



PUBLIC DISCLOSURE

April 22, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Luther Burbank Savings
Charter Number 707960

804 Fourth Street
Santa Rosa, CA 95404-4505

Office of the Comptroller of the Currency

One Front Street
Suite 1000
San Francisco, CA 94111

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

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Overall CRA Rating

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

The following table indicates the performance level of **Luther Burbank Savings** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Luther Burbank Savings Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			X
Low Satisfactory	X	X	
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- An overall adequate distribution of loans in geographies of different income levels. We consider the distribution of multi-family loans is good and single-family loans (home mortgage and home refinance) is poor.
- An overall very poor distribution of loans to borrowers of different income levels. We consider the distribution of home mortgage loans very poor.
- The level of Community Development (CD) lending had a positive impact on the Lending Test in one of the two full-scope assessment areas (AA) and a neutral impact in the other full-scope AA and limited-scope areas.
- An adequate level of qualified investments, which are responsive to AA credit and community needs.
- A branch distribution system that is accessible to individuals living in low- and moderate-income geographies along with a good level of CD services.

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 metropolitan area (MA)/assessment area.

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

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

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

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

Description of Institution

Luther Burbank Savings (LBS or the bank) is a federally chartered savings association established in 1983 and headquartered in Santa Rosa, California. As of March 31, 2013, LBS had total assets of \$3.6 billion, total loans of \$3.3 billion, and Tier One Capital of \$433 million. LBS is an intrastate bank that operates eight full service branches in California with locations in Santa Rosa, San Rafael, Los Altos, San Jose, Encino, Burbank, Pasadena, and Beverly Hills. In addition to the branch network, LBS operates five loan production offices. In California, there are four loan production offices located in Santa Rosa, San Rafael, Walnut Creek, and Manhattan Beach. The fifth loan production is located in Seattle, Washington.

LBS is primarily a portfolio lender and rarely sells loans in the secondary market. LBS primarily relies on a network of mortgage brokers and other real estate professionals to originate loans, with an emphasis on multifamily residential properties (five or more units).

According to the FDIC Deposit Market Share Report, dated June 30, 2012, LBS had deposits of \$3.2 billion or 0.34 percent of the California market share. As of March 31, 2013, approximately 89.7 percent of total assets were represented by net loans of which the predominant amount (66 percent) was secured by multi-family residential properties. Other loans represented were one to four residential properties (25 percent), nonfarm nonresidential properties (7.5 percent) and construction loans (1 percent).

LBS offer a full range of banking services, including deposits, lending, an 800 number and 24 hour online banking. Although the bank's business strategy is not limited to any one business endeavor, its primary focus is multi-family residential properties.

There are no known legal, financial, or other factors impeding the bank's ability to help meet credit needs in its communities. The bank received a "Needs to Improve" in its previous CRA examination dated March 1, 2010.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We reviewed mortgage loans from January 1, 2010 through December 31, 2011. The mortgage loans reviewed were multifamily, home purchase, home improvement, and home refinance loans. Home improvement loans were not a primary loan product and were not evaluated. Primary loan products for this review are products in which the bank has originated the most loans within the AA during the evaluation period. We reviewed CD loans, investments, and services for the period March 1, 2010 through April 22, 2013.

Data Integrity

Prior to this CRA evaluation, we performed a data integrity examination to ensure the accuracy of the banks' publicly filed information on home mortgage loans. The data we reviewed was collected and reported by the bank over the evaluation period. The testing indicated no substantive inaccuracies in the data. Therefore, we concluded that the home mortgage loans data could be relied upon for this examination. Additionally, a sample of CD loans, investments, and services made or rendered during the evaluation period were reviewed to determine their eligibility for consideration. We included the sample of CD activities in this examination that met the definition of CD. Finally, we reviewed the appropriateness of the bank's processes for collecting and reporting home mortgage loan data. We found no substantive deficiencies in these processes.

Selection of Areas for Full-Scope Review

We performed full-scope reviews for two of the bank's AAs, including the Santa Rosa-Petaluma (Santa Rosa) MSA and Los Angeles-Long Beach-Santa Ana (Los Angeles) MSA. The Los Angeles MSA is comprised of two Metropolitan Divisions (MDs): Los Angeles-Long Beach-Glendale MD (Los Angeles County) and Santa Ana-Anaheim-Irvine MD (Santa Ana). While LBS has no branches, deposits or Automated Teller Machines (ATMs) in Santa Ana, LBS has elected to be evaluated under the whole Los Angeles MSA. The Santa Rosa MSA and Los Angeles MSA contained the largest percentage of the bank's deposits and loans. Combined, these areas accounted for 71.50 percent of total bank deposits as of June 30, 2012, and 74.7 percent of LBS's combined reportable loans as of December 31, 2012. Limited scope reviews were conducted in the San Jose MSA and San Francisco MSA.

