



## **PUBLIC DISCLOSURE**

August 2, 2015

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

OneWest Bank, National Association  
Charter Number: **25079**

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Pasadena, CA 91101-7211

Office of the Comptroller of the Currency

Midsized Bank Supervision  
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Chicago, IL 60606

**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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## General Information and Overall CRA Rating

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the institution’s record of meeting the credit needs of its entire community, including low- and moderate-income (LMI) neighborhoods, consistent with the safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution’s record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of One West Bank, National Association (OWB or the bank) issued by the OCC, the institution’s supervisory agency, for the evaluation period ending August 2, 2015. The agency rates the CRA performance of an institution consistent with the provisions set forth in appendix A to 12 CFR Part 25.

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

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

Performance Levels	OneWest Bank NA Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	
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:

- A reasonable level of lending activity in the assessment areas.
- Overall excellent geographic distribution of loans, as evidenced by excellent distribution of both home mortgage and small loans to businesses.
- Overall adequate borrower income distribution of loans, as evidenced by adequate penetration among home mortgage customers of different income levels and poor penetration among business customers of different revenue sizes.

- Community Development (CD) loans and flexible lending products had a positive impact on the Lending Test conclusions.
- Overall good investment performance, when considering investment performance in all AAs and the broader statewide area.
- A distribution of branches with limited accessibility to LMI geographies and LMI individuals.
- A good level of qualified CD services.
- The OCC considered fair lending or other illegal credit practices in rating the bank's performance. The CRA performance rating was not lowered as a result of these findings. We considered the nature, extent, and strength of the evidence of the practices; the extent to which institution had policies and procedures in place to prevent the practices; and the extent to which the institution has taken or has committed to take corrective action, including voluntary corrective action resulting from self-assessment; and other relevant information.

## 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) – 2000 Census:** 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 statistical 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.

**Census Tract (CT) – 2010 Census:** Small, relatively permanent statistical subdivisions of a county delineated by local participants as part of the U.S. Census Bureau's Participant Statistical Areas Program. The primary purpose of CTs is to provide a stable set of geographic units for the presentation of decennial census data. CTs generally have between 1,500 and 8,000 people, with an optimum size of 4,000 people.

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

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound

operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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

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

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

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

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that 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, the disposition of the application (e.g., approved, denied, and withdrawn), loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Median Family Income (MFI) – 2000 Census:** 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.

**Median Family Income (MFI) – 2010 Census:** The median income derived from the United States Census Bureau's American Community Survey data every 5 years and used to determine the income level category of geographies. Also, it is the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level of individuals within a geography. For any given geography, 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). 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

This is an evaluation of OneWest Bank (OWB or the bank), which became a division of CIT Bank, N.A through an acquisition that occurred on August 3, 2015. Because the acquisition was consummated after the evaluation period end date of August 3, 2015, this Performance Evaluation (PE) only covers the performance of OWB and will refer to the bank as OWB, not CIT Bank, N.A.

OWB was a full-service bank headquartered in Pasadena, California. As of June 30, 2015, the bank had total assets of \$21.6 billion, total loans of \$14.5 billion, and Tier One Capital of \$2.6 billion. OWB commenced operations on March 19, 2009, through the acquisition of FDIC receivership assets and certain liabilities of IndyMac Federal Bank FSB and was renamed OneWest Bank, FSB. The bank continued to grow through acquisitions from the FDIC of certain assets, loans, and deposits of two other failed California-based financial institutions (First Federal Bank of California in the fourth quarter of 2009 and La Jolla Bank, FSB in the first quarter of 2010). In July 2011, the bank's primary regulatory agency changed from the Office of Thrift Supervision (OTS) to the Office of the Comptroller of the Currency (OCC). On February 28, 2014, the bank converted from a federal thrift charter to a national bank charter and changed its name to OneWest Bank, N.A. On August 3, 2015, the bank was acquired by CIT Group, Inc., merged with CIT Bank and became CIT Bank, N.A (CITBNA). As this occurred after the evaluation period end date, the impact of the acquisition merger was not considered in this evaluation.

OWB was a California-based intrastate bank with 70 full-service retail branches and 73 deposit-taking Automated Teller Machines (ATMs) through the NYCE ATM network, across its footprint. The retail branches and ATMs were located throughout five Assessment Areas (AA's) located in southern California, servicing consumers and businesses. The five AAs are (1) Los Angeles-Long Beach-Glendale MD, (2) Anaheim-Santa Ana-Irvine MD, (3) Oxnard-Thousand Oaks-Ventura MSA, (4) Riverside-San Bernardino-Ontario MSA, and (5) San Diego-Carlsbad MSA.

OWB historically generated deposits locally while originating loans nationwide through its national mortgage servicing platform. The FDIC Deposit Market Share Report dated June 30, 2015 reflects OWB deposits of \$14.9 billion. As of June 30, 2015, the bank had a loan portfolio of \$14.5 billion, representing 66.9 percent of total assets. Real estate loans comprised approximately 49.9 percent of the bank's loan portfolio, predominantly secured by single-family residential properties, commercial real estate and multifamily properties at 35.5 percent, 8.1 percent and 6.3 percent, respectively. Commercial and industrial loans made up 14.7 percent of the portfolio. Loans to non-depository financial institutions made up 2.2 percent, and consumer and construction and other loans made up of less than 1.0 percent of the total loan portfolio. Upon converting to the national bank charter in early 2014, the bank started originating small business loans. The bank's small business loan volume was insignificant, but

management expects the volume to increase over the next few years. OWB funded loans with deposit accounts, and to a lesser extent, Federal Home Loan Bank (FHLB) advances.

The bank's strategic focus involved wholesale and consumer mortgage lending, small business lending, and private banking. OWB offered a broad range of deposit and lending products to individuals and businesses, including alternative retail services, such as direct deposit and electronic banking services (bill pay, mobile banking, etc.). The bank offered a standard mix of fixed- and variable-rate mortgage products to consumer and small business customers.

During the first 29 months of the review period as a federal thrift, the bank focused on single-family residential mortgage loans. Many of its loans derived from borrowers in the bank's mortgage servicing program, characterized by a significant number of delinquent borrowers. In 2012, the bank adopted the Home Affordable Refinance Program (HARP) 2.0 program to assist distressed borrowers, who had little to no home equity, in refinancing their mortgages. OWB sold almost all of the servicing rights for mortgages owned by third parties, which represented about 90 percent of the servicing portfolio, in late 2013. As OWB had relied on this portfolio as a pipeline for potential home refinance transactions, after the sale of the servicing portfolio, OWB mortgage origination business significantly contracted in 2014 through June 30, 2015.

Concurrent with the bank's conversion to a national bank charter, management began restructuring the balance sheet, with a strong emphasis on expanding commercial lending. The bank introduced the SBA 7a program in 2014. Management at CIT Bank, N.A., the successor to OWB, plans to continue to emphasize commercial and small business lending and pursue SBA preferred lender status.

