



## **PUBLIC DISCLOSURE**

January 14, 2019

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

California International Bank, a National Banking Association  
Charter Number 24577

15606 Brookhurst St.  
Westminster, California 92683

Office of the Comptroller of the Currency

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Santa Ana, California 92705

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

**The Lending Test is rated: Satisfactory.**

The major factors that support this rating include:

- The bank's loan-to-deposit (LTD) ratio is reasonable given the bank's size and performance context;
- A majority of the bank's lending activity is within its delineated assessment areas (AAs);
- The bank's distribution of loans to businesses of different sizes reflects reasonable penetration compared to area demographics; and
- The geographic distribution of business loans reflects excellent dispersion throughout the AAs compared to area demographics.

## Definitions and Common Abbreviations

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

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

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

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet 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 conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), 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):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above 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 (MD):** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

**Multifamily:** Refers to a residential structure that contains five or more units.

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

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

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

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

# Description of Institution

California International Bank (CIB or the bank) is an independently owned, full-service community bank headquartered in Westminster, California. The bank opened in November 2005, and has been devoted to serving the financial needs of the Vietnamese community located in southern California. It changed its name from Saigon National Bank in January 2016. The bank is a federally designated “Minority Depository Institution.” This enables other financial institutions to make qualified CRA Community Development investments through deposits placed at CIB.

CIB operates one full-service branch located in the “Little Saigon” area of Westminster, California, in a middle-income census tract. The area is a heavily populated, Vietnamese-speaking community within Orange County, California. The bank opened the Rosemead branch in Rosemead, California on September 9, 2016, and closed the branch on December 28, 2018. The branch was located in a middle-income census tract.

The bank offers a variety of traditional lending products to meet the credit needs of its community, with an emphasis on commercial real estate lending. Additionally, CIB offers various deposit and account services through its branch location and online services. Business hours are Monday through Friday 9:00am – 5:00pm. The bank provides customers with 24-hour access to account information via the bank’s internet banking services. Online services include account information, bill pay, and funds transfer. The bank does not maintain an automatic teller machine (ATM). However, the bank waives various ATM surcharge fees from other financial institutions.

As of December 31, 2017, CIB reported total assets of \$53 million, total loans of \$39 million, total deposits of \$30 million, and total equity capital of \$16.4 million. The following chart summarizes the loan portfolio by major loan type.

<b>California International Bank            Outstanding Balances            by Major Product Type            As of December 31, 2017</b>		
Loan Type	(\$000's)	Percent
Commercial Real Estate (RE)	31,138	79.6
Commercial-Industrial	448	1.1
Commercial Const RE	1,042	2.7
1-4 Family Residential RE	2,594	6.6
Multifamily	3,911	10.0
Total	39,133	100.0

*Source: Uniform Bank Performance Report and Bank loan data*

During the evaluation period, the bank operated under a formal enforcement action relating to safety and soundness concerns. The enforcement action required time, staff effort, and financial resources to correct certain deficiencies. We took these factors into account when reaching our conclusions concerning the bank’s CRA performance. CIB received a “Satisfactory” rating under the “Small Bank” rating criteria at the previous CRA examination dated August 12, 2013.

## **Scope of the Evaluation**

This Performance Evaluation (PE) assesses CIB's CRA performance using the lending test criteria for small bank examinations. We performed a full-scope examination of the bank's AA. We evaluated the bank's Los Angeles County AA and the Orange County AA as the Los Angeles-Long Beach-Santa Ana, California, MSA AA. We analyzed all commercial loans the bank originated or purchased between January 1, 2015, and December 31, 2017, in the Los Angeles-Long Beach-Santa Ana, California, MSA as this is representative of the bank's lending strategy since the previous CRA examination. We focused our review on commercial loans because they represent the major portion of the bank's lending activity. The bank originated 42 loans within its AA during the evaluation period. We did not evaluate a secondary loan product. The bank does not offer residential mortgage and consumer loans to the public.