Ratings

LBS's overall CRA rating is a blend of its performance under the Lending, Investment, and Service Tests. Under each of those tests, performance in the full-scope AAs carried the most weight. Additionally, when evaluating the bank's performance under the Lending Test, we placed a higher value on the bank's distribution of multifamily loans than the distribution of home purchase and home refinance loans, which received substantially less weight. We placed emphasis on multifamily lending due to its being the bank's primary lending focus and an expressed credit need in all AAs. Secondary emphasis was placed on home purchase and

home refinance given that LBS focusses upon the identified community needs for affordable housing through its multifamily lending product.

Community Contacts

We conducted contacts with two community organizations within the two full-scope AAs to identify community needs. One is a nonprofit organization that provides social services including substance abuse counseling and other services targeted to LMI women. The other organization has two missions: to provide home ownership and affordable housing for LMI individuals. According to these contacts, some of the most pressing financial needs and opportunities for financial institutions in the full-service AAs are as follows:

- Provide mortgage loans for new purchasers, including LMI individuals; and
- Provide financial support for affordable housing programs.

Fair Lending or Other Illegal Credit Practices Review

The bank's record of complying with the laws relating to discrimination and other illegal credit practices is satisfactory. The October 2012 fair lending examination concluded that LBS complies with fair lending laws and regulations. There were no violations cited with the Fair Housing Act, or the technical lending practices specifically prohibited, permitted or required under Regulation B (12 C.F.R. 202). We did not identify any evidence of disparate impact or discriminatory lending practices in loan underwriting terms or conditions. We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated **Low Satisfactory**. Based on full-scope reviews, the bank's performance in the Los Angeles MSA and the Santa Rosa MSA is adequate.

Lending Activity

The bank's overall lending activity in the state is good. This is primarily based on the bank's good multifamily lending activity, strong competition in the bank's AAs, and weak economic conditions during the evaluation period. In performing our analysis, greatest weight was placed on the bank's multifamily lending performance overall. Of single-family loan products, home purchase lending is weighted more heavily than home refinance lending.

Over the evaluation period, LBS originated 762 reportable home mortgage loans totaling \$828 million and 21 community development loans totaling \$21 million in its combined AAs. Multifamily loans represent the majority of the bank's reportable lending activity with 501 or 66 percent of total reportable loans by number, and \$581 million or 70 percent by dollar volume. As a percent of mortgage loans, home purchase loans represents 20 percent, home refinance represents 13 percent, and home improvement loans represent 1 percent. The bank offers commercial loans but this lending is not a primary lending product.

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

Los Angeles MSA

The bank's lending activity in the Los Angeles MSA reflects overall good performance. In the Los Angeles MSA, LBS granted 549 HMDA-reportable loans totaling \$613 million and 11 community development loans totaling \$14 million. Based on FDIC Deposit Market Share data as of June 30, 2012, LBS held a 0.35 percent market share of the dollar amount of deposits; ranking 28th among 150 FDIC insured financial institutions in the MSA. Based on deposits held in area branches as of June 30, 2012, LBS's local reportable loans- to- local deposit ratio was 52 percent.

Multifamily Lending

The bank's multifamily lending reflects excellent lending activity. The bank's multifamily loan market share exceeds its deposit market share in the Los Angeles MSA. In 2011, the bank achieved a 5.9 percent market share by number of multifamily loans, ranking 2 among 89 reporting lenders. In this MSA, multifamily lending represented 66 percent of its total HMDA lending in the MSA during the review period.

Single-Family Lending

The bank's single-family lending reflects overall good lending activity. The bank's home purchase lending market share exceeds its deposit market share but its home refinance lending market share is below its deposit market share in the Los Angeles MSA. In 2011, the bank achieved a 0.11 percent market share by number of home purchase loans, ranking 127 among 525 reporting lenders and the bank achieved a 0.02 percent market share by number of home refinance loans, ranking 222 among 646 reporting lenders. Home improvement lending represents less than two percent of total HMDA-reportable lending and has no impact on the bank's Lending Test rating. As noted in the market share ranks for home purchase and home refinance lending, there is a tremendous level of competition for these types of loans in the Los Angeles MSA. Mortgage lending competition is far higher than competition for deposits and basic banking services in the AA. Competition from mortgage lenders that do not take deposits in the AA distorts comparisons between lending market share and rank and deposit market share and rank. When filtering the home purchase and home refinance lending market share reports to eliminate banks with assets above \$10 billion and non-bank lenders, the bank's home purchase lending is excellent and home refinance lending is poor. Overall, home purchase lending represents a larger proportion of its single-family lending as thus is given more weight than its home refinance lending performance.

Santa Rosa MSA

The bank's lending activity in the Santa Rosa MSA reflects overall adequate performance. In the Santa Rosa MSA, LBS granted 20 HMDA-reportable loans totaling \$13 million and 7 community development loans totaling \$5 million. Based on FDIC Deposit Market Share data as of June 30, 2012, LBS held an 11.1 percent market share of the dollar amount of deposits; ranking third among 22 FDIC insured financial institutions in this AA. Based on deposits held in area branches as of June 30, 2012, LBS's local reportable loans- to- local deposit ratio is only 1 percent. Other factors as described below led to the adequate performance conclusion.