As of December 31, 2011, 1.4 percent of OWB assets were 30 to 89 days past due, and 7.2 percent were seriously delinquent and in non-accrual status. The vast majority of the assets were covered by loss-sharing agreements with the FDIC, mitigating some of the adverse impact of those assets on the bank's financial condition. The bank's net income was low, at 0.6 percent of average assets, but improved over the period to 1.1 percent. Although these factors resulted in financial impediments that impacted the bank's ability to help meet the credit needs of its AAs, there were no other legal or other impediments to lending. The bank received a Satisfactory rating in its previous CRA evaluation, dated February 06, 2012.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

We reviewed home mortgage and small business loans for the period beginning October 1, 2011 through June 30, 2015. Home improvement and multifamily loans were not evaluated quantitatively as they were not primary loan products resulting in a limited volume originations in AAs. The bank did not originate small farm loans. We reviewed CD loans, qualified investments, and CD services for the period beginning October 1, 2011 through August 2, 2015, the dissolution date of the OWB Foundation (which ceased to exist in connection with the pending bank acquisition).

### Data Integrity

Prior to this evaluation, we tested the accuracy of OWB's publicly reported 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. Additionally, qualified investments and CD loans and services made or rendered during the evaluation period were reviewed to determine their eligibility for consideration.

### Selection of Areas for Full-Scope Review

We selected the Los Angeles-Long Beach-Glendale MD AA (Los Angeles AA) for full-scope review based on branches, deposits, and loan origination volumes. Approximately 79 percent of OWB's deposits and 57 percent of its loans are in the Los Angeles AA. We performed limited-scope reviews of the Anaheim-Santa Ana-Irvine MD, the Oxnard-Thousand Oaks-Ventura MSA, the Riverside-San Bernardino-Ontario MSA, and the San Diego-Carlsbad MSA AAs. None of the limited-scope AAs generated more than 10 percent of the bank's deposits or more than 20 percent of the bank's reportable lending.

### Ratings

OWB's CRA rating is based primarily on a full-scope review of the Los Angeles AA. To conclude on OWB's overall record of performance, we assessed activities in the AAs under the Lending, Investment, and Service Tests. The rating methodology is structured to generally emphasize the Lending Test over either of the Investment or Service Tests.

Since 95 percent of the reportable loans were home mortgage loans, we placed substantially more weight on these loans and minimal weight on small business loans. Home mortgage lending had historically been the bank's business focus, and this is reflected in the bank's reported loans. OWB only began to pursue small business lending during the last 16 months of the evaluation period, and as a result did not originate a significant volume of these loans.

Within home mortgage lending, we placed the most weight on home refinance loans, over home purchase loans, as refinances represented 86 percent of the home mortgage loans.

Based on the timing of the release of demographic data from the 2010 US Census, the geographic distribution and borrower income distribution criteria under the Lending Test contain two analysis periods: October 1, 2011 through December 31, 2011 and January 1, 2012 through June 30, 2015. The 2011 review period includes only loans originated during the fourth quarter of 2011. Lending conducted in 2011 is compared to demographic data from the 2000 Census. The 2012 through 2015 review period covers 14 quarters. Lending from 2012 forward is compared to the 2010 Census data. We placed greater emphasis on the data for the 2012 through 2015 period, which represented the substantial portion of lending.

Given the limited lending volume for the 2011 portion of this evaluation and the limited contribution to the overall rating, we did not include this data in Appendix C: Tables of Performance Data. Performance and conclusions based on 2011 data are included in the geographic and borrower income distribution narratives.

### ***Lending Test - Inside/Outside Ratio***

The inside/outside ratio is a bank-wide calculation based on number of loans in 2011 through 2015 and is not calculated by individual rating area or AA. Analysis is limited to bank origination and purchases and does not include any affiliate data.

### ***Service Test Accessibility of Delivery Systems***

The analysis of OWB's branch distribution is primarily based on the geographic distribution of branches within LMI geographies in relation to the proportion of the population residing in those geographies (37 percent).

### ***Community Contacts/Public Comments***

Community contacts made during the examination indicated that there are many needs in the bank's AA, including affordable housing, small business development, homeowner education and financial literacy, affordable small dollar loans and affordable deposit accounts, health and fitness programs, and computer literacy. Financial support and volunteering (including board and committee membership) at community development organizations were also identified needs. Information received from these community contacts was considered in our evaluation.

In connection with the merger application, we received public comments regarding both OWB and CIT Bank, and we considered those comments specific to OWB's CRA performance in our evaluation. In addition, we received public comment letters from community organizations regarding OWB's performance under the CRA during this examination. The community

organizations raised concerns with respect to OWB's home mortgage and small business lending, the level of qualified investments and CD grants, lack of marketing of affordable deposit products, and lack of outreach in the communities. These comments were also considered in our evaluation.

In the public comment letters, certain borrowers and community organizations also expressed concerns about the bank's foreclosure practices. OWB was among a group of banks subject to Consent Orders issued by federal regulators in April 2011 to address deficient practices in mortgage servicing and foreclosure processing. Consequently, the bank's mortgage servicing and foreclosure practices were reviewed separately by the OCC during the evaluation period through multiple Consent Order compliance reviews that included assessments of recent loan modifications and foreclosure actions. The OCC terminated the Consent Order in July 2015 upon determining the bank was in compliance with the Order. Copies of all public comments received by our office are also available at the Office of the Comptroller of the Currency, Midsize Bank Supervision, 1 South Wacker Drive, Suite 2000, Chicago, IL 60606.

## **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 lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development (HUD), and the Consumer Financial Protection Bureau (CFPB). We also considered other material practices the bank engaged in during the evaluation period involving home mortgage lending practices and foreclosure issues that provide relevant context for the bank's activities during the period of the CRA evaluation.

The OCC found evidence of violations of the Servicemembers Civil Relief Act. The bank improperly took foreclosure action on 25 mortgage loans held by servicemembers, and failed to provide full interest rate reductions on an additional 40 loans to eligible servicemembers. The bank paid restitution of approximately \$2.9 million to affected borrowers covering the period of January 1, 2009 through December 31, 2010. The bank implemented appropriate corrective actions to strengthen policies, procedures, and controls prospectively.

The OCC does not have public information regarding non-compliance with statutes and regulations prohibiting discriminatory or other illegal credit practices with respect to this institution. In determining this institution's overall CRA rating, the OCC has considered information that was made available to the OCC on a confidential basis during its consultations.

The CRA performance rating was not lowered as a result of these findings. We considered the nature, extent, and strength of the evidence of the practices; the extent to which institution had policies and procedures in place to prevent the practices; and the extent to which the institution has taken or has committed to take corrective action, including voluntary corrective action resulting from self-assessment; and other relevant information.

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

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test is rated "High Satisfactory." Based on a full-scope review, the bank's performance in the Los Angeles AA is good. CD loans and flexible lending products had a positive impact on the Lending Test rating. In addition, performance in the limited scope AAs did not impact the overall Lending Test rating.

#### Lending Activity

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

Lending levels reflect adequate responsiveness to the credit needs of the Los Angeles AA. OWB originated or purchased 2,464 mortgage and small business loans totaling \$1.4 billion in the Los Angeles AA during the 2011 through 2015 evaluation period.

