall market share. The distribution of these loans in moderate-income CTs significantly exceeds the demographic comparator; market share in these tracts also significantly exceeds overall market share.

We did not analyze home improvement loans in the Orange County AA. The bank only originated 16 loans, which is too few loans to analyze.

The geographic distribution of home refinance loans in the Orange County AA is adequate. The distribution of home refinance loans in low-income CTs is below the demographic comparator and is weak. However, the distribution of these loans in moderate-income CTs exceeds the demographic comparator and is excellent. Market share in low- and moderate-income CTs compared to overall market share is poor in low-income CTs and excellent in moderate-income CTs.

The geographic distribution of multi-family loans in the Orange County AA is good. Distribution of multi-family loans in low-income CTs is well below the demographic comparator and is poor. However, the distribution of these loans in moderate-income CTs significantly exceeds the demographic comparator and is excellent. Market share of multi-family loans in low-income CTs is near to the overall market share and is good. Market share of these loans in moderate-income CTs significantly exceeds the overall market share and is excellent.

Small Loans to Businesses

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

Los Angeles County AA

The geographic distribution of Banc's small loans to businesses in the Los Angeles County AA is good. Distribution of small loans to businesses in low-income CTs is near to the demographic comparator and is adequate. Distribution of these loans in moderate-income CTs is significantly above the demographic comparator and is excellent. The bank did not register a market share for small loans to businesses in 2013 because it was not required to report these loans until 2014.

Orange County AA

The geographic distribution of the bank's small loans to businesses in the Orange County AA is excellent. Distribution of these loans in both low- and moderate-income CTs significantly exceeds the demographic comparators.

Lending Gap Analysis

We reviewed summary reports and maps and analyzed Banc's home mortgage and small business activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps. The bank's AA consists of whole geographies, meets the requirements of the CRA regulation, and does not arbitrarily exclude any LMI areas.

Inside/Outside Ratio

For the combined three-year evaluation period, Banc originated an adequate percentage of its reportable loan products in its AAs. Banc originated or purchased 31 percent of its home mortgage loans and nearly 50 percent of its small loans to businesses in its AAs during the evaluation period.

The inside/outside ratio was impacted by the bank's nationwide home mortgage lending focus. In addition, the acquisitions of The Private Bank of California and Banco Popular included loan portfolios that were broader than the bank's AAs, which impacted the inside/outside ratio for small loans to businesses.

Distribution of Loans by Income Level of the Borrower

Overall, Banc's borrower distribution is adequate. For home mortgage loans, the bank has an adequate borrower distribution in the Los Angeles County AA and a good borrower distribution in the Orange County AA. The bank has a poor distribution of small business loans to businesses with gross annual revenues of \$1 million or less in both the Los Angeles County and the Orange County AAs.

Home Mortgage Loans

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

Overall, the distribution of home mortgage loan products in the bank's full-scope AAs is adequate. In our assessment of the bank's performance, we considered economic and housing market conditions, which significantly limited demand for home purchase and refinance loans during the review period.

Los Angeles County AA

The distribution of home purchase loans to borrowers in the Los Angeles County AA reflects adequate penetration among retail customers of different income levels. The portion of home purchase loans made to both low- and moderate-income borrowers is well below the demographics. Market share of these loans compared to overall market share is below, but still adequate. In assessing the bank's performance, we considered the high cost of housing in Los Angeles County, which combined with a low median family income make it difficult for LMI individuals and families to qualify for a home purchase loan in this AA. This is supported by the fact that Los Angeles has the highest percentage of renters of any U.S. city, at more than half the population. See *Appendix B: Market Profiles for Full Scope Areas* for additional comments.

The distribution of home improvement loans in the Los Angeles County AA reflects adequate distribution to LMI borrowers. The portion of the bank's home improvement loans to low-income borrowers is well below the demographic comparator, which is poor. Market share is below overall market share, but it is adequate. The portion of these loans to moderate-income borrowers is near to the demographic comparator and is adequate. Market share is significantly above the demographic comparator, which is excellent.

The distribution of home refinance loans in the Los Angeles County AA reflects adequate distribution of these loans to LMI borrowers. Both the portion of the bank's home refinance loans to low-income borrowers and the market share are well below the comparators. The distribution of these loans to moderate-income borrowers is also well below the demographic comparator.

However, market share of these loans to moderate-income borrowers is significantly above overall market share and is excellent. In concluding on the bank's performance, we considered the lack of opportunities to originate home refinance loans given the large portion of individuals who rent rather than own homes in this AA.

Orange County AA

The distribution of borrowers in the Orange County AA reflects good penetration of home purchase loans among retail customers of different income levels. The portion of home purchase loans made to low-income borrowers is below the demographic comparator and is poor. However, the portion of these loans to moderate-income borrowers is near to the demographic comparator and is good. In assessing the bank's performance we considered the high cost of housing and the limited availability of affordable homes in this AA, which make it difficult for a low-income individual or family to qualify for a home purchase loan.

The bank originated only 16 home improvement loans in this AA, which is not a sufficient number to analyze.

