



PUBLIC DISCLOSURE

October 07, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Golden Pacific Bank, National Association
Charter Number 20862

519 "D" Street
Marysville, CA 95901

Office of the Comptroller of the Currency

One Front Street
Suite 1000
San Francisco, CA 94111

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

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

Golden Pacific Bank, National Association has a good record of meeting the credit needs of its assessment areas (AAs), including low-and moderate-income individuals and areas, consistent with its resources and capabilities. The following supports this rating:

- The Bank has a reasonable loan-to-deposit ratio.
- The Bank's lending within its AAs meets the standard for satisfactory performance.
- The Bank's distribution of loans to borrowers and businesses of different sizes meets the standard for satisfactory performance.
- The Bank's distribution of loans with geographies of different income levels exceeds the standards for satisfactory performance.
- There were no public complaints about the bank's CRA performance.
- The bank's record of providing branches and/or community development activities enhances credit availability.

SCOPE OF EXAMINATION

We evaluated the bank's performance based on loans originated from January 1, 2011, through July 31, 2013. We focused our evaluation on the bank's primary product line, HMDA-reportable residential mortgage loans and commercial loans (grouped under the title "business loans") originated during the past two calendar years and year-to-date July 31, 2013.

For purposes of analyzing the Bank's lending within its assessment areas as well as the distribution of its loans to borrowers of, and within geographies of different income levels, we evaluated all HMDA-reportable residential mortgage loans originated and all business loan originations. The Bank also grants loans for agricultural purposes but the volume of this lending within any specific AA was too low to analyze. The bank also voluntarily provided information about its community development activity and this evaluation includes our assessment of the bank's community development services.

We compared residential mortgage loans granted in 2011 to the 2000 Census demographics and 2011 HMDA aggregate data for market share analysis. We compared residential mortgage loans granted in 2012 and 2013 to the 2010 Census demographics and the 2012 HMDA aggregate data. For business loans originated in 2011, we compared the bank's lending to the 2000 Census demographic data, 2011 Dunn & Bradstreet data, and 2011 Small Business aggregate data. For business loans originated between January 1, 2012 and July 31, 2013, we compared the Bank's lending to the 2010 U.S. Census demographic data, 2013 Dunn & Bradstreet data, and 2012 Small Business aggregate data.

DESCRIPTION OF INSTITUTION

Golden Pacific Bank (GPB or Bank), formerly Gold Country Bank, National Association is a community bank that opened in December 1986 and is headquartered in Marysville, California. GPB is the wholly-owned subsidiary of Golden Pacific Bancorp, Inc., which acquired GPB in May 2010.

GPB provides full service banking through its main office in Marysville, three branches located in Live Oak, Yuba City, Brownsville in the Yuba City MSA and one branch in Sacramento in the Sacramento-Arden Arcade-Roseville MSA. In April 2013, the Bank closed a branch in Gridley, CA located in the Chico MSA. While the bank's primary loan product is residential mortgage loans and business loans, the bank also offers farm loan products.

There are no legal or financial factors that impede the bank's ability to help meet the credit needs of its community. As of June 30, 2013, GPB had total assets of \$136 million with \$93 million in loans, which represents net loans to total assets of 68 percent. The bank's last CRA examination was dated May 7, 2007, at which time the bank was rated "Satisfactory".

Please refer to the bank's CRA public file for more information about the institution.

DESCRIPTION OF ASSESSMENT AREA(S)

Table 1 reflects the bank's loan portfolio by dollar volume.

Table 1

Golden Pacific Bank, NA Loan Portfolio Composition As of 6/30/2013		
Loan Type	Dollar (000)*	Percentage
Business/Commercial Loans	55,160	54.9
Residential Mortgage Loans	37,894	37.7
Farm Loans	6,823	6.8
Consumer Loans	578	0.6
TOTAL	100,455	100.0

Source: Call Report as of 6/30/13

*Reflects total commitment amount and loans held for sale.