As of June 30, 2015, OWB had a deposit market share of 3.47 percent and ranked eighth among 110 financial institutions that competed for deposits. In comparison, the bank had a market share of 0.18 percent and ranked 79th among 380 lenders for home refinance loans. For home purchase loans, the bank had a market share of 0.14 percent and ranked 110th among 609 lenders. As noted above, OWB is not a significant small business lender with a market share of only 0.01 percent and ranked 64th among 171 lenders.

In concluding on the bank's performance, we considered the strong competition in this AA for both home mortgage and small business loans, as well as the limited opportunities to originate home mortgage loans in the Los Angeles AA given economic conditions and the housing market during this review period. We also considered the bank's primary strategy of lending to customers whose loans were serviced by the bank, rather than marketing substantially to external consumers.

Despite its low lending market share relative to deposit market share, the bank's market percentile rank by mortgage loan product, in the table below, is reasonable when compared to its deposit market share percentile rank. OWB's percentile rank in small business loans is well below the deposit market share percentile rank, however, this was offset by the limited time, six quarters, that these products have been offered.



**Los Angeles-Long Beach-Glendale MD**

Product	Number of Loans	Percent of All Loan Products	2014 Market Share	Market Share Rank	Market Share Percentile
<b>Deposits *</b>			3.47	8 of 110	93
<b>Home Refinance</b>	1,985	80.6	0.18	79 of 380	79
<b>Home Purchase</b>	263	10.7	0.14	110 of 609	82
<b>Small Business</b>	157	6.4	0.01	64 of 171	62

\* Source: FDIC June 30, 2015 Deposit Market Share

## **Distribution of Loans by Income Level of the Geography**

Overall, the geographic distribution of loans in the Los Angeles-Glendale MD is excellent. The geographic distribution of home mortgage loans and small loans to businesses in LMI geographies is excellent. The distribution of home purchase loans in LMI geographies is adequate. The geographic distribution of home refinance loans, the largest category of lending, and small loans to businesses in LMI geographies is excellent.

### ***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/purchases.

Overall, OWB's geographic distribution of loans in the Los Angeles AA is excellent. Home refinance loans were given more weight within home mortgage lending, since they represent a significant majority of home mortgage loans. We placed minimal weight on the single calendar quarter of performance during the 2011 review period. There were too few loans for quantitative analysis in that quarter of 2011 in all AAs and products except for home refinance loans in the Los Angeles-Long Beach-Glendale MD.

Overall, the geographic distribution of home purchase loans is adequate. In the 2012-2015 review period, the percentage of loans in low-income geographies exceeded the percentage of owner-occupied units. The percentage of loans in moderate-income geographies was somewhat below the percentage of owner-occupied units. The bank's market share of loans in both low- and moderate-income CTs during the review period was well below overall market share. OWB's performance in 2012-2015 improved over the one-quarter 2011 review period, when the bank originated no home purchase loans in either low- or moderate-income CTs. However, OWB only originated a total of 11 home purchase loans during this period.

Overall, the geographic distribution of home refinance loans is excellent. In the 2012-2015 review period, the percentage of home refinance loans in both low- and moderate-income geographies exceeded the percentages of owner-occupied units. OWB's market share of loans

in low-income CTs exceeded overall market share. Market share in moderate-income CTs met overall market share. The geographic distribution of home refinance loans in 2011 was weaker, when the percentage of home refinance loans in both low- and moderate-income geographies was well below the demographic comparators. Market share in 2011 in both low- and moderate-income CTs was, however, near to overall market share.

### ***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 business loans.

The overall geographic distribution of small loans to businesses is excellent. The portion of loans in both low- and moderate-income geographies in the 2012-2015 review period exceeded the percentages of businesses in those geographies. The bank's market share was near overall market share in low-income CTs and exceeded overall market share in moderate-income CTs. Performance in 2011 was weaker than in the 2012-2015 review period. The bank only originated three small loans to businesses during the 2011 review period.

### ***Lending Gap Analysis***

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

### ***Inside/Outside Ratio***

While in total, a substantial majority of the bank's lending is outside of its AAs, the ratio is considered reasonable given OWB's business strategy and history as a nationwide lender, servicer and deposit gatherer.

<b>OneWest Bank Combined Lending Assessment Areas</b>										
<b>Loan Type</b>	<b>Number of Loans</b>					<b>Dollars of Loans</b>				
	<b>Inside</b>		<b>Outside</b>		<b>Total</b>	<b>Inside</b>		<b>Outside</b>		<b>Total</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$000</b>	<b>%</b>	<b>\$000</b>	<b>%</b>	
<b>HMDA</b>	4,028	24%	12,964	76%	16,992	2,110,265	38%	3,396,635	62%	5,506,900
<b>Small Business</b>	228	82%	50	18%	278	117,742	84%	22,393	16%	140,135
<b>Totals</b>	<b>4,256</b>	<b>25%</b>	<b>13,014</b>	<b>75%</b>	<b>17,270</b>	<b>2,228,007</b>	<b>39%</b>	<b>3,419,028</b>	<b>61%</b>	<b>5,647,035</b>

## **Distribution of Loans by Income Level of the Borrower**

Overall, the distribution of lending by income level of borrower is adequate in the Los Angeles-Glendale MD. The borrower distribution of home mortgage loans is adequate, and small loans to businesses is poor. Although the distribution of home purchase loans to LMI borrowers is poor, the distribution of home refinance loans, the largest category of lending, to LMI borrowers is adequate.

In concluding on the bank's performance, we considered housing affordability in the Los Angeles AA and the impact of the housing crisis and the economy on Southern California neighborhoods and homeowners. We also considered OWB's significant use of the HARP 2.0 loan refinance program to assist borrowers with little, no or negative equity in their homes obtain interest rate reductions in cases where they otherwise could not have refinanced their mortgages.

### ***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.

The overall borrower distribution of home purchase loans is poor, considering performance context. In assessing performance, we considered the high cost of housing compared to the income ranges for LMI families in Los Angeles County, which make it difficult for LMI borrowers to qualify for a home purchase loan in the AA. OWB did not originate any home purchase loans to low-income borrowers and the percentage of loans to moderate-income borrowers was significantly below the percentage of moderate-income families. The bank's market share of loans to moderate-income borrowers is significantly below overall market share. The bank's performance, however, improved from 2011, when none of the 11 loans originated were made to low- or moderate-income borrowers.

OWB's distribution of home refinance loans in 2012-2015 is adequate, considering performance context. In evaluating the bank's performance, we considered the limited opportunities to originate home refinance loans in LMI areas given high portion of renters in this AA, the relatively high poverty levels and limited housing affordability in the AA, the impact of the housing crisis on Southern California neighborhoods and homeowners, the weak economy, and the bank's extensive use of the HARP 2.0. The bank's distribution of home refinance loans to low-income borrowers was significantly lower than the percentage of low-income families in the AA, and the bank's home refinance loans to moderate-income borrowers is lower than the percentage of moderate-income families in the AA. Market share of home refinance loans to both low- and moderate-income borrowers exceeded overall market share. The bank's performance improved from 2011.