### **Data Integrity**

Prior to this CRA evaluation, we performed a data integrity review to ensure the accuracy of the CIB's loan information on small business loans. We did not identify any substantive inaccuracies in the data. Therefore, we concluded that bank data for small loans to businesses is reliable for this examination.

### **Selection of Areas for Full-Scope Review**

Los Angeles and Orange Counties will be evaluated together as part of the Los Angeles-Long Beach-Santa Ana, California, MSA AA. We conducted a full-scope review.

### **Ratings**

As there is only one MSA in the bank's AA, the bank's overall rating is based on the full-scope review.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any 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 the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

## Conclusions with Respect to Performance Tests

### LENDING TEST

The bank's performance in meeting the credit needs of the community is satisfactory. The bank's LTD ratio is reasonable given the bank's size, financial condition, and local economic conditions. The bank originates a majority of its loans inside its AA and meets the standard for satisfactory performance. The bank's distribution of loans to businesses of different sizes reflects reasonable penetration and falls within a reasonable range of industry comparators. The geographic distribution for small business loans reflects excellent dispersion in low-income and moderate-income geographies in the AA and exceeds the demographic percentage of small businesses in low-income and moderate-income geographies and surpassed the aggregate in the AA.

#### Loan-to-Deposit Ratio

CIB's LTD ratio is reasonable given the bank's size, financial condition, and local economic conditions. We analyzed the bank's quarterly average LTD ratio since the previous CRA examination through December 31, 2017. CIB's average LTD ratio for this period was 94.1 percent. This ratio ranged from a quarterly low of 67.9 percent to a quarterly high of 129.6 percent during this period. For the purpose of this analysis, we compared the bank's ratio to the average ratio of four banks that are similar in both asset size and geographic location. The combined average quarterly LTD ratio for the comparable banks over the same period was 62.9 percent, with the ratios ranging from 40.7 percent to 105.1 percent.

#### Lending in Assessment Area

**Table D - Lending Inside and Outside of the Assessment Area**

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	42	72	16	28	58	40,020	75	13,715	25	53,735
<b>Total</b>	<b>42</b>	<b>72</b>	<b>16</b>	<b>28</b>	<b>58</b>	<b>40,020</b>	<b>75</b>	<b>13,715</b>	<b>25</b>	<b>53,735</b>

Source: 1/01/2015-12/31/2017 Bank Data

CIB originated a majority of its commercial loans within the AA and had satisfactory performance. The bank originated 72 percent of the number of commercial loans and 75 percent of the dollar amount of commercial loans within its AA.

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

Based on the data in Table R, the borrower distribution of the bank's small loans to small businesses by revenues reflect reasonable penetration and falls within a

reasonable range of industry comparators. The bank meets the standard for satisfactory performance. In years 2015 and 2016, the proportion of loans was comparable to the aggregate. The volume of small business loans for 2017 is limited and presented for informational purposes only.

### **Geographic Distribution of Loans**

Based on the data in Table Q, the geographic distribution of the bank's small loans to businesses reflects excellent penetration. The geographic distribution for small business loans reflects excellent dispersion in low-income geographies and exceeds the demographic percentage of small businesses in low-income geographies in the AA. The geographic distribution for small business loans exceeds the demographic percentage of small businesses in moderate-income geographies in the AA. The volume of small business loans for 2017 is limited and presented for informational purposes only.

### **Responses to Complaints**

The bank did not receive any CRA-related complaints during the evaluation period.