Commercial lending is the bank's primary loan product. Residential mortgage lending represents a more significant loan product offered by the Bank but is not reflected on the balance sheet as such due to the Bank's participation in the secondary mortgage market. For this evaluation, we selected both business loans and residential mortgage loans for analysis. We analyzed all HMDA-reportable mortgage loans originated by the Bank and randomly selected a sample of business loans for this performance evaluation. While the Bank offers and originates loans for agricultural purposes, the volume of this lending was not sufficient enough to analyze.

DESCRIPTION OF ASSESSMENT AREA(S)

The Bank's AAs meet the regulation's requirement and does not arbitrarily exclude low- or moderate-income geographies. The Bank serves the entirety of two metropolitan statistical areas (MSA): the Sacramento-Arden Arcade-Roseville MSA and the Yuba City MSA. The AAs cover all census tracts in the six counties that make of the MSAs.

During most of the evaluation period, the Bank maintained one branch in the Chico MSA that was closed in April 2013. As of the June 30, 2012, FDIC Deposit Market Share Report, the Bank ranked 11 out 12 depository institutions in the Chico MSA with 0.58 percent deposit market share. The bank's lending in the Chico MSA was too low to analyze. Given the closure of the single Chico MSA branch, low level of deposits relative to total deposits and minimal lending activity, we did not evaluate performance in the Chico MSA.

This evaluation period straddles lending activity that, for CRA evaluation purposes, is compared to the 2000 Census demographic data for loans granted in 2011, and the 2010 Census demographic data for loans granted in 2012 and later.

Sacramento-Arden Arcade-Roseville MSA

The following tables provide additional information about the demographics of the Sacramento-Arden Arcade-Roseville MSA for both censuses.

Sacramento-Arden Arcade-Roseville MSA (2010)

Demographic Information for Full Scope Area: Sacramento-Arden Arcade-Roseville MSA (2010)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	484	7.64	23.55	38.22	30.37	0.21
Population by Geography	2,149,127	7.15	23.70	37.93	30.90	0.31
Owner-Occupied Housing by Geography	486,536	3.73	17.99	41.15	37.13	0.00
Business by Geography	185,888	7.03	20.82	38.92	33.22	0.01
Farms by Geography	4,640	3.92	16.66	45.52	33.90	0.00
Family Distribution by Income Level	517,461	22.01	17.00	19.98	41.01	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	201,867	11.49	34.48	36.74	17.29	0.00
Median Family Income HUD Adjusted Median Family Income for 2013 Households Below Poverty Level		71,816 70,900 11%	Median Housing Value Unemployment Rate (2010 US Census)		361,742 4.63%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 US Census and 2013 HUD updated MFI

Sacramento-Arden Arcade-Roseville MSA (2000)

Demographic Information for Full Scope Area: Sacramento-Arden Arcade-Roseville MSA (2000)					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts/BNAs)	403	7.20	24.57	39.70	28.54
Population by Geography	1,796,857	6.61	25.18	38.80	29.41
Owner-Occupied Housing by Geography	407,721	3.32	18.33	42.14	36.21
Business by Geography	208,161	5.91	19.05	38.18	36.86
Farms by Geography	4,647	3.38	16.74	46.63	33.25
Family Distribution by Income Level	449,157	20.59	18.32	21.00	40.09
Distribution of Low and Moderate Income Families throughout AA Geographies	174,764	10.51	35.51	38.49	15.50
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		53,805 75,100 11%	Median Housing Value Unemployment Rate (2000 US Census)		164,745 3.01%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 US Census and 2011 HUD updated MFI

The Sacramento-Arden Arcade-Roseville MSA (“Sacramento MSA”) consists of Sacramento, El Dorado, Placer, and Yolo counties. The assessment area meets regulatory requirements and does not arbitrarily exclude low- or moderate-income areas. The Sacramento MSA’s 2012 population is approximately 2,196,500, an increase of 47,000 since the 2010 Census.