Over 60 percent of home refinance loans reported in Table 10 in Appendix C did not include income information. A substantial proportion of OWB's mortgage servicing portfolio consisted of ALT-A and subprime no or limited documentation loans acquired in conjunction with its acquisition of the failed bank from the FDIC. Many of the loans serviced by OWB did not qualify for the standard HARP loan program due to lack of documentation at origination. OWB's HARP 2.0, which the bank developed in partnership with FNMA, extended the program specifically to loans serviced by OWB. Neither the standard HARP nor OWB's HARP programs mandate use of borrower income to qualify the borrower for reduced interest rates (or payment relief). As such, these loans are reported in the bank's HMDA data with no income information.

Nevertheless, we considered OWB's HARP 2.0 loans in the performance context as a meaningful effort to reduce the borrowers' interest costs and payments, and potentially prevent foreclosures. Based on bank-provided data for HARP 2.0 loans in the Los Angeles-Long Beach-Glendale MD, OWB refinanced 149 loans to low-income and 93 loans to moderate-income borrowers during the evaluation period (using borrowers' stated income). These data substantially increase the proportion of home refinance loans of loans to LMI borrowers and helped to support the conclusion of overall adequate home refinance performance in the AA.

### ***Small Loans to Businesses***

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

The overall distribution of small loans to businesses is poor. The percentage of loans to small businesses (businesses with gross annual revenues of \$1 million or less) in 2012-2015 was significantly below the percentage of small businesses. The market share of loans to small businesses met the overall market share. The bank originated only three small loans to businesses during fourth quarter 2011.

### **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 multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. However, Table 5 does not separately list CD loans.

OWB's level of CD lending had a positive impact on overall Lending Test performance in the Los Angeles-Long Beach-Glendale MD. The bank reported 77 qualified CD loans totaling \$183.9 million to organizations and companies that provide affordable housing for LMI individuals and families, promote economic development, provide community services targeted to LMI individuals, and perform activities that revitalize or stabilize LMI geographies. The total outstanding dollar amount represents 8.9 percent of allocated capital. The majority of the loans

(nearly 55 percent) were SBA 504 loans that promoted economic development. Nearly 26 percent helped provide 447 affordable housing units for LMI individuals, 19 percent helped revitalize or stabilize LMI areas, and less than one percent supported organizations that provide community services to LMI. While these loans are not particularly complex or innovative, this activity addresses identified community needs through financing affordable housing and economic development.

### California Statewide

In addition to CD loans originated in the full- and limited-scope AAs, OWB made a \$10 million CD loan to an organization that develops affordable housing projects throughout California, including the bank's AAs. This loan demonstrates a commitment to provide needed CD assistance throughout the state, and was considered in the overall lending test performance for the bank.

### **Product Innovation and Flexibility**

Innovative and flexible loan programs contributed positively to the bank's Lending Test performance in the Los Angeles-Long Beach-Glendale MD, enhancing the bank's ability to serve all segments of its customer base. During the previous review period, OWB developed and adopted certain proprietary flexible residential loan modification programs that were responsive to distressed borrowers striving to remain in their homes. Similar to national loan modification initiatives, these loss mitigation programs were designed to make loan restructuring modification options affordable, long term, and sustainable. OWB's programs employ flexible underwriting standards, including extended amortization periods, relaxed loan-to-value collateral standards, and reduced interest rates. Some of these programs were available throughout all of the bank's AAs during the current review period. These include the following:

- OneWest 35-38 DTI Modification – This program is an in-house product that allows for a debt-to-income (DTI) that is higher than the Home Affordable Mortgage Program (HAMP). This product is offered to allow more borrowers to qualify. OWB granted 51 modifications in the AA, of which 26 were granted to LMI borrowers.
- Capitalization Modification – This is an in-house product which offers homeowners, who occupy their homes and are delinquent less than 12 months an opportunity to modify their loans. All arrearages are capitalized into the balance of the loans and the remaining payments are re-amortized under current loan terms. OWB granted 46 modifications in the AA, of which 22 were granted to LMI borrowers.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Refer to Tables 1 through 11 in Appendix C for the facts and data that support these conclusions.

Based on limited scope reviews, the bank's performance under the Lending Test in the Anaheim-Santa Ana-Irvine MD, the Oxnard-Thousand Oaks-Ventura MSA, the Riverside-San Bernardino-Ontario MSA and the San Diego-Carlsbad MSA is consistent with the bank's overall "High Satisfactory" performance.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

OWB's performance under the Investment Test is rated "High Satisfactory". OWB's performance in the full-scope Los Angeles AA is adequate. Investments across California including the assessment areas had a significantly positive impact on overall Investment Test conclusions. Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

OWB has an adequate dollar volume of qualified investments, including grants and donations, with characteristics that exhibit good responsiveness to the credit and CD needs in the Los Angeles AA. Qualified investments totaled more than \$102.5 million, with current period investments totaling just over \$72 million and prior period investments of nearly \$30.5 million. We considered the numerous investment opportunities within the AA, state and regional area against the bank's capacity to address these needs. Investments benefiting the Los Angeles AA during the evaluation represented 4.9 percent of allocated Tier 1 Capital. Investments are responsive and reflect a low level of complexity.

During the evaluation period, the bank invested \$53.6 million in mortgage securities backed by housing loans to LMI borrowers in the Los Angeles MD. These mortgage-backed securities represent an integral part of OWB's investment program in the Los Angeles AA. The bank also invested \$5 million in a Low-Income Housing Tax Credit (LIHTC) to construct a 110-unit affordable housing complex in the AA. Additionally, OWB placed time deposits totaling \$1.7 million in seven different minority-owned financial institutions within the Los Angeles AA. OWB also made grants totaling \$11.8 million to various organizations within the Los Angeles AA that provide affordable housing, youth services, and healthcare. OWB's dollar volume of qualified contributions reflects the bank's commitment to help meet identified CD needs.

### California Statewide

In addition to the nearly \$165 million in qualified investments in the bank's AAs, OWB made three statewide qualified investments totaling \$61.6 million during the evaluation period in

activities that had a purpose, mandate or function that serves one or more of the bank's AAs. In addition, one prior period statewide investment that serves one or more of the bank's AAs with a book value of \$6.5 million remained outstanding through the evaluation period. Statewide investments involved LIHTCs that helped fund the development of over three thousand affordable housing units in Los Angeles, Riverside, San Bernardino and other counties across California. When considering these along with all other investments in the full- and limited-scope areas, the \$233.1 million of qualified investments in the AAs and across the state represented 8.9 percent of total Tier One Capital.

### Regional or Nationwide

OWB held one prior period nationwide investment with a book value of \$24.7 million that remained outstanding through the evaluation period. This LIHTC investment primarily benefits areas in California, creating 561 affordable housing units in six housing projects: one in the Los Angeles AA; four across California, and one in New Orleans related to Hurricane Katrina redevelopment. This investment was considered positively in the analysis of the bank's overall Investment Test performance.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Refer to Table 14 in Appendix C for the facts and data that support these conclusions.

Based on limited-scope reviews, OWB's performance under the Investment Test in the Santa Ana-Anaheim-Irvine MD, Oxnard-Thousand Oaks-Ventura MSA, and San Diego-Carlsbad MSA is stronger than the bank's overall "High Satisfactory" performance. Performance in the Riverside-San Bernardino-Ontario MSA is weaker than the bank's overall performance due to the lower volume of investments, and is considered adequate. Performance in the limited-scope areas considering statewide investments that serve one or more AA contributed to the "High Satisfactory" rating.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

OWB's performance under the Service Test is rated "Low Satisfactory." Based on full-scope reviews, OWB's performance in the Los Angeles AA is adequate. Performance in the limited scope AAs was consistent with the overall Service Test rating.