## Appendix A: Scope of Examination

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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: 1/01/2015 to 12/31/2017	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
California International Bank Westminster, California	Commercial Loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
No affiliates		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Los Angeles-Long Beach-Santa Ana, California, MSA AA	Full-Scope	

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

Table A – Demographic Information of the Assessment Area						
Assessment Area: 2015 – 2016 Los Angeles-Long Beach-Santa Ana MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2,928	8.4	28.2	28.0	34.1	1.4
Population by Geography	12,826,366	7.7	29.5	29.0	33.5	0.3
Housing Units by Geography	4,467,039	7.0	26.3	28.5	38.1	0.1
Owner-Occupied Units by Geography	2,150,382	2.4	17.4	29.9	50.2	0.0
Occupied Rental Units by Geography	2,051,120	11.5	35.5	27.4	25.5	0.1
Vacant Units by Geography	265,537	9.3	27.5	26.2	36.9	0.1
Businesses by Geography	934,984	6.0	20.1	27.3	45.5	1.2
Farms by Geography	9,777	3.6	19.4	29.0	47.4	0.6
Family Distribution by Income Level	2,868,910	23.6	16.6	18.1	41.7	0.0
Household Distribution by Income Level	4,201,502	24.8	15.8	17.0	42.4	0.0
Median Family Income MSA - 11244 Anaheim-Santa Ana-Irvine, California, MD		\$83,735	Median Housing Value			\$543,218
Median Family Income MSA - 31084 Los Angeles-Long Beach- Glendale, California, MD		\$61,622	Median Gross Rent			\$1,214
			Families Below Poverty Level			11.3%
<i>Source: 2010 U.S. Census and 2016 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: 2017 Los Angeles-Long Beach-Santa Ana MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	2,928	9.1	28.0	26.0	35.1	1.8
Population by Geography	13,149,660	8.6	28.9	26.9	35.0	0.6
Housing Units by Geography	4,539,566	7.5	25.8	26.2	40.1	0.4
Owner-Occupied Units by Geography	2,080,491	2.7	17.6	27.5	52.2	0.1
Occupied Rental Units by Geography	2,190,202	12.0	33.7	25.1	28.4	0.7
Vacant Units by Geography	268,873	8.0	24.6	24.4	42.1	0.8
Businesses by Geography	977,491	5.0	19.4	25.4	48.2	1.9
Farms by Geography	10,491	3.6	18.6	28.1	48.9	0.8
Family Distribution by Income Level	2,912,214	24.4	16.3	17.0	42.3	0.0
Household Distribution by Income Level	4,270,693	25.6	15.5	16.1	42.8	0.0
Median Family Income MSA - 11244 Anaheim-Santa Ana-Irvine, California, MD		\$86,003	Median Housing Value			\$515,542
Median Family Income MSA - 31084 Los Angeles-Long Beach- Glendale, California, MD		\$62,703	Median Gross Rent			\$1,353
			Families Below Poverty Level			13.0%
<i>Source: 2015 ACS Census and 2017 D&amp;B Data</i>						
<i>Due to rounding, totals may not equal 100.0</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## **Description of Assessment Area**

The bank has one AA composed of the Los Angeles County and Orange County portion of the Los Angeles-Long Beach-Santa Ana, California, MSA.

### **Los Angeles County**

CIB designated a majority of Los Angeles County as its AA. It consists of the Los Angeles County line to the west, State Highway 118 and the Angeles National Forest to the north, Interstate 15 and the Riverside County line to the east, and the Orange County line to the southeast. The AA meets the requirements of the regulation and does not arbitrarily exclude low- and moderate-income (LMI) geographies. It includes 2,161 census tracts of the 2,346 census tracts in the Los Angeles-Long Beach-Glendale MD. Nine percent of the census tracts are low-income, 29 percent are moderate-income, 27 percent are middle-income, 32 percent are upper-income, and 2 percent of

the census tracts has not been assigned an income classification. CIB helps meet community credit needs in the Los Angeles AA through its office in Westminster, California.

Los Angeles County is located in southern California and covers over 4,000 square miles. It has an extensive transportation network, including seaports and airports, freeway systems, mass transit systems, rail systems, and cross-country railroads. The neighboring counties include Orange to the southeast, Kern to the north, San Bernardino to the east, and Ventura to the northwest. There are 88 incorporated cities in Los Angeles County and many unincorporated areas. The northern half of the county is lesser populated in inland areas; however, the southern half of the county is heavily urbanized.