The HUD-adjusted median family income for 2013 is \$70,900, a \$4,200 decline from 2011. The poverty rate as of the 2010 Census and the 2000 Census is 11 percent. The As of 2010, the number of census tracts in the MSA increased by 81 since the 2000 Census to 484. The percentage of low- and moderate-income census tracts and the population residing in these census tracts remained stable between the 2010 and the 2000 Censuses. There was a slight increase in the percentage of low- and moderate-income census tracts in the Sacramento MSA between the 2000 Census and the 2010 Census.

Economic conditions modestly improved between 2010 and 2012. According to the Bureau of Labor Statistics, the average unemployment rate was 12.5 percent in 2010. The unemployment rate declined to 11.9 percent in 2011 and further declined to 10.4 percent in 2012. During 2013, recovery has stayed on track as improving housing and consumer spending more than offset public sector weakness. The average unemployment rate for the Sacramento MSA for the first seven months of 2013, not adjusted for seasonality, is 8.9 percent.

Housing in the Sacramento MSA is generally affordable. According the U.S. Census Bureau’s 5-Year American Community Survey (2007-2011), county affordability ratios ranged from 5.04 in Sacramento County to 6.31 in Yolo County. These affordability ratios were 1.4 times to 1.8 times the national affordability ratio. The Affordability Ratio measures homeownership opportunity by dividing the median value of owner occupied housing by the median household income of the area. The National Association of Home Builder’s (NAHB) Housing Opportunity Index (HOI) for 2nd Quarter 2013 indicates that housing costs are moderately expensive in the MSA. The HOI for the Sacramento-Arden Arcade-Roseville MSA was 65.3 based on the Median Family Income in 2013 and the median home sales price of \$255,000 during second-quarter 2013. This MSA ranked 189 out of 225 metropolitan areas monitored nationally. The HOI is defined as the share of homes sold in that area that would have been affordable to a family earning the median income. Based these measures, homeownership opportunities may be limited for low- and moderate-income individuals. Accumulating sufficient funds for down-payment on a median priced home is a barrier for both low- and moderate-income homebuyers. According to the 5-year American Community

Survey from 2007 through 2011, the homeownership rate ranged from a low of 54.0 percent in Yolo County to a high of 75.3 percent in El Dorado County.

As of June 30, 2013, there are 44 financial institutions with branch operations in the Sacramento MSA. According to the June 30, 2013 FDIC's Summary of Deposits report, GPB ranks 37th with 0.08 percent deposit market share. GPB has deposits of \$28.8 million in its single branch serving the Sacramento MSA. Wells Fargo Bank, N.A., Bank of America, N.A., and U.S. Bank N.A occupy the top three spots with deposit market shares of 24.9 percent, 15.7 percent, and 14.4 percent, respectively

A recent community contact interview with a representative from a community development organization stated several opportunities exist, such as affordable housing development in rural communities, contributions to the operating budgets of nonprofit housing developers, and financing development projects in rural areas. The projects may be housing related or community facilities-all with the use of government guarantees through the USDA.

Yuba City MSA

The following tables provide additional information about the demographics of the Yuba City MSA for both censuses.

Yuba City MSA (2010)

Demographic Information for Full Scope Area: Yuba City MSA (2010)					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts/BNAs)	35	2.86	28.57	37.14	31.43
Population by Geography	166,892	2.02	28.10	36.24	33.65
Owner-Occupied Housing by Geography	33,594	1.36	19.05	36.03	43.56
Business by Geography	10,335	0.63	32.39	31.45	35.53
Farms by Geography	1,161	0.26	8.01	36.78	54.95
Family Distribution by Income Level	40,453	21.41	17.29	20.30	40.99
Distribution of Low and Moderate Income Families throughout AA Geographies	15,658	3.38	38.43	37.69	20.50
Median Family Income		55,370	Median Housing Value		239,588
HUD Adjusted Median Family Income for 2013		56,300	Unemployment Rate (2010 US Census)		6.23%
Households Below Poverty Level		15%			