### **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.

### ***Accessibility of Delivery Systems***

OWB's delivery systems are accessible to limited portions of the bank's geographies and individuals of different income levels in the Los Angeles AA. The percentage of branches in both low- and moderate-income geographies is well below the percentage of population in those geographies.

Automated teller machines (ATMs) were slightly more accessible than branches, with one additional ATM in a moderate income geography. OWB maintains ATMs at 45 of its 48 full-service retail branches in the Los Angeles AA. The three branches without ATMs are located in upper-income census tracts. The bank also operates four non-branch full-service ATMs in LMI census tracts, providing service coverage in LMI areas. The percentage of ATMs in both low- and moderate-income geographies is still, however, below the percentage of population in those geographies.

Alternative delivery systems supplement the bank's branch and ATM networks and serve to expand accessibility of banking services after hours and remotely from branches. OWB's alternative delivery systems, aside from ATMs, include telephone banking, online banking, and mobile banking. From October 2011 to June 2015, there were 35,292 online banking subscribers, although data indicating the proportion of consumer served across all segments of the community was not available.

### ***Changes in Branch Location***

OWB's record of opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and LMI individuals. During the evaluation period, OWB closed and/or consolidated seven branches and opened two branches in the Los Angeles AA. The closure of one of six LMI branches adversely impacted accessibility in those census tracts, however the bank established four non-branch full-service ATMs in LMI census tracts. While not a substitute for breadth of services offered at branch offices, the additional ATMs helped mitigate the impact of the closure in the LMI tract.

Closures were attributed to branch consolidations, with some necessitated by terminated leases and security concerns. Management consolidated one low volume branch located in a moderate-income census tract into a branch in a middle-income census tract approximately 2.8 miles away. The primary impetus, however was a concern over the lack of building integrity.

### ***Reasonableness of Services and Hours of Operation***

All branches offer a broad range of deposit and lending products and services for customers,



including individuals and small businesses, to help meet the needs of the community. These include checking, savings, money market accounts, certificates of deposit, residential mortgage loans, business loans, credit cards, and investment advisory services. The implementation of the small business lending platform and loan program will improve performance and the degree to which the bank serves community needs in future.

Branch services and hours do not vary in a way that inconveniences portions of the AA, particularly LMI individuals or geographies. The operating hours of the branches were generally similar among all locations, regardless of the income level of the geography. All branches are open for business Monday through Friday, with 45 open for business on Saturday. The remaining three branches that are closed on Saturday are not in LMI census tracts.

OWB offers low cost checking and savings account products that may be favorable to LMI individuals. However, the minimum balance to avoid the monthly service fees of \$5 and \$3 for checking accounts and savings accounts, respectively, is \$1,000, which is high for LMI individuals. The fee is waived for depositors aged 55 and over, or if one of the account holders is a minor.

### **Community Development Services**

OWB provides a good level of community development services. Although CD services were not particularly innovative, the number of service hours is significant and responsive to community needs.

During the evaluation period, OWB officers and employees engaged in community development services targeted to financial literacy education. In the Los Angeles AA, bank employees provided 8,088 community development service hours that benefited 10 organizations. A significant portion of CD services were provided to just one organization. In this regard, of the 8,088 CD service hours, 6,388 hours were provided to the Junior Achievement organization. Through Junior Achievement, bank personnel provided financial literacy and education training to seven local elementary and middle-schools, where a majority of the students come from LMI families. In addition, employees also served as directors and members on executive and finance committees for three of 10 organizations. These three organizations promote affordable housing for LMI individuals or economic development or provide health services to LMI individuals.

While the Junior Achievement services were highly focused to specific schools year-after-year to reinforce and build upon prior lessons from K-12<sup>th</sup> grade, there was no complexity to any of these CD Services provided by the bank. In years 2015, and 2011, the OWB's CD Services were limited to Junior Achievement, primarily to elementary school children (pre-kindergarten

and kindergarten through sixth-grade). Additionally, there were no other CD Services provided during these years (2015 and 2011) to any of the limited- scope assessment areas.

OWB employees also provided no-cost counseling to 578 distressed homeowners at risk of default or foreclosure in conjunction with a non-profit HUD-Certified homeownership and advocacy organization. This organization assists homebuyers and homeowners with credit issues or limited assets to purchase a home or modify existing loans on the most affordable terms. OWB also modified 156 loans to distressed low- and moderate-income borrowers in the AA in conjunction with this organization.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Refer to Table 15 in Appendix C for the facts and data that support these conclusions.

Based on limited-scope reviews, OWB's performance under the Service Test in the Anaheim-Santa Ana-Irvine MD, the Oxnard-Thousand Oaks-Ventura MSA, the Riverside-San Bernardino-Ontario MSA, and the San Diego MSA is consistent with the bank's overall "Low Satisfactory" performance under the Service Test.

## 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”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): (10/01/11 to 06/30/15) Investment and Service Tests and CD Loans: (10/01/11 to 08/2/15)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
OneWest Bank, National Association (OWB) Pasadena, CA	HMDA Loans Small Business Loans Community Development Loans Qualified Investments	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
OWB Foundation		CD Grants
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
California Los Angeles-Long Beach-Glendale MD #31084 Anaheim-Santa Ana-Irvine MD #11244 Oxnard-Thousand Oaks-Ventura MSA #37100 Riverside-San Bernardino-Ontario MSA #40140 San Diego-Carlsbad MSA #41740	Full-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope	Entire MD Entire MD Entire MSA Entire MSA Entire MSA

## Appendix B: Market Profiles for Full-Scope Areas

### State of California Full-Scope Areas

#### Los Angeles-Long Beach-Glendale MD

Demographic Information for Full Scope Area: Los Angeles-Long Beach-Glendale MD – 2000 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	2,054	8.71	28.29	27.99	34.23	0.78
Population by Geography	9,519,338	8.00	29.44	30.88	31.58	0.10
Owner-Occupied Housing by Geography	1,499,694	1.91	15.46	31.30	51.33	0.00
Business by Geography	1,035,293	6.47	18.72	26.40	47.64	0.78
Farms by Geography	8,187	3.09	15.57	30.85	49.93	0.55
Family Distribution by Income Level	2,154,311	23.87	16.49	17.40	42.24	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	869,463	13.65	41.46	28.95	15.94	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		46,509 64,000 15%	Median Housing Value Unemployment Rate (2000 US Census)		240,248 3.72%	

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

Source: 2000 US Census and 2011 HUD updated MFI

Demographic Information for Full Scope Area: Los Angeles-Long Beach-Glendale MD – 2010 Census						
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	734,030	6.42	18.23	25.19	48.90	1.26
Farms by Geography	7,024	3.29	16.29	26.79	52.98	0.65
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 FFIEC 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 FFIEC updated MFI

The Los Angeles AA consists of the Los Angeles County and the entire Los Angeles-Long Beach-Glendale MD AA. As a result, the AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies.