The distribution of home refinance loans to LMI borrowers is adequate. The portion of the bank's home refinance loans to low-income borrowers is well below the demographic comparator and is poor. However, market share of these loans to low-income borrowers is near to overall market share and is good. The distribution of home refinance loans to moderate-income borrowers is below the demographic comparator, but it is adequate. Market share is well above overall market share and is excellent.

Small Loans to Businesses

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

Los Angeles County AA

The portion of the bank's loans to small businesses (businesses with revenues of \$1 million or less) in the Los Angeles County AA is well below the demographic comparator and is poor.

Orange County AA

The portion of the bank's loans to small businesses (businesses with revenues of \$1 million or less) in the Orange County AA is well below the demographic comparator and is poor.

Community Development Lending

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

Los Angeles County AA

During the review period, Banc originated/purchased 537 qualified CD loans totaling over \$489 million in the Los Angeles County AA. This represents 246 percent of Allocated Tier One Capital¹, which is an exceptionally high level of CD lending. The CD loans were not complex; but they were responsive to identified CD needs in the Los Angeles County AA. Of the total dollar volume of CD loans, 84 percent supports affordable housing for LMI; 15 percent supports economic development; and one percent supports CD services to LMI individuals. The exceptionally high level of CD lending strongly influenced the bank's Lending Test rating in this AA.

Orange County AA

During the review period, Banc originated/purchased 44 qualified CD loans totaling \$62.7 million in the Orange County AA. This represents 32 percent of Allocated Tier One Capital, which is a high level of CD lending. The CD loans were not complex; but they were responsive to identified CD needs in the Orange County AA. The majority of the CD loans (82 percent) support affordable housing for LMI. The remaining 18 percent supports economic development. The high level of CD lending positively influenced the bank's Lending Test rating in this AA.

Product Innovation and Flexibility

As an alternative to payday loans, the bank offers a consumer loan product with a maximum 36 percent APR and a term that ranges from six months to one year. This product is responsive to a need identified by community groups.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, Banc's performance under the lending test in the San Diego County AA is not inconsistent with the bank's overall lending test rating. Banc's performance in the Riverside County AA is weaker than the bank's overall performance under the Lending Test. Performance is weaker because the bank did not originate any CD loans in the Riverside County AA. Performance in the limited-scope AAs did not impact the bank's overall lending test rating. Refer to Tables 1 through 13 in Appendix C for the facts and data that support these conclusions.

INVESTMENT TEST**Conclusions for Areas Receiving Full-Scope Reviews**

Banc's performance under the investment test is rated "Low Satisfactory." Based on full-scope reviews, Banc's performance in both the Los Angeles County and the Orange County AAs is adequate.

¹The term "Allocated Tier One Capital" is used to describe the portion of capital that is equal to the portion a specific AA represents in relation to total bank deposits. It is used only as a reference.

In arriving at this conclusion, we took into consideration the bank's responsiveness to the CD needs in the AAs after meeting with community groups and assessing the needs of its AAs. We also considered that there are numerous financial institutions subject to the CRA, including mega banks, which limits opportunities for qualified investments. Finally, we considered that the current management team was not in place until late 2013/early 2014. Therefore, the majority of the largest investments, which were made in 2014 and early 2015, have not yet funded. Some are scheduled to fund within the next five to six months. Performance in the limited-scope AAs did not impact the overall investment test rating.

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

Los Angeles County AA

The bank provided an adequate level of investments in the Los Angeles County AA. During the review period, Banc originated or committed to provide 56 qualified investments/donations in the Los Angeles County AA totaling over \$7.6 million. This consists of \$1.2 million in funded investments and \$6.4 million in unfunded commitments.

Although the bank's investments and donations are not innovative, they are responsive to identified needs in the AA, including services targeted to LMI individuals and families and funding for small businesses. The investments include a public welfare investment, investments in CDFIs, and an investment that will provide funding for Small Business Investment Corporations (SBICs). Over \$533 thousand consists of donations to various CD organizations. A substantial majority (92 percent) helped provide services, such as temporary shelter, food and financial literacy to LMI individuals. The donations were very responsive to the needs of local CD organizations that provide these critical services to LMI individuals.

In addition, we considered a \$2.4 million mortgage-backed security, which helped provide home purchase loans primarily to moderate- and lower middle-income families in Los Angeles County. This was considered due to the high sales price of homes coupled with the low median family income in this AA, which make it difficult for lower middle-income families to find an affordable home and qualify for a mortgage loan. All of the homes for the underlying mortgages were located in low- and moderate-income CTs where home ownership helped stabilize these areas.

Orange County AA

The bank originated an adequate level of investments in the Orange County AA. During the review period, the bank originated 40 qualified investments/donations in the Orange County AA totaling over \$9 million. This includes \$2.6 million in funded investments and \$6.4 million in unfunded commitments.

The bank's investments and donations are not innovative. However, they are responsive to identified needs in the AA, including services targeted to LMI individuals and families and funding for small businesses.