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 US Census and 2013 HUD updated MFI

Yuba City MSA (2000)

Demographic Information for Full Scope Area: Yuba City MSA (2000)					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts/BNAs)	30	0.00	23.33	53.33	23.33
Population by Geography	139,149	0.00	25.62	51.20	23.18
Owner-Occupied Housing by Geography	27,703	0.00	17.49	52.57	29.94
Business by Geography	12,309	0.00	26.73	46.64	26.63
Farms by Geography	1,194	0.00	6.70	63.15	30.15
Family Distribution by Income Level	35,205	20.84	18.18	20.53	40.46
Distribution of Low and Moderate Income Families throughout AA Geographies	13,734	0.00	33.91	52.39	13.70
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		39,454 58,600 16%	Median Housing Value Unemployment Rate (2000 US Census)	104,967 4.83%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 US Census and 2011 HUD updated MFI

The Yuba City MSA consists of Sutter and Yuba counties. The assessment area meets regulatory requirements and does not arbitrarily exclude low- or moderate-income areas. The Yuba City MSA’s 2012 population is approximately 168 thousand, a nominal increase of 1,056 since the 2010 Census.

The HUD-adjusted median family income for 2013 declined to \$56,300 from \$58,600 for 2011. The poverty rate as of the 2010 Census was 15 percent and declined slightly from the 16 percent poverty rate of the 2000 Census. As of the 2010 Census, the number of census tracts increased by five since the 2000 Census to 35. The percentage of low- and moderate-income census tracts and population residing in these census tracts have increased since the 2000 Census. As of the 2010, low-income census tracts increased from zero in 2000 to one, and moderate-income census tracts increased from 23 percent in 2000 to 29 percent in 2010. Approximately two percent of the MSA’s population resides in the low-income geographies as of the 2010 Census. The percent of population residing in moderate income geographies increased to 28 percent as of the 2010 Census from 26 percent as of the 2000 Census.

Economic conditions have improved between 2010 and 2012 but remain challenging. According to the BLS, the average annual unemployment rate of 19.4 percent for 2010. The average annual unemployment rate declined slightly in 2011 to 18.8 percent and further declined to 17.3 percent in 2012. Recovery gained greater traction in 2013. The average unemployment rate in the Yuba City MSA during the first seven months of 2013, not adjusted for seasonality, is 15.6 percent.

Housing in the Yuba City MSA housing is generally affordable. According the U.S. Census Bureau's 5-Year American Community Survey (2007-2011), the affordability ratio was 4.17 in Yuba County and 4.66 in Sutter County. These affordability ratios were 1.2 times and 1.3 times the national affordability ratio. The Affordability Ratio measures homeownership opportunity by dividing the median value of owner occupied housing by the median household income of the area. The National Association of Home Builder's (NAHB) Housing Opportunity Index (HOI) for 2nd Quarter 2013 further substantiates the affordable housing costs in the MSA. The HOI for the Yuba City MSA was 82.6 based on the Median Family Income in 2013 and the median home sales price of \$169,000 during second-quarter 2013. This MSA ranked 78 out of 225 metropolitan areas monitored nationally. The HOI is defined as the share of homes sold in that area that would have been affordable to a family earning the median income. Notwithstanding these measures, given prolonged economic challenges, homeownership opportunities are limited for low- and moderate-income individuals. Accumulating sufficient funds for down-payment on a median priced home is a barrier for both low- and moderate-income homebuyers. According to the 5-year American Community Survey from 2007 through 2011, the homeownership rate in Yuba County is 59.3 percent and 60.9 percent in Sutter County.

As of June 30, 2013, there are 12 financial institutions with branch operations in the Yuba City MSA. According to the June 30, 2013 FDIC's Summary of Deposits report, GPB ranks 7th with 5.8 percent deposit market share. GPB has deposits of \$94.8 million in four branches serving the Yuba City MSA. Umpqua Bank, Bank of America, N.A., Wells Fargo Bank, N.A., and J.P. Morgan chase Bank, N.A. occupy the top four spots with market shares of 16.3 percent, 15.6 percent, 14.2 percent, and 12.0 percent, respectively.