The U.S. Census Bureau (Census Bureau) estimates the population in the Los Angeles AA to be 10.1 million people in 2014. The population of the AA grew by less than 1 percent in each year of the evaluation period. The distribution of families by income level was 24.0 percent low-income, 16.4 percent moderate-income, 17.6 percent middle-income, and 41.9 percent upper-income.

### *Competition*

OWB offers commercial and consumer loan and deposit products and services. Competition in the AA is high. There are 110 FDIC insured depository institutions with branch operations in the AA (FDIC's June 30, 2015 Deposit Market Share Report), as well as 793 mortgage lenders and 171 small business lenders (reportable HMDA and CRA data). With 48 branches, and 49 deposit-taking ATMs in the AA, OWB's deposits in the AA totaled \$11.7 billion, or 3.5 percent of the market as of June 30, 2015. The Bank's ranks eighth in deposits out of 110 depository institutions. The top four depository institutions, Bank of America N.A., Wells Fargo Bank, N.A., MUFG Union Bank, N.A., and JPMorgan Chase Bank, N.A., account for 57.0 percent of total deposits in the AA.

Competition for mortgage lenders is high. No lender has more than a 10.0 percent market share. The top three competitors include Wells Fargo Bank, N.A., JP Morgan Chase Bank, N.A., and Bank of America, N.A. sharing 21.7 percent of the market for HMDA reportable loans. OWB ranks 104 of 793 with a market share of 0.2 percent of all HMDA lending in 2014.

Competition is also high for small business lending. The top three competitors include American Express, Wells Fargo Bank, N.A., and JP Morgan Chase Bank, N.A., sharing 54.5 percent of the market of CRA reportable loans. OWB ranks 64 of 171 with a market share of 0.01 percent of all reported small business loans.

### *Employment and Economic Factors*

According to the Bureau of Labor Statistics (BLS), unemployment in the Los Angeles AA improved during the evaluation period. BLS data indicates the average annual unemployment rate fell from 12.2 percent in 2011 to 8.3 percent in 2014, but remains higher than the 2014 national annual average unemployment rate of 6.2 percent. The largest industries in the AA include health services, aviation, education, banking, and retail. The top five employers are Kaiser Permanente, University of California Los Angeles, Northrup Grumman Corporation, Target Corporation, and Providence Health Systems.

The percentage of households in the AA living below the poverty level is moderate, representing 14.0 percent, according to the 2010 U.S. Census (Census). Significant portions of households in LMI geographies live below the poverty level, comprising 35.0 percent of

households in low-income geographies and 21.6 percent in moderate-income geographies. The 2010 U.S. Census data indicates that 37.6 percent of the census tracts in the AA are LMI.

### *Housing*

Opportunities for residential mortgage lending in LMI geographies are somewhat limited due to a comparatively low proportion of units, low rate of owner occupancy, higher unemployment, and a higher poverty rate. The number of housing units is significantly lower in LMI geographies than middle- and upper-income geographies.

Housing in the Los Angeles AA is generally expensive. The Census Bureau's 5-Year (2009-2013) American Community Survey (ACS) estimates an affordability ratio was 7.5 for the AA, which is more than the State ratio of 6.0, and more than two times the national ratio of 3.3. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. Home ownership in the AA is below the state and national averages. The ACS indicates home ownership in the AA was 46.9 percent, compared to California at 55.0 percent and the U.S. at 64.5 percent.

High median housing prices compared to median family incomes impede home ownership in LMI geographies in the AA. The proportion of the population below-poverty level, at 14.0 percent in the 2010 Census, has a disproportionate impact on LMI areas. The median home value in low- and moderate-income tracts in the AA equaled \$376,223 and \$404,171, respectively. Those median home prices are high compared to the FFIEC updated median family income (MFI) for 2014. Low- and moderate-income families earned at most 50 and 80 percent of MFI, or approximately \$30,300 and \$48,480, respectively. The disparity between income levels and property values in this AA impedes home-ownership opportunities for LMI borrowers.

The 2010 Census reports 45.3 percent of the total housing units in the AA as owner-occupied, with rental-occupied units at 48.6 percent, and vacant units at 6.1 percent. Owner-occupied housing in LMI geographies in the AA represent only 18.7 percent of the total owner-occupied housing units. LMI geographies in the AA are primarily rental markets, with rental units accounting for 79.0 percent of the housing units in low-income geographies and 65.1 percent of the housing units in moderate-income geographies. There were no significant shifts in the housing mix from the 2000 Census to 2010 Census data. There was a minor downward shift in the AA in rental occupied units, which declined from 81.0 percent in low-income geographies and 68.0 percent in moderate-income geographies in 2000.

### *Community Contact*

Needs and opportunities in the Los Angeles AA for financial institutions to help meet community credit and community development needs are abundant. Community contact

interviews with organizations identify the needs and opportunities of what the banks can do in the AA. The needs identified include affordable housing, small business development, homeowner education, affordable small dollar loans and affordable accounts, financial literacy, health and fitness, and computer literacy. Financial support and volunteering (including board and committee membership) at community development organizations were other suggestions made by a contact that banks can offer.

Opportunities in the Los Angeles include numerous Community Development Financial Institutions (CDFIs) serving Los Angeles County that develop commercial real estate and affordable housing, provide financial education, participation in affordable first-time homebuyer loan programs, assist small business owners, and provide many social services targeted to LMI populations. Additionally, a 2013 FDIC survey shows a high percentage of unbanked and underbanked residents in the Los Angeles area, suggesting opportunities for banks to offer products, services, and financial education classes to meet the needs of these potential customers. Other opportunities exist to respond to the needs for affordable small dollar loans and affordable accounts. There are opportunities for banks to provide loans, investments, and utilize FHLB grants.

Contacts identified the following opportunities for banks:

- Partner with small business and economic development advocates for lending opportunities as well as to refer less qualified businesses to this partner;
- Provide matching grants in conjunction with fundraising efforts as well as for asset building accounts for LMI individuals;
- Provide unrestricted grant funds to non-profit and community development organizations;
- Board/Advisory Board/Loan Committee membership;
- Partner with affordable housing advocates or providers for home loan referrals;
- Invest/provide grants for development projects (housing and economic development);
- Participate in the Federal Home Loan Bank's Affordable Housing Program; and
- Volunteer to assist non-profit and community development organizations.

## Appendix C: Tables of Performance Data

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### 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/assessment area, (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/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration.

**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 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.

**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 JUNE 30, 2015												
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)	
<b>Full Review:</b>												
Los Angeles-Long Beach-Glendale MD	57.79	2,155	1,225,253	154	82,449	0	0	77	183,982	2,386	1,491,684	78.75
<b>Limited Review:</b>												
Anaheim-Santa Ana-Irvine MD	10.78	399	259,219	35	15,323	0	0	11	52,173	445	326,715	8.80
Oxnard-Thousand Oaks-Ventura MSA	3.39	138	54,510	2	1,490	0	0	0	0	140	56,000	3.50
Riverside-San Bernardino-Ontario MSA	19.04	748	237,995	25	13,058	0	0	13	35,212	786	286,265	3.87
San Diego-Carlsbad MSA	9.01	356	187,975	6	2,773	0	0	10	25,103	372	215,851	5.08
CA Statewide with P/M/F to serve an AA(s)	0.00	0	0	0	0	0	0	1	10,000	1	10,000	0.00

\* Loan Data as of June 30, 2015. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from October 01, 2011 to December 31, 2014.