The investments include a mortgage-backed security that supports home purchase loans to LMI individuals, a public welfare investment, and an investment that will provide funding for SBICs. Almost \$217 thousand consists of qualified CD donations; 68 percent helped provide services to LMI individuals and 32 percent helped provide affordable housing to LMI individuals.

Statewide

In addition, the bank also received positive consideration for the good level of statewide CD investments. The bank made an additional \$8.5 million in investments, which includes benefit to all Banc's AAs. Of this amount, \$7.2 million has been funded and \$1.3 million will be funded in the future. A majority of the investments will help provide affordable housing for LMI. The bank also made investments in qualified CDFIs.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, Banc's performance under the investment test in the San Diego County and the Riverside County AA is not inconsistent with the bank's overall performance under the investment test. Refer to Table 14 in Appendix C for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

Banc's performance under the Service Test is rated "Outstanding." Based on full-scope reviews, the bank's performance in the both the Los Angeles County and the Orange County AAs is excellent.

Retail Banking Services

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

Los Angeles County AA

Delivery systems are accessible to essentially all portions of the bank's AAs. Banc operates 19 branches and 17 ATMs in this AA. One branch (representing five percent of its branches) is located in a low-income CT and two branches (11 percent) are located in moderate-income CTs. This is near to the demographics for low-income CTs, which indicate that eight percent of the population resides in low-income CTs. It is well below the demographics for moderate-income CTs, which indicate 29 percent of the population resides in moderate-income CTs. However, after considering near-to branches (branches that are located within a mile of low- and moderate-income CTs), the accessibility of the bank's branches to LMI geographies improved significantly. Banc has three branches located in middle-income CTs that are within a mile of one low-income CT and 26 moderate-income CTs.

The bank also has three branches located in upper-income CTs that are within a mile of seven low-income CTs and nine moderate-income CTs. All branches, with the exception of one located in an upper-income CT have full-service ATMs located on the premises. Branch hours and services do not vary in a way that would inconvenience LMI individuals.

Branch openings and closings have not affected the accessibility of the bank's delivery systems in this AA, particularly to LMI individuals. In fact, branch acquisitions improved accessibility to individuals living in LMI CTs. During the evaluation period, Banc acquired one branch in a low-income CT, two in moderate-income CTs, four in middle-income CTs, and ten in upper-income CTs. The bank closed one branch in a middle-income CT. This branch was closed because of the low volume of customers and poor accessibility, since the branch was located on the sixth floor of an office building. Proper notification was provided to all affected customers. In addition, the branch no longer met the bank's footprint and desired target market.

Orange County AA

Delivery systems in the Orange County AA are accessible to essentially all portions of the bank's AAs. The bank operates 14 branches and 12 ATMs in this AA. There are no Banc branches in low-income CTs. However, the bank operates three, or 22 percent, of its branches in moderate-income CTs. This compares favorably with the portion of the population (30 percent) living in moderate-income CTs. In addition, the bank has four branches located in middle-income CTs that are near to (within a mile of) one low-income CT and 14 moderate-income CTs. The bank also has one branch located in an upper-income CT that is near to two low-income CTs and two moderate-income CTs, which further enhances accessibility to individuals living in LMI CTs. Branch hours and services do not vary in a way that would inconvenience LMI individuals.

Branch openings and closings have not affected the accessibility of the bank's delivery systems in this AA, particularly to LMI individuals. In fact, branch acquisitions improved accessibility to LMI CTs. During the evaluation period, Banc acquired twelve branches – two in moderate-income CTs, four in middle-income CTs and six in upper-income CTs. Five of these branches located in middle- and upper CTs improved access to several LMI CTs. The bank closed one branch in a middle-income CT during the evaluation period. This branch was closed because of the extremely low volume of customers (one to two customers each month) and poor accessibility, since the branch was located on the eleventh floor of a high-rise building. Proper notification was provided to all affected customers.

Retail Services Beneficial for LMI Individuals

The bank offers a basic account with no minimum balance and total monthly fees of \$3 that is tailored to meet the needs of LMI individuals. Transactions are processed by the next business day in order of the lowest to the highest in an effort to minimize overdrafts. No overdraft fees are charged for point of sale transactions. In addition, the bank does not surcharge at its ATMs for withdrawals by electronic benefit transaction recipients.

Community Development Services

Los Angeles County AA

Banc is a leader in providing community development services in the Los Angeles County AA. During the review period, the bank provided a high level (2,020) hours of qualified CD services that benefited numerous LMI individuals and CD organizations and were highly responsive to a need identified by community groups in the bank's AAs. Over 68 percent of the hours were provided after January 1, 2014 and reflect the efforts of the new management team. The bank's most significant contribution in the Los Angeles County AA was to provide financial literacy education to thousands of LMI individuals. Overall, Banc employees devoted 1,259 hours to financial literacy education of LMI individuals. Some of the most noteworthy contributions are noted below:

- World's Largest Financial Literacy Presentation - Banc organized and provided numerous CD service hours to the "World's Largest Financial Literacy Education Event" which was officially certified as breaking two Guinness World Records: the "Biggest Ever Financial Literacy Training" and the "Biggest Ever Financial Literacy Training in One Venue." Former President Bill Clinton was the featured guest speaker at this event. KPMG officially tallied that 5,964 students from throughout Southern California (the majority of them LMI) received financial literacy training at this event. (Although this event primarily benefited the Los Angeles County AA, it also benefitted all of Southern California.)
- USC Athletics and "Trojan Kids Corner" Financial Literacy – Over 50 bank employees provided 120 children from LMI families with financial literacy classes and workbooks.
- Banc employees provided numerous hours of financial literacy classes to LMI students through an organization that focuses on providing financial education, work readiness, and entrepreneurship skills to LMI youth.