Please refer to the bank's CRA public file for more information about the assessment areas.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

The Bank's loan-to-deposit (LTD) ratio demonstrates a willingness to lend. The level of lending is reasonable given the Bank's size, area credit needs, and the competitive banking market. We analyzed the Bank's quarterly LTD ratio from March 31, 2007 (since the previous CRA Examination) through June 30, 2013. During this period, the Bank's LTD ranged from a low of 61% to a high of 88%, with an average of 75% over 26 quarters ending June 30, 2013.

We compared the Bank's average ratio to that of five peer banks of comparable asset size that operate in the same assessment areas. The peer group's quarterly LTD over the same time averaged 69%. The Bank's average ratio is moderately higher than the peer group average. The Bank sells portions of its mortgage and SBA loan originations. Accordingly, sales near the end of a quarter, results in a lower LTD ratio for the quarter. The Bank's LTD ratio is reasonable and meets the standard for satisfactory performance.

Lending in Assessment Area

GPB's record of lending within its assessment areas meets the standard for satisfactory performance.

Table 2

Golden Pacific Bank, NA									
Lending in the Combined Assessment Areas									
January 1, 2011 through July 31, 2013									
Loan Type	Number of Loans				Dollars of Loans (000s)				
	Inside		Outside		Inside		Outside		
	#	%	#	%	\$	%	\$	%	
HMDA Loans	336	52.3%	307	47.7%	\$84,355	50.4%	\$82,946	49.6%	
Business Loans	68	76.4%	21	23.6%	\$39,277	76.0%	\$12,403	24.0%	
Totals	404	55.2%	328	44.8%	\$123,632	56.5%	\$95,349	43.5%	

Source: All HMDA and business loans originated between January 1, 2011 and July 31, 2013.

A majority of the bank's loans are originated within its defined assessment areas. The Bank's business lending better serves its community. The Bank originates a substantial proportion of its residential mortgage loans for sale in the secondary mortgage market. This activity supplements earnings but it also negatively impacts the percentage of HMDA loans granted within the combined AAs.

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

The distribution of the bank's loans to borrowers of different income levels and businesses of different sizes meets the standard for satisfactory performance.

For purposes of this evaluation, businesses with annual revenues of \$1.0 million dollars or less are deemed to be very small businesses. Our analysis included business loans and residential mortgage loans originated within the bank's assessment areas. As noted above, we selected these two loan products for review because they represent the bank's primary product lines.

Sacramento-Arden Arcade-Roseville MSA

The distribution of the bank’s loans to borrowers of different income levels and businesses of different sizes meets the standard for satisfactory performance in the Sacramento-Arden Arcade-Roseville MSA.

Small Loans to Businesses

The distribution of loans to small businesses of different income levels in the Sacramento-Arden Arcade-Roseville MSA is good.

Tables 3 and 3a below shows the distribution of business loans to borrowers of different income levels.

Table 3

Income Distribution-Loans to Businesses Loans Originated Between 2012 and 2013 Sacramento MSA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	75%	3%	22%	100%
% of Bank Loans in AA by #	63%	31%	6%	100%
% of Bank Loans in AA by \$	51%	40%	9%	100%

Demographic Data Source: 2013 Dunn and Bradstreet

Table 3a

Income Distribution-Loans to Businesses Loans Originated Between 2011 Sacramento MSA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	70%	3%	27%	100%
% of Bank Loans in AA by #	67%	33%	0%	100%
% of Bank Loans in AA by \$	53%	47%	0%	100%

Demographic Data Source: 2011 Dunn and Bradstreet

The Bank’s percentage of loans to very small businesses in 2011 is comparable to the percentage of very small businesses (businesses with revenues of \$1 million or less) in the AA. The bank’s lending to very small businesses in 2012 and 2013 is slightly below the percentage of very small businesses in the AA.