\*\*\* Deposit Data as of June 30, 2015. 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 JUNE 30, 2015															
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	Up
<b>Full Review:</b>															
Los Angeles-Long Beach-Glendale MD	252	53.62	2.13	2.78	16.61	13.89	28.65	9.13	52.61	74.21	0.14	0.05	0.06	0.02	0.24
<b>Limited Review:</b>															
Anaheim-Santa Ana-Irvine MD	60	12.77	2.99	8.33	19.61	18.33	33.21	15.00	44.19	58.33	0.09	0.17	0.12	0.03	0.12
Oxnard-Thousand Oaks-Ventura MSA	11	2.34	1.92	0.00	17.13	9.09	43.17	36.36	37.79	54.55	0.06	0.00	0.06	0.05	0.06
Riverside-San Bernardino-Ontario MSA	103	21.91	2.87	0.97	21.60	27.18	36.29	36.89	39.24	34.95	0.03	0.06	0.04	0.01	0.03
San Diego-Carlsbad MSA	44	9.36	3.31	4.55	14.32	11.36	38.78	27.27	43.59	56.82	0.04	0.00	0.02	0.06	0.03

\* Based on 2014 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 JUNE 30, 2015																
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	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid
<b>Full Review:</b>																
Los Angeles-Long Beach-Glendale MD	18	66.67	2.13	0.00	16.61	11.11	28.65	16.67	52.61	72.22	0.00	0.00	0.00	0.0	0.00	
<b>Limited Review:</b>																
Anaheim-Santa Ana-Irvine MD	1	3.70	2.99	0.00	19.61	0.00	33.21	100.00	44.19	0.00	0.00	0.00	0.00	0.0	0.00	
Oxnard-Thousand Oaks-Ventura MSA	2	7.41	1.92	0.00	17.13	0.00	43.17	50.00	37.79	50.00	0.00	0.00	0.00	0.0	0.00	
Riverside-San Bernardino-Ontario MSA	4	14.81	2.87	0.00	21.60	25.00	36.29	25.00	39.24	50.00	0.00	0.00	0.00	0.0	0.00	
San Diego-Carlsbad MSA	2	7.41	3.31	0.00	14.32	0.00	38.78	50.00	43.59	50.00	0.00	0.00	0.00	0.0	0.00	

\* Based on 2014 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 JUNE 30, 2015																
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	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid
<b>Full Review:</b>																
Los Angeles-Long Beach-Glendale MD	1,853	57.03	2.13	3.24	16.61	17.65	28.65	25.09	52.61	54.02	0.18	0.23	0.18	0.08	0.23	
<b>Limited Review:</b>																
Anaheim-Santa Ana-Irvine MD	335	10.31	2.99	2.69	19.61	25.67	33.21	29.25	44.19	42.39	0.07	0.12	0.07	0.03	0.09	
Oxnard-Thousand Oaks-Ventura MSA	125	3.85	1.92	3.20	17.13	20.80	43.17	37.60	37.79	38.40	0.03	0.00	0.05	0.00	0.06	
Riverside-San Bernardino-Ontario MSA	636	19.58	2.87	2.67	21.60	23.90	36.29	38.36	39.24	35.06	0.01	0.11	0.04	0.01	0.01	
San Diego-Carlsbad MSA	300	9.23	3.31	5.00	14.32	19.33	38.78	37.67	43.59	38.00	0.04	0.00	0.03	0.02	0.06	

\* Based on 2014 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 JUNE 30, 2015															
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Los Angeles-Long Beach-Glendale MD	32	64.00	13.18	18.75	31.63	40.63	24.71	15.63	30.48	25.00	0.04	0.00	0.05	0.08	0.00
<b>Limited Review:</b>															
Anaheim-Santa Ana-Irvine MD	3	6.00	10.56	0.00	35.81	66.67	32.80	0.00	20.84	33.33	0.21	0.00	0.44	0.00	0.00
Oxnard-Thousand Oaks-Ventura MSA	0	0.00	7.56	0.00	34.46	0.00	46.44	0.00	11.54	0.00	0.00	0.00	0.00	0.00	0.00
Riverside-San Bernardino-Ontario MSA	5	10.00	11.28	0.00	36.12	20.00	35.44	80.00	17.17	0.00	0.59	0.00	0.00	1.87	0.00
San Diego-Carlsbad MSA	10	20.00	14.62	10.00	26.63	60.00	33.39	20.00	25.36	10.00	0.12	0.00	0.00	0.50	0.00

\* Based on 2014 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 JUNE 30, 2015																
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of Business es***	% BANK Loans	% of Business es***	% BANK Loans	% of Business es***	% BANK Loans	% of Business es***	% BANK Loans	% of Business es***	% BANK Loans	Overa ll	Low	Mod	Mid
<b>Full Review:</b>																
Los Angeles-Long Beach-Glendale MD	152	70.37	6.42	16.45	18.23	41.45	25.19	21.71	48.90	20.39	0.01	0.01	0.04	0.01	0.01	
<b>Limited Review:</b>																
Anaheim-Santa Ana-Irvine MD	31	14.35	4.74	25.81	25.30	32.26	32.74	29.03	36.17	12.90	0.00	0.00	0.00	0.00	0.00	
Oxnard-Thousand Oaks-Ventura MSA	2	0.93	3.41	50.00	18.72	0.00	44.63	50.00	33.24	0.00	0.01	0.00	0.00	0.01	0.00	
Riverside-San Bernardino-Ontario MSA	25	11.57	4.49	0.00	24.05	16.00	34.05	40.00	37.33	44.00	0.01	0.00	0.01	0.02	0.01	
San Diego-Carlsbad MSA	6	2.78	5.79	16.67	15.55	16.67	35.28	50.00	43.27	16.67	0.00	0.00	0.00	0.00	0.00	

\* Based on 2014 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 (2015).



**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE Geography: CALIFORNIA Evaluation Period: JANUARY 1, 2012 TO JUNE 30, 2015															
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***	% BANK Loans**	% Families***	% BANK Loans**	% Families**	% BANK Loans**	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Los Angeles-Long Beach-Glendale MD	252	53.62	24.05	0.00	16.43	6.67	17.64	9.63	41.88	83.70	0.04	0.00	0.02	0.00	0.05
<b>Limited Review:</b>															
Anaheim-Santa Ana-Irvine MD	60	12.77	22.02	0.00	17.33	26.09	19.49	8.70	41.16	65.22	0.01	0.00	0.07	0.00	0.01
Oxnard-Thousand Oaks-Ventura MSA	11	2.34	21.43	0.00	17.35	0.00	20.51	25.00	40.71	75.00	0.01	0.00	0.00	0.00	0.02
Riverside-San Bernardino-Ontario MSA	103	21.91	21.83	6.98	17.53	32.56	19.81	18.60	40.84	41.86	0.01	0.00	0.01	0.01	0.01
San Diego-Carlsbad MSA	44	9.36	22.36	0.00	17.55	18.18	18.75	9.09	41.34	72.73	0.00	0.00	0.00	0.00	0.00

\* Based on 2014 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 54.0% of loans originated and purchased by bank.