Orange County AA

During the review period, the bank provided 774 hours of qualified CD services that benefited numerous LMI individuals and CD organizations in the Orange County AA. This represents a good level of CD services. The services were responsive to the most significant CD needs in this AA. Employees contributed 260 hours to organizations that provide affordable housing to LMI individuals, 242 hours to organizations that provide services to LMI individuals, 211 hours to organizations that focus on economic development, and 61 hours to provide financial literacy to LMI individuals.

Statewide

Based on feedback from community groups, the bank learned there was a need for financial institutions to work with homeowners who were on the verge of foreclosure. In response, Banc collaborated with its credit manager affiliate to provide homeowners with flexible mortgage solutions.

Beginning in 2012 and through the end of the examination period, Banc acquired approximately 194 million in single family residence (SFR) mortgage loans involving borrowers who had become delinquent on their homes during the financial crises. The bank modified over 470 loans totaling approximately \$160 million. The bank also deferred about \$5.3 million in principal balances for some of the homeowners and helped them with short term refinances where appropriate.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, Banc's performance under the Service Test in the San Diego County AA is not inconsistent with the bank's overall "Outstanding" performance under the Service Test. In the Riverside County AA, the bank's performance is weaker than the bank's overall performance. The bank did not provide any CD services targeted to the Riverside County AA during the review period. However, it is important to note that Banc no longer has any branches in this AA. See Description of Institution for additional information. Also refer to Table 15 in Appendix C for the facts and data that support these conclusions.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD Loans): HMDA – 1/1/2012 – 12/31/2014 Small Business – 1/1/2014 – 12/31/2014 Investment and Service Tests and CD Loans: 6/5/2012 – 4/30/2015	
Financial Institution	Products Reviewed	
Banc of California, N.A. (Banc) Irvine, California	Home Mortgage Loans (purchase, home improvement, and refinancing) Small Business Loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Los Angeles County #037 Orange County #059 San Diego County #073 Riverside County #065	Full-Scope Full-Scope Limited-Scope Limited-Scope	

Appendix B: Market Profiles for Full-Scope Areas

Los Angeles County Assessment Area

Demographic Information for Full Scope Area: Los Angeles County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	2,346	8.99	28.64	26.77	34.02	1.58
Population by Geography	9,818,605	8.01	29.43	28.26	33.92	0.39
Owner-Occupied Housing by Geography	1,552,091	2.13	16.61	28.64	52.61	0.01
Business by Geography	764,610	6.37	18.11	25.29	48.95	1.28
Farms by Geography	7,120	3.24	15.93	27.11	53.06	0.66
Family Distribution by Income Level	2,170,227	24.05	16.43	17.64	41.88	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	878,478	13.64	41.84	26.84	17.67	0.01
Median Family Income HUD Adjusted Median Family Income for 2014 Households Below Poverty Level		61,622 60,600 14%	Median Housing Value Unemployment Rate (2010 US Census)	526,439 4.39%		

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

Source: 2010 US Census and 2014 HUD updated MFI

Banc operates 19 branches and 17 full service ATMs in the Los Angeles County AA. Los Angeles County is one of five counties in the Los Angeles-Orange-Ventura-San Bernardino-Riverside Combined Statistical Area (CSA). The City of Los Angeles is the most significant city in the AA. Surrounding cities consist of Burbank, Glendale, Pasadena, Alhambra, Vernon, Carson, Long Beach, Torrance, Inglewood, Santa Monica, Calabasas, and numerous other smaller cities. Los Angeles County has a population of 9.8 million and is the most populous county in the United States. Based on the 2010 U.S. Census data, Los Angeles County consists of 2,346 census tracts; nine percent are low-income, 29 percent are moderate-income, 27 percent are middle-income, and 34 percent are upper-income.

Economy

The economy of the Los Angeles metropolitan area is heavily based on the entertainment industry, with a particular focus on television, motion pictures, interactive games, and recorded music. The Hollywood district of Los Angeles with its surrounding areas is known as the "movie capital of the United States" due to the region's extreme commercial and historical importance to the American motion picture industry. Other significant employment sectors include shipping and international trade – particularly at the adjacent Port of Los Angeles and Port of Long Beach, together comprising the United States' busiest seaport – as well as aerospace, technology, petroleum, fashion and apparel, and tourism.