Home Mortgage Loans

The distribution of home mortgage loans to borrowers of different income levels in the Sacramento-Arden Arcade-Roseville MSA is adequate.

Table 4 below shows the distribution of home mortgage loans to borrowers of different income levels.

Table 4

Borrower Distribution of Residential Real Estate Loans Loans Originated Between 2012 and 2013 Sacramento MSA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Bank Loans	% of AA Families	% of Number of Bank Loans	% of AA Families	% of Number of Bank Loans	% of AA Families	% of Number of Bank Loans
2012-2013	22%	5%	17%	8%	20%	19%	41%	66%
2011	21%	3%	18%	11%	21%	9%	40%	71%

Note: Bank percentages may not total to 100%. The table does not show loans granted to borrowers whose income was not reported.

The bank’s percentage of home mortgage lending is significantly below the percentage of low- and moderate-income families. In 2011, the bank’s market share of home mortgage loans to low-income borrowers (0.04 percent) and its market share of loans to moderate-income borrowers (0.07 percent) are below the bank’s overall HMDA market share (0.12 percent) in the AA. In 2012, the bank’s market share of home mortgage loans to low-income borrowers (0.10 percent) is below its overall HMDA market share (0.16 percent) within the AA and its market share of loans to moderate-income borrowers (0.08 percent) is also below its overall market share.

While the Bank’s market share of loans to low- and moderate-income borrowers is below its overall HMDA market share, these market shares exceed the Bank’s deposit market share of 0.05 percent in 2012 and 0.08 percent in 2013. Given limited branches in the AA, low deposit market share, and the significant competition for home mortgage loans, the Bank’s home mortgage lending to low- and moderate-income borrowers is adequate.

During the evaluation period, the Bank applied to participate in the FHA Direct Endorsement Program. This endorsement gives lenders more lending authority that ultimately allows lenders to originate and fund FHA loans faster. Management believes the direct endorsement designation will help the Bank better serve low- and moderate-income borrowers in its AAs. The Bank expects to participate in first-time homebuyer

and down payment assistance programs and this participation will make the Bank more competitive in its AAs.

Yuba City MSA

The distribution of the bank’s loans to borrowers of different income levels and businesses of different sizes meets the standard for satisfactory performance in the Yuba City MSA.

Small Loans to Businesses

The distribution of loans to small businesses of different income levels in the Yuba City MSA is good.

Tables 5 and 5a below shows the distribution of business loans to borrowers of different income levels.

Table 5

Income Distribution-Loans to Businesses Loans Originated Between 2012 and 2013 Yuba City MSA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	74%	3%	23%	100%
% of Bank Loans in AA by #	67%	11%	22%	100%
% of Bank Loans in AA by \$	77%	8%	15%	100%

Demographic Data Source: 2013 Dunn and Bradstreet

Table 5a

Income Distribution-Loans to Businesses Loans Originated Between 2011 Yuba City MSA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	69%	2%	29%	100%
% of Bank Loans in AA by #	56%	44%	0%	100%
% of Bank Loans in AA by \$	65%	35%	0%	100%

Demographic Data Source: 2011 Dunn and Bradstreet

The Bank’s percentages of loans to very small businesses in 2011 and in 2012/2013 are slightly below the percentage of very small businesses (businesses with revenues of \$1 million or less) in the AA.

Home Mortgage Loans

The distribution of home mortgage loans to borrowers of different income levels in the Yuba City MSA is good.

Table 6 below shows the distribution of home mortgage loans to borrowers of different income levels.

Table 6

Borrower Distribution of Residential Real Estate Loans Loans Originated Between 2012 and 2013 Yuba City MSA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Bank Loans	% of AA Families	% of Number of Bank Loans	% of AA Families	% of Number of Bank Loans	% of AA Families	% of Number of Bank Loans
2012-2013	21%	4%	17%	39%	20%	26%	41%	30%
2011	21%	33%	18%	0%	21%	17%	40%	50%

Note: Bank percentages may not total to 100%. The table does not show loans granted to borrowers whose income was not reported.