The banking environment in the AA is highly competitive. The June 30, 2017 FDIC Deposit Market Share Report for the Los Angeles-Long Beach-Santa Ana, California, MSA indicates that 125 institutions with 2,423 offices compete for deposits in Los Angeles County and Orange County. The major competing institutions include Bank of America, N.A., Wells Fargo Bank, Union Bank, JPMorgan Chase Bank, CIT, City National Bank, and Citibank, N.A. These banks collectively hold 65 percent of the deposit market share. CIB ranks 109th and holds a market share of 0.01 percent. The banks that compete for deposits in the AA also compete for loans. In addition, there are numerous other institutions in the AA that do not collect deposits but do compete for loans in the AA, making it even more difficult for banks to compete for loans than deposits.

Los Angeles County has a diverse economic base. Historically, the leading industry clusters were tourism and hospitality, professional and business services, entertainment (motion picture and TV production), wholesale distribution, and health services and biomedical. More recently, the Los Angeles County economy has been largely technology driven, specifically the bio-medical, digital information technology, and environmental technology sectors, all of which build on the vibrant technical research capabilities in the county. The county also is the largest manufacturing center in the United States, and the seaports and airports support international trade. The Port of Los Angeles/Long Beach and the Los Angeles International Airport are two of the busiest transportation networks in the nation. The top employers are Kaiser Permanente, University of California - Los Angeles, Northrop Grumman Corporation, University of Southern California, Target Corporation, Kroger Corporation, Cedars Sinai Medical Center, Bank of America Corporation, The Boeing Company, Providence Health Systems, The Home Depot, USA Inc., Vons, Wells Fargo, Edison International, and AT&T.

In its 2018-2019 economic forecast, the Los Angeles County Economic Development Corporation (LACED) forecasted that in 2018-2019 the Los Angeles County economy will have steady growth. Personal income has grown and inflation-adjusted per capital income will continue to grow slightly. In December 2018, the unemployment rate in Los

Angeles County was 4.6 percent. This is above the 4.2 percent unemployment rate for the State of California and the 3.9 percent national unemployment rate.

We participated on a conference call with several development organizations that provide credit resources to small businesses in underserved communities in Los Angeles County. The representatives stated that high unemployment is still a major issue. Small business financing and technical assistance are a concern and still needed. Entrepreneurship is more visible in this county than in other areas of the state. Affordable housing is a challenge, and foreclosure issues remain. Examiners also contacted a national organization that provides capital and solutions to develop affordable housing for LMI persons and communities across the country, an ongoing need in the AA.

### Orange County

Orange County (OC) is primarily an urban area, with 34 incorporated cities and several unincorporated areas, which form the Anaheim-Santa Ana-Irvine MSA. The bank's AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies.

OC is the third largest county in California by population and covers 789 square miles of land. The estimated population is 3.1 million based on the 2015 ACS census. OC has extensive transportation facilities including airports, railroads, and freeways. The freeway system connects the county's labor force to employment centers in Los Angeles as well as providing extensive access within county borders. The county has 42 miles of southern California coastline with nine public beaches. The neighboring counties include Los Angeles County to the north, San Diego County to the south, and Riverside and San Bernardino Counties to the east.

OC consists of 583 census tracts: 6 percent are low-income, 26 percent are moderate-income, 33 percent are middle-income, and 34 percent are upper-income tracts, and one percent has not been assigned an income classification. The LMI tracts are located mainly in the central and northwestern parts of the county.

According to the 2015 ACS census, the median housing value in Los Angeles-Long Beach-Santa Ana, California, MSA was \$515,542. Approximately 45 percent of all housing units are owner-occupied. The average median family income was \$77,468. Approximately 658,618 or 15 percent of the households are living below the poverty level.

The county's economic output and employment is well distributed among the various sectors. OC is known for tourism, with attractions such as Disneyland, Knott's Berry Farm, and several beaches. OC also is the headquarters for several Fortune 500 companies, including Ingram Micro, Inc., First American Financial Corporation, Broadcom Corporation, Western Digital Corporation, and Pacific Life Insurance Company. Major employers include the Walt Disney Company, University of California -

Irvine, St. Joseph Health System, Boeing Company, Kaiser Permanente, and Bank of America Corporation.