The City of Los Angeles is home to five Fortune 500 companies: energy company Occidental Petroleum, healthcare provider Health Net, metals distributor Reliance Steel & Aluminum, engineering firm AECOM, and real estate group CB Richard Ellis. Other companies headquartered in Los Angeles include American Apparel; 20th Century Fox; Latham & Watkins; Univision; Metro Interactive, LLC; Premier America; Gibson; Dunn & Crutcher;

DeviantArt; Guess?; O'Melveny & Myers; Paul Hastings; Janofsky & Walker; Tokyopop; The Jim Henson Company; Paramount Pictures; Sunkist Growers, Inc.; Tutor Perini; Fox Sports Net; Capital Group; and The Coffee Bean & Tea Leaf.

The largest employers in Los Angeles County are the County of Los Angeles; the Los Angeles Unified School District; the federal government; the City of Los Angeles; the University of California, Los Angeles; Kaiser Permanente; the State of California (non-education employment); Northrop Grumman Corporation; the University of Southern California; Target Corporation; Kroger; Bank of America; Cedars-Sinai Medical Center; Providence Health & Services; Boeing; and the Walt Disney Company. The unemployment rate as of December 31, 2014 was 7.5 percent in Los Angeles County, which is higher than the unemployment rate for the state of California at 7.2 percent and the national unemployment rate at 5.6 percent.

Housing and Opportunities for Home Mortgage Lending

A report produced by Zillow states that Los Angeles is still the least affordable county in the nation to buy or rent a home. This is based on the high cost of housing combined with a lower median family income. The report notes that average wage-earners have to spend 40.1 percent of their income on a monthly mortgage payment or 48.2 percent on monthly rent, which is significantly above the recommended one third. Los Angeles also has the highest percentage of renters of any U.S. city, at more than half the population. Another report notes that in 2013, the price of a SFR rose much higher than the income. First-time home buyers, foreign buyers, and institutional investors increased the demand for SFRs. This and low inventory triggered bidding wars and caused the median sales price to increase 26 percent between July 2012 to July 2013. In general, the area's steep home price growth and climbing interest rates have priced many buyers out of the market. Inventory is tight because many homeowners are still underwater and home prices have not risen enough for them to list. The National Association of Realtors notes the median price of a home as of first quarter 2015 was \$434,700. All of these factors limit the ability of financial institutions to make home mortgage loans to LMI borrowers.

Opportunities for Commercial Lending

During the evaluation period, the opportunities to originate small business loans improved due to an improving economy. Nevertheless, the competition for strong business borrowers is a significant factor. A Small Business Lending study performed by the SBA in July 2013 notes that mega financial institutions (those exceeding \$50 billion in assets) continue to hold more than one-third of all small business loans outstanding.

Competition

Competition for both deposits and loans is intense in the Los Angeles County AA. Based on the June 2014 FDIC Deposit Market Share report, 111 financial institutions competed for deposits in the Los Angeles County AA. The competition for loans is even more intense. Peer Mortgage Loan Data indicates that in 2014, 582 lenders competed for home purchase loans, 683 lenders competed for home refinance loans, and 118 lenders competed for multi-family loans in this AA. Peer Small Business Data indicates that 165 lenders competed for small business loans.

Orange County Assessment Area

Demographic Information for Full Scope Area: Orange County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	583	5.83	26.24	32.76	34.48	0.69
Population by Geography	3,010,232	6.49	29.75	31.47	32.28	0.02
Owner-Occupied Housing by Geography	599,032	2.99	19.61	33.21	44.19	0.00
Business by Geography	279,931	4.72	25.21	32.57	36.46	1.04
Farms by Geography	3,368	4.33	26.51	33.49	35.27	0.39
Family Distribution by Income Level	699,333	22.02	17.33	19.49	41.16	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	275,193	10.52	39.87	30.55	19.07	0.00
Median Family Income HUD Adjusted Median Family Income for 2014 Households Below Poverty Level		83,735 84,900 9%	Median Housing Value Unemployment Rate (2010 US Census)	598,487 3.81%		

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

Source: 2010 US Census and 2014 HUD updated MFI

Banc operates 14 branches and 12 full-service ATMs in the Orange County AA. Orange County is one of five counties in the Los Angeles-Orange-Ventura-San Bernardino-Riverside CSA. As of the 2010 census, the population was 3.1 million, making it the third-most populous county in California and the sixth most populous county in the United States. The county seat is Santa Ana. The county's three largest cities, Anaheim, Santa Ana, and Irvine, each have populations exceeding 200,000. Several of Orange County's cities are on the Pacific coast, including Huntington Beach, Newport Beach, Laguna Beach, and San Clemente. There are 34 incorporated cities located in the county; the newest is Aliso Viejo, which was incorporated in 2001. Anaheim was the first city incorporated in 1870, when the region was still part of neighboring Los Angeles County. Whereas most population centers in the United States tend to be identified by a major city, there is no defined urban center in Orange County. It is mostly suburban except for some traditionally urban areas at the centers of the older cities of Anaheim, Fullerton, Huntington Beach, Orange, and Santa Ana. Based on the 2010 U.S. Census data, Orange County consists of 583 census tracts; six percent are low-income, 26 percent are moderate-income, 33 percent are middle-income and 34 percent are upper-income.