The bank’s percentage of home mortgage loans in 2011 exceeds the percentage of low-income families in the AA but the Bank did not grant any loans to moderate-income borrowers in the AA. The bank’s home mortgage lending to low-income borrowers in 2012 and 2013 is significantly below the percentage of low-income families in the AA but the Bank’s lending to moderate-income borrowers exceeded the percentage of moderate-income families in the AA.

In 2011, the bank’s market share of home mortgage loans to low-income borrowers (0.73 percent) exceeds the bank’s overall HMDA market share (0.20 percent) in the AA. In 2012, the bank’s market share of home mortgage loans to low-income borrowers (0.27 percent) is slightly below its overall HMDA market share (0.33 percent) within the AA and its market share of loans to moderate-income borrowers (0.59 percent) exceeds its overall market share.

Geographic Distribution of Loans

The geographic distribution of the Bank's loans exceeds the standard for satisfactory performance and reflects satisfactory dispersion throughout the AA.

We reviewed the pattern for geographic distribution of lending in low- and moderate-income tracts within the AA. Dun & Bradstreet demographics track where businesses are located based on U.S. Census information.

Sacramento-Arden Arcade-Roseville MSA

The distribution of the bank’s loans within geographies of different income levels exceeds the standard for satisfactory performance in the Sacramento-Arden Arcade-Roseville MSA.

Small Loans to Businesses

The bank’s geographic distribution of business loans reflects excellent penetration throughout the Sacramento-Arden Arcade-Roseville MSA.

Tables 7 and 7a below shows the distribution of business loans within geographies of different income levels.

Table 7

Geographic Distribution of Loans to Businesses Loans Originated Between 2012 and 2013 Sacramento MSA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
2012-2013 ¹	7%	12%	21%	13%	39%	31%	33%	44%

Demographic Data Source: ¹ 2013 Dunn and Bradstreet

Table 7a

Geographic Distribution of Loans to Businesses Loans Originated Between 2011 Sacramento MSA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
2011 ¹	6%	8%	19%	33%	38%	0%	37%	58%

Demographic Data Source: ¹ 2011 Dun and Bradstreet

The Bank’s percentage of business loans in 2012 and 2013 exceeded the percentage of businesses in low-income census tracts but was well below the percentage of

businesses in moderate-income census tracts. The bank’s business lending in 2011 exceeded the percentage of businesses operating within both low- and moderate-income census tracts.

Home Mortgage Loans

The bank’s geographic distribution of home mortgage loans reflects good penetration throughout the Sacramento-Arden Arcade-Roseville MSA.

Table 8 below shows the distribution of home mortgage loans within geographies of different income levels.

Table 8

Geographic Distribution of Residential Real Estate Loans Loans Originated Between 2011 and 2013 Sacramento MSA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Bank Loans	% of AA Owner Occupied Housing	% of Number of Bank Loans	% of AA Owner Occupied Housing	% of Number of Bank Loans	% of AA Owner Occupied Housing	% of Number of Bank Loans
2012-2013	4%	5%	18%	12%	41%	33%	37%	50%
2011	3%	6%	18%	6%	42%	37%	36%	51%

The Bank’s percentage of home mortgage loans in 2011 and 2012/2013 exceeds the percentage of owner-occupied housing in low-income census tracts but is significantly below the percentage of owner-occupied housing in moderate-income census tracts.

In 2011, the Bank’s market share of home mortgage loans in low-income census tracts (0.36 percent) exceeds its overall HMDA market share (0.12 percent) in the AA but its market share of home loans in moderate-income census tracts (0.07 percent) is significantly below its overall HMDA market share. In 2012, the Bank’s market share of home mortgage loans in low-income census tracts (0.18 percent) exceeds its overall HMDA market share (0.16 percent) in the AA and its market share of home loans in moderate-income census tracts (0.18 percent) exceeds its overall HMDA market share.