Technology, tourism, and the renewed housing-related industries are the primary drivers of improvements in the county's economy. Private job gains are broadening across industries, and local and state government payrolls are stabilizing. OC's labor force is stabilizing. According to the Bureau of Labor Statistics, the OC unemployment rate was 2.6 percent in May 2018. OC's unemployment rate is one of the lowest among California regional economies and well below the state unemployment rate of 4.2 percent.

An OCC Community Affairs Officer participated on a conference call with several development organizations that provide credit resources to small businesses in underserved communities in Los Angeles and OC. The representatives stated that unemployment, while improving, continues to be a major issue. Small business financing and technical assistance are still needed. Affordable housing is a challenge, and foreclosure issues remain. Examiners also contacted an affiliate of a national affordable housing intermediary that focuses on affordable and safe housing solutions for LMI individuals and families, an ongoing need in the AA.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems.

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses 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. Because small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of

small loans (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. The table also presents aggregate peer data for the years the data is available.

**Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. 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 T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - 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. The table also presents aggregate peer data for the years the data is available.

**Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** – Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households throughout those geographies.

**Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MA/assessment area

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2015-16**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Los Angeles – Long Beach – Santa Ana MSA	30	24,115	100.0	523,485	6.0	10.0	5.1	20.1	36.7	18.7	27.3	43.3	27.0	45.5	10.0	48.4	1.2	0.0	0.9
<b>Total</b>	<b>30</b>	<b>24,115</b>	<b>100.0</b>	<b>523,485</b>	<b>6.0</b>	<b>10.0</b>	<b>5.1</b>	<b>20.1</b>	<b>36.7</b>	<b>18.7</b>	<b>27.3</b>	<b>43.3</b>	<b>27.0</b>	<b>45.5</b>	<b>10.0</b>	<b>48.4</b>	<b>1.2</b>	<b>0.0</b>	<b>0.9</b>

*Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2017**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Los Angeles – Long Beach – Santa Ana MSA	12	15,905	100.0	423,730	5.0	8.3	4.7	19.4	41.7	19.4	25.4	25.0	25.6	48.2	25.0	48.8	1.9	0.0	1.5
<b>Total</b>	<b>12</b>	<b>15,905</b>	<b>100.0</b>	<b>423,730</b>	<b>5.0</b>	<b>8.3</b>	<b>4.7</b>	<b>19.4</b>	<b>41.7</b>	<b>19.4</b>	<b>25.4</b>	<b>25.0</b>	<b>25.6</b>	<b>48.2</b>	<b>25.0</b>	<b>48.8</b>	<b>1.9</b>	<b>0.0</b>	<b>1.5</b>

*Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2015-16</b>
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Los Angeles – Long Beach – Santa Ana MSA	30	24,115	100.0	523,485	86.8	40.0	44.4	6.2	0.0	7.1	60.0
<b>Total</b>	<b>30</b>	<b>24,115</b>	<b>100.0</b>	<b>523,485</b>	<b>86.8</b>	<b>40.0</b>	<b>44.4</b>	<b>6.2</b>	<b>0.0</b>	<b>7.1</b>	<b>60.0</b>
<i>Source: 2016 D&amp;B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.            Due to rounding, totals may not equal 100.0</i>											

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2017</b>
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Los Angeles – Long Beach – Santa Ana MSA	12	15,905	100.0	423,730	86.9	8.3	53.0	6.2	8.3	6.9	83.3
<b>Total</b>	<b>12</b>	<b>15,905</b>	<b>100.0</b>	<b>423,730</b>	<b>86.9</b>	<b>8.3</b>	<b>53.0</b>	<b>6.2</b>	<b>8.3</b>	<b>6.9</b>	<b>83.3</b>
<i>Source: 2017 D&amp;B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA Aggregate Data, "--" data not available.            Due to rounding, totals may not equal 100.0</i>											