Economy

Tourism remains a vital aspect of Orange County's economy. Anaheim is the main tourist hub, with Disneyland being the second most visited theme park in the world; Disneyland attracts approximately 16 million visitors each year. Knotts Berry Farm located in the city of Buena Park receives about 7 million visitors annually. Resorts within the beach cities attract millions of visitors throughout the year due to their close proximity to the beach, biking paths, mountain hiking trails, golf courses, shopping and dining.

Orange County is the headquarters of many Fortune 500 companies including Ingram Micro and First American Corporation in Santa Ana, Broadcom in Irvine, Western Digital in Lake Forest and Pacific Life in Newport Beach. Fortune 1000 companies in Orange County include Beckman Coulter in Brea, Quiksilver in Huntington Beach and Apria Healthcare Group in Lake Forest. Many regional headquarters for international businesses also reside in Orange County including Mazda, Toshiba, Toyota, Samsung, and Kia Motors in the City of Irvine; Mitsubishi in the City of Cypress; and Hyundai in the City of Fountain Valley. Oakley, Inc., Del Taco and Wet Seal are headquartered in Lake Forest. Both the network cyber security firm Milton Security Group and the shoe company Pleaser USA, Inc. are located in Fullerton. Tustin is home to Ricoh Electronics, New American Funding, Safmarine and Rockwell Collins. PacSun is headquartered in Anaheim and Hurley Inc. is headquartered in Costa Mesa.

The City of Irvine, where the main branch of Banc is located is also the home of numerous start-up companies. In addition, restaurants such as Taco Bell, El Pollo Loco, In-N-Out Burger, Claim Jumper, Marie Callender's, and Wienerschnitzel have headquarters in Irvine. It is also the home of Fortune 1000 headquarters such as Allergan, Edwards Lifesciences, Epicor, Standard Pacific and Sun Healthcare Group. Notable technology companies include PC-manufacturer Gateway Inc., the router manufacturer Linksys, and video/computer game creator Blizzard Entertainment. The prestigious Mercedes-Benz Classic Center USA; the Online Trading Academy, a professional trader education company; and St. John, an upscale women's clothing manufacturer, are also headquartered in Irvine.

The largest employers in Orange County are Walt Disney; the University of California, Irvine; St. Joseph Health; Kaiser Permanente; the Boeing Company; Wal-Mart Stores, Inc.; Memorial Care Health System; Bank of America Corporation; Target; California State University, Fullerton; Hoag Memorial Hospital Presbyterian; Tenet Healthcare Corporation; Wells Fargo & Company; Albertsons; and Cedar Fair LP. The unemployment rate as of December 31, 2014 was at 4.7 percent, which is lower than the unemployment rate for the state of California at 7.2 percent and the national unemployment rate at 5.6 percent.

Housing and Opportunities for Home Mortgage Lending

There are just over 1 million housing units in Orange County; 57 percent are owner occupied and 37 percent are rental occupied. Orange County is one of five most expensive housing markets in the U.S. The National Association of Realtors notes the median price of a home as of first quarter 2015 rose to \$685,700. The high cost of housing limits the ability of financial institutions to provide mortgage loans to LMI individuals.

Opportunities for Commercial Lending

During the evaluation period, the opportunities to originate small business loans improved due to an improving economy. The numerous start-up businesses in this AA provide lending opportunities for the bank. Nevertheless, as in Los Angeles County, the competition for strong business borrowers is also a significant factor in the Orange County AA.

Competition

Competition for both deposits and loans is intense in the Orange County AA. Based on the June 2014 FDIC Deposit Market Share report, 85 financial institutions compete for deposits in the Orange County AA. The competition for loans is even more intense. Peer Mortgage Loan Data indicates that in 2014, 481 lenders competed for home purchase loans, 575 lenders competed for home refinance loans, and 54 lenders competed for multi-family loans in this AA. Peer Small Business Data indicates that 128 lenders competed for small business loans.

Appendix C: Tables of Performance Data

Content of Standardized Tables

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

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

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

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

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

purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

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

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

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

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

Table 1. Lending Volume

LENDING VOLUME		Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014						
Assessment Area (2014):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA****
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Los Angeles County AA	51.87	4,857	3,032,420	508	178,017	0	0	537	489,320	5,902	3,699,757	42.10
Orange County AA	16.42	1,560	741,861	139	45,547	0	0	44	62,797	1,743	850,205	41.99
Limited Review:												
Riverside AA	19.98	2,030	489,803	37	11,772	0	0	0	0	2,067	501,575	0.00
San Diego County AA	10.91	1,091	537,336	38	8,335	0	0	0	0	1,129	545,671	15.91

* Loan Data as of December 31, 2014. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from June 5, 2012 to April 30, 2015.