Yuba City MSA

The distribution of the bank’s loans within geographies of different income levels exceeds the standard for satisfactory performance in the Yuba City MSA.

Small Loans to Businesses

The bank’s geographic distribution of business loans reflects excellent penetration throughout the Yuba City MSA.

Tables 9 and 9a below shows the distribution of business loans within geographies of different income levels.

Table 9

Geographic Distribution of Loans to Businesses Loans Originated Between 2012 and 2013 Yuba City MSA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
2012-2013	1%	11%	32%	33%	31%	22%	36%	33%

Demographic Data Source: 2013 Dun and Bradstreet

Table 9a

Geographic Distribution of Loans to Businesses Loans Originated Between 2012 and 2013 Yuba City MSA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
2011	0%	0%	27%	44%	47%	44%	26%	11%

Demographic Data Source: 1 2011 Dun and Bradstreet

The bank’s percentage of business loans in 2011 and 2012/2013 exceeds the percentages of businesses operating in both low- and moderate-income census tracts.

Home Mortgage Loans

The bank’s geographic distribution of home mortgage loans reflects good penetration throughout the Yuba City MSA.

Table 10 below shows the distribution of home mortgage loans within geographies of different income levels.

Table 10

Geographic Distribution of Residential Real Estate Loans Loans Originated Between 2011 and 2013 Yuba City MSA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Bank Loans	% of AA Owner Occupied Housing	% of Number of Bank Loans	% of AA Owner Occupied Housing	% of Number of Bank Loans	% of AA Owner Occupied Housing	% of Number of Bank Loans
2012-2013	1%	0%	19%	13%	36%	30%	44%	55%
2011	0%	0%	17%	17%	53%	83%	30%	0%

The Bank’s percentage of home mortgage loans in 2011 is comparable to the percentage of owner-occupied housing in moderate-income census tracts. As of the 2000 Census, to which the 2011 lending results are compared, there were no low-income census tracts in the AA. The Bank’s percentage of home mortgage loans in 2012 and 2013 is below the percentage of owner-occupied housing in moderate-income census tracts in the AA. As of the 2010 Census, there is only one low-income census tract in the AA.

In 2011, the Bank’s market share of home mortgage loans in moderate-income census tracts (0.22 percent) is comparable to the bank’s overall HMDA market share (0.20 percent) within the AA. In 2012, the Bank’s market share of home mortgage loans in moderate-income census tracts (0.45 percent) exceeds its overall HMDA market share (0.33 percent) in the AA.

Qualified Community Development Activities (Optional)

Community Development Loans

The Bank originated five community development (CD) loans totaling \$630,000 in the Yuba City MSA. The proceeds of these loans were used to provide affordable housing for low- and moderate-income individuals through the rehabilitation and preservation of a 12-unit apartment building that accepts Section 8 housing subsidies or to provide State-subsidized daycare services to low- and moderate-income families.

The Bank originated three CD loans totaling \$1.2 million in the Sacramento-Arden Arcade-Roseville MSA. The proceeds of these loans served to provide affordable housing for low- and moderate-income individuals.

Retail Services

The distribution of the bank's branches and service delivery systems are good and accessible to individuals of different income levels. The bank has four full-service branch locations in the Yuba City MSA and one branch in the Sacramento MSA.

At the beginning of the review period, the bank operated six branches but closed its Gridley Branch in the Chico MSA in early 2013. As of the 2000 Census, the Sacramento Branch was located in a moderate-income census tract but as of the 2010 Census, the tract is now designated as middle-income. As of both the 2000 and 2010 Censuses, one of the Bank's four Yuba City MSA branches is located in moderate-income census tracts and remaining branches are located in middle-income geographies.

Responses to Complaints

No consumer complaints associated with the bank's performance under the provisions of the CRA have been made during the review period.

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 assessment area 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.