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT Geography: CALIFORNIA Evaluation Period: JANUARY 1, 2012 TO JUNE 30, 2015															
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**	% BANK Loans****	% Families***	% BANK Loans*** *	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Los Angeles-Long Beach-Glendale MD	18	66.67	24.05	0.00	16.43	16.67	17.64	22.22	41.88	61.11	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
Anaheim-Santa Ana-Irvine MD	1	3.70	22.02	0.00	17.33	0.00	19.49	0.00	41.16	100.00	0.00	0.00	0.00	0.00	0.00
Oxnard-Thousand Oaks-Ventura MSA	2	7.41	21.43	0.00	17.35	50.00	20.51	0.00	40.71	50.00	0.00	0.00	0.00	0.00	0.00
Riverside-San Bernardino-Ontario MSA	4	14.81	21.83	0.00	17.53	0.00	19.81	0.00	40.84	100.00	0.00	0.00	0.00	0.00	0.00
San Diego-Carlsbad MSA	2	7.41	22.36	0.00	17.55	50.00	18.75	0.00	41.34	50.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2014 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 0.0% of loans originated and purchased by bank.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE Geography: CALIFORNIA <b>Evaluation Period:</b> JANUARY 1, 2012 TO JUNE 30, 2015															
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***	% BANK Loans**	% Families*	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Los Angeles-Long Beach-Glendale MD	1,853	57.03	24.05	2.42	16.43	8.45	17.64	15.46	41.88	73.67	0.05	0.06	0.06	0.03	0.05
<b>Limited Review:</b>															
Anaheim-Santa Ana-Irvine MD	335	10.31	22.02	4.79	17.33	13.77	19.49	21.56	41.16	59.88	0.02	0.00	0.04	0.01	0.03
Oxnard-Thousand Oaks-Ventura MSA	125	3.85	21.43	5.63	17.35	23.94	20.51	15.49	40.71	54.93	0.01	0.00	0.00	0.00	0.02
Riverside-San Bernardino-Ontario MSA	636	19.58	21.83	1.82	17.53	14.55	19.81	23.64	40.84	60.00	0.00	0.00	0.00	0.01	0.00
San Diego-Carlsbad MSA	300	9.23	22.36	2.02	17.55	13.13	18.75	16.16	41.34	68.69	0.01	0.00	0.03	0.00	0.00

\* Based on 2014 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 60.8% of loans originated and purchased by bank.

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES Geography: CALIFORNIA Evaluation Period: JANUARY 1, 2012 TO JUNE 30, 2015									
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
<b>Full Review:</b>									
Los Angeles-Long Beach-Glendale MD	154	69.37	78.08	27.92	0.65	12.34	87.01	0.01	0.01
<b>Limited Review:</b>									
Anaheim-Santa Ana-Irvine MD	35	15.77	78.56	37.14	0.00	14.29	85.71	0.00	0.00
Oxnard-Thousand Oaks-Ventura MSA	2	0.90	80.98	50.00	0.00	0.00	100.00	0.01	0.01
Riverside-San Bernardino-Ontario MSA	25	11.26	79.93	28.00	0.00	12.00	88.00	0.01	0.01
San Diego-Carlsbad MSA	6	2.70	80.26	0.00	0.00	0.00	100.00	0.00	0.00

\* Based on 2014 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&amp;B - 2015).

\*\*\*\* 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 0.00% of small loans to businesses originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS Geography: CALIFORNIA Evaluation Period: October 1, 2011 TO JUNE 30, 2015									
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Los Angeles-Long Beach-Glendale MD	19	30,477	93	72,068	112	102,545	44.00	0	0
<b>Limited Review:</b>									
Anaheim-Santa Ana-Irvine MD	19	7,019	26	18,537	45	25,556	10.96	0	0
Oxnard-Thousand Oaks-Ventura MSA	19	2,046	1	15,000	20	17,046	7.31	0	0
Riverside-San Bernardino-Ontario MSA	19	3,444	0	0	19	3,444	1.48	0	0
San Diego-Carlsbad MSA	19	4,604	7	11,740	26	16,344	7.01	0	0
CA Statewide with P/M/F to serve an AA(s)	1	6,528	3	61,612	4	68,140	29.24	0	0
Nationwide	1	24,653	0	0	1	24,653	100.00	0	0

\* '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/CLOSINGS Geography: CALIFORNIA <b>Evaluation Period:</b> JANUARY 1, 2012 TO JUNE 30, 2015																	
MA/Assessment Area:	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
<b>Full Review:</b>																	
Los Angeles-Long Beach-Glendale MD	78.75	48	68.57	2.08	8.33	20.83	68.75	2	7	0	-1	-3	-1	8.01	29.43	28.26	33.92
<b>Limited Review:</b>																	
Anaheim-Santa Ana-Irvine MD	8.80	11	15.71	0.00	18.18	45.45	36.36	3	5	0	-2	0	0	6.49	29.75	31.47	32.28
Oxnard-Thousand Oaks-Ventura MSA	3.50	4	5.71	0.00	25.00	50.00	25.00	0	1	0	0	-1	0	5.38	26.09	40.80	27.72
Riverside-San Bernardino-Ontario MSA	3.87	4	5.71	0.00	0.00	75.00	25.00	0	0	0	0	0	0	5.71	26.45	35.43	32.09
San Diego-Carlsbad MSA	5.08	3	4.29	33.33	0.00	0.00	66.67	0	0	0	0	0	0	9.80	21.57	35.24	33.05

**Table 15a. Distribution of Branch and ATM Delivery System**

Distribution of Branch and ATM Delivery System Geography: CALIFORNIA <b>Evaluation Period:</b> JANUARY 1, 2012 TO JUNE 30, 2015																	
MA/Assessment Area:	Deposits	Branches						ATMs						Population			
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				# of Bank ATMs	% of Total Bank ATMs	Location of ATMs by Income of Geographies				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Los Angeles-Long Beach-Glendale MD	78.75	48	68.57	2.08	8.33	20.83	68.75	49	67.12	2.04	16.33	20.41	61.22	8.01	29.43	28.26	33.92
<b>Limited Review:</b>																	
Anaheim-Santa Ana-Irvine MD	8.80	11	15.71	0.00	18.18	45.45	36.36	12	16.44	8.33	16.67	41.67	33.33	6.49	29.75	31.47	32.28
Oxnard-Thousand Oaks-Ventura MSA	3.50	4	5.71	0.00	25.00	50.00	25.00	5	6.85	0.00	40.00	40.00	20.00	5.38	26.09	40.80	27.72
Riverside-San Bernardino-Ontario MSA	3.87	4	5.71	0.00	0.00	75.00	25.00	4	5.48	0.00	0.00	75.00	25.00	5.71	26.45	35.43	32.09
San Diego-Carlsbad MSA	5.08	3	4.29	33.33	0.00	0.00	66.67	3	4.11	33.33	0.00	0.00	66.67	9.80	21.57	35.24	33.05