**** Deposit Data as of June 30, 2014. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE			Geography: CALIFORNIA								Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Los Angeles County AA	2,105	44.51	2.13	3.47	16.61	20.33	28.65	24.89	52.61	51.31	0.89	1.10	0.82	0.80	0.95
Orange County AA	806	17.04	2.99	1.86	19.61	24.94	33.21	33.25	44.19	39.95	0.90	0.78	1.23	0.97	0.74
Limited Review:															
Riverside AA	1,406	29.73	2.37	2.13	21.57	22.05	33.81	34.28	42.25	41.54	1.13	1.32	1.33	1.24	0.99
San Diego County AA	395	8.35	3.31	3.29	14.32	10.63	38.78	35.70	43.59	50.38	0.38	0.37	0.27	0.34	0.45

* Based on 2013 Peer Mortgage Data -- US and PR

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: CALIFORNIA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014						
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Los Angeles County AA	126	72.41	2.13	11.11	16.61	36.51	28.65	21.43	52.61	30.95	0.88	4.14	2.20	0.71	0.54
Orange County AA	16	9.20	2.99	0.00	19.61	37.50	33.21	50.00	44.19	12.50	0.41	0.00	1.05	0.62	0.06
Limited Review:															
Riverside AA	16	9.20	2.37	0.00	21.57	18.75	33.81	37.50	42.25	43.75	0.65	0.00	0.84	0.62	0.64
San Diego County AA	14	8.05	3.31	0.00	14.32	14.29	38.78	50.00	43.59	35.71	0.45	0.00	0.57	0.57	0.34

* Based on 2013 Peer Mortgage Data -- US and PR

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: CALIFORNIA								Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography [*]				
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans ^{****}	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Los Angeles County AA	2,042	51.68	2.13	2.84	16.61	20.13	28.65	25.47	52.61	51.57	0.40	0.56	0.55	0.40	0.36
Orange County AA	704	17.82	2.99	1.42	19.61	22.16	33.21	32.53	44.19	43.89	0.32	0.12	0.48	0.30	0.29
Limited Review:															
Riverside AA	590	14.93	2.37	1.19	21.57	12.54	33.81	33.39	42.25	52.88	0.39	0.44	0.42	0.37	0.39
San Diego County AA	576	14.58	3.31	4.69	14.32	16.84	38.78	35.59	43.59	42.88	0.31	0.78	0.42	0.32	0.26

^{*} Based on 2013 Peer Mortgage Data -- US and PR

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

^{***} Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

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

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: CALIFORNIA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014							
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography [*]				
	#	% of Total ^{**}	% MF Units ^{***}	% BANK Loans ^{****}	% MF Units ^{***}	% BANK Loans	% MF Units ^{***}	% BANK Loans	% MF Units ^{***}	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Los Angeles County AA	584	77.56	13.18	17.64	31.63	46.40	24.71	22.95	30.48	13.01	0.43	0.37	0.62	0.36	0.23
Orange County AA	33	4.38	10.56	3.03	35.81	75.76	32.80	15.15	20.84	6.06	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Riverside AA	18	2.39	8.83	5.56	34.11	50.00	36.88	44.44	20.18	0.00	0.00	0.00	0.00	0.00	0.00
San Diego County AA	106	14.08	14.62	46.23	26.63	28.30	33.39	16.98	25.36	8.49	0.00	0.00	0.00	0.00	0.00

^{*} Based on 2013 Peer Mortgage Data -- US and PR

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

^{***} Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

^{****} Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: CALIFORNIA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014						
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Businesses***	% BANK Loans	% Businesses***	% BANK Loans	% Businesses***	% BANK Loans	% Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Los Angeles County AA	497	68.93	6.37	4.83	18.11	22.33	25.29	28.37	48.95	44.47	0.00	0.00	0.00	0.00	0.00
Orange County AA	135	18.72	4.72	6.67	25.21	39.26	32.57	31.85	36.46	22.22	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Riverside AA	37	5.13	2.79	8.11	23.32	45.95	33.17	18.92	40.71	27.03	0.00	0.00	0.00	0.00	0.00
San Diego County AA	38	5.27	5.76	13.16	15.41	28.95	35.36	26.32	43.35	31.58	0.00	0.00	0.00	0.00	0.00

* Based on 2013 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2014).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS 2014			Geography: CALIFORNIA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31,						
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Farms*	% BANK Loans	% Farms***	% BANK Loans	% Farms***	% BANK Loans	% Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Los Angeles County AA	0	0.00	3.24	0.00	15.93	0.00	27.11	0.00	53.06	0.00	0.00	0.00	0.00	0.00	0.00
Orange County AA	0	0.00	4.33	0.00	26.51	0.00	33.49	0.00	35.27	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Riverside AA	0	0.00	3.73	0.00	24.82	0.00	33.83	0.00	37.62	0.00	0.00	0.00	0.00	0.00	0.00
San Diego County AA	0	0.00	3.99	0.00	16.41	0.00	38.70	0.00	40.90	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2013 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2014).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: CALIFORNIA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014							
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families ²	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Los Angeles County AA	2,105	44.50	24.05	1.09	16.43	6.31	17.64	20.28	41.88	72.32	0.81	0.53	0.61	0.77	0.86
Orange County AA	807	17.06	22.02	2.17	17.33	15.29	19.49	26.50	41.16	56.05	0.93	0.94	1.38	1.04	0.80
Limited Review:															
Riverside AA	1,406	29.73	21.11	7.09	17.25	18.80	19.50	30.37	42.13	43.75	1.21	1.34	1.41	1.44	1.01
San Diego County AA	395	8.35	22.36	2.03	17.55	5.52	18.75	22.09	41.34	70.35	0.30	0.44	0.28	0.27	0.31

* Based on 2013 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 5.8% of loans originated and purchased by bank.

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT 31, 2014		Geography: CALIFORNIA								Evaluation Period: JANUARY 1, 2012 TO DECEMBER					
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families ³	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Los Angeles County AA	126	72.41	24.05	1.25	16.43	12.50	17.64	17.50	41.88	68.75	0.81	0.41	1.33	0.98	0.69
Orange County AA	16	9.20	22.02	0.00	17.33	26.67	19.49	33.33	41.16	40.00	0.42	0.00	0.72	0.49	0.35
Limited Review:															
Riverside AA	16	9.20	21.11	0.00	17.25	20.00	19.50	6.67	42.13	73.33	0.69	0.00	0.79	0.22	0.91
San Diego County AA	14	8.05	22.36	21.43	17.55	14.29	18.75	14.29	41.34	50.00	0.47	2.73	0.50	0.28	0.40

* Based on 2013 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 27.6% of loans originated and purchased by bank.

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE 2014			Geography: CALIFORNIA								Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31,				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families ⁴	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Los Angeles County AA	2,042	51.68	24.05	1.78	16.43	9.16	17.64	20.04	41.88	69.02	0.35	0.19	0.38	0.37	0.35
Orange County AA	704	17.82	22.02	5.24	17.33	13.33	19.49	28.73	41.16	52.70	0.31	0.29	0.34	0.36	0.28
Limited Review:															
Riverside AA	590	14.93	21.11	2.83	17.25	16.19	19.50	22.47	42.13	58.50	0.39	0.27	0.48	0.35	0.41
San Diego County AA	576	14.58	22.36	3.28	17.55	12.09	18.75	20.90	41.34	63.73	0.29	0.22	0.44	0.32	0.26

* Based on 2013 Peer Mortgage Data -- US and PR

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

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 12.9% of loans originated and purchased by bank.

⁴ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES				Geography: CALIFORNIA		Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014			
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share	
	#	% of Total ^{**}	% of Businesses ^{***}	% BANK ^{****} Loans	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Los Angeles County AA	508	69.02	72.92	26.38	28.74	19.69	51.57	0.00	0.00
Orange County AA	139	18.89	73.00	21.58	28.06	23.02	48.92	0.00	0.00
Limited Review:									
Riverside AA	37	5.03	74.15	35.14	40.54	16.22	43.24	0.00	0.00
San Diego County AA	38	5.16	72.65	28.95	57.89	15.79	26.32	0.00	0.00

^{*} Based on 2013 Peer Small Business Data -- US and PR

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

^{***} Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2014).

^{****} Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 38.72% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: CALIFORNIA			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
Full Review:									
Los Angeles County AA	0	0.00	94.09	0.00	0.00	0.00	0.00	0.00	0.00
Orange County AA	0	0.00	92.90	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:									
Riverside AA	0	0.00	93.04	0.00	0.00	0.00	0.00	0.00	0.00
San Diego County AA	0	0.00	94.89	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2013 Peer Small Business Data -- US and PR

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

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2014).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2012 TO APRIL 30, 2015			
Assessment Area:	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Los Angeles County AA	0	0	56	1,229	56	1,229	0.00		6,400
Orange County AA	0	0	40	2,636	40	2,636	0.00	2	6,400
Limited Review:									
Riverside AA	1	1,078	0	0	1	1,078	0.00	0	0
San Diego County AA	2	2,208	10	3,562	12	3,770	0.00	1	2,000

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

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

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: STATEWIDE AREA		Evaluation Period: JANUARY 1, 2012 TO APRIL 30, 2015					
Assessment Area:	Prior Period Investments [*]		Current Period Investments		Total Investments			Unfunded Commitments ^{**}	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Statewide Area with Potential to Benefit AAs			5	7,151	5	7,151	100.00	2	1,352

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSING																	
Geography: CALIFORNIA																	
Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014																	
MA/AA:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Los Angeles County AA	42.10	19	48.72	5.26	11.53	21.05	63.16	17	0	+1	+2	+4	+10	8.01	29.43	28.26	33.92
Orange County AA	41.99	14	35.90	0.00	21.43	35.72	42.85	0	0	0	0	0	0	6.49	29.75	31.47	32.28
Limited Review:																	
Riverside AA	0.00	2	5.13	0.00	0.00	100.00	0.00	0	2	0	-2	0	0	4.72	25.46	33.17	36.30
San Diego County AA	15.91	4	10.25	0.00	50.00	0.00	50.00	1	4	0	-3	-1	+1	9.80	21.57	35.24	33.05