Multifamily Lending

The bank's multifamily lending reflects excellent lending activity. The bank's multifamily loan market share exceeds its deposit market share in the Santa Rosa MSA. The bank achieved a 14.9 percent market share by number of multifamily loans, ranking second among 19 reporting lenders. In this AA, multifamily lending represented 45 percent of its total HMDA lending during the review period.

Single-Family Lending

The bank's single-family lending reflects overall poor lending activity. The bank's home refinance and home purchase lending market shares are significantly below its deposit market share in the Santa Rosa MSA. The bank achieved a 0.02 percent market share by number of home purchase loans, ranking 168 among 201 reporting lenders; the bank achieved a 0.05 percent market share by number of home refinance loans, ranking 113 among 270 reporting lenders; and the bank achieved a 0.27 percent market share by number of home improvement loans, ranking 39 among 58 reporting lenders. As noted in the bank's home refinance and

home purchase lending market shares, there is significantly more competition for single-family mortgage loans in the Santa Rosa MSA than there are depository financial institutions. Competition from mortgage lenders that do not take deposits in the AA distorts comparisons between lending market share and rank and deposit market share and rank. However, filtering the home purchase and home refinance lending market share reports to eliminate banks with assets above \$10 billion and non-bank lenders, does not improve that bank's market shares and ranks to improve its performance under this component.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Overall, the bank's geographic distribution of home mortgage loans, including multifamily lending reflects adequate penetration throughout the Los Angeles MSA and the Santa Rosa MSA.

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

Los Angeles MSA

The distribution of LBS's home mortgage loans within geographies of different income levels in the Los Angeles MSA is adequate.

Los Angeles MD

The distribution of LBS's home mortgage loans within geographies of different income levels in the Los Angeles MD is adequate. The bank's multifamily lending reflects good responsiveness. The bank's home refinance lending is excellent but its home purchase lending reflects very poor responsiveness. Given that multifamily lending accounts for 69 percent of AA lending, more weight is given to the bank's multifamily lending performance overall. For single-family loan products, home purchase lending carries more weight than home refinance as home purchase lending represents a larger proportion of the bank's single-family lending.

Multifamily Lending

The geographic distribution of the bank's multifamily lending is good. The bank's percentage of lending secured by multifamily dwellings is below the percentage of multifamily housing units in low-income census tracts but exceeds the percentage of multifamily housing units in moderate-income census tracts. The bank's multifamily lending within low-income census tracts is below the 2011 HMDA aggregate and above the aggregate in moderate-income census tracts. In 2011, the bank's market share of multifamily lending in low-income census tracts is below its overall market share of multifamily lending and exceeds its overall market share of lending in moderate-income geographies. Lending in low-income census tracts is adequate while lending in moderate-income census tracts is excellent. Equal weighting is given to lending in low-income and lending in moderate-income census tracts.

Single-Family Lending

The geographic distribution of the bank's single-family lending is poor. While geographic distribution of home refinance loans is excellent, home purchase lending is a more dominant lending focus for the bank and therefore more weight is given to home purchase lending performance.

The geographic distribution of the bank's home purchase lending is very poor. The bank's percentage of lending for home purchase is significantly below the percentage of owner-occupied housing in both low- and moderate-income census tracts. The bank's home purchase lending within low- and moderate-income census tracts is also significantly below the 2011 HMDA aggregate. In 2011, the bank's market share of home purchase lending in low- and moderate-income geographies is significantly below its overall market share of home purchase lending within the AA. Filtering out banks with assets exceeding \$10 billion and non-banks does not appreciably improve the bank's performance.

The geographic distribution of the bank's home refinance lending is excellent. The bank's percentage of lending for home refinance exceeds the percentage of owner-occupied housing in both low- and moderate-income census tracts. The bank's home refinance lending within both low- and moderate-income census tracts exceeds the 2011 HMDA aggregate. In 2011, the bank's market share of home refinance lending in low-income geographies exceeds its overall market share of home refinance loans, but is below its overall market share of this type of lending in moderate-income geographies. Filtering out banks with assets exceeding \$10 billion and non-banks does not appreciably improve the bank's performance.

The volume of the bank's home improvement lending is too low to perform any meaningful analysis. The bank only originated four home improvement loans in this AA during the evaluation period and none were located in low- or moderate-income census tracts.

Santa Ana MD

The distribution of LBS's home mortgage loans within geographies of different income levels in the Santa Ana MD is adequate. The bank's multifamily lending reflects excellent responsiveness. The bank's home purchase and home refinance lending reflects very poor responsiveness. Given that multifamily lending accounts for 52 percent of AA lending and the bank's business focus is in multifamily lending, more weight is given to the bank's multifamily lending performance overall.

Multifamily Lending

The geographic distribution of the bank's multifamily lending is excellent. The bank's percentage of lending secured by multifamily dwellings exceeds the percentage of multifamily housing units in low- and moderate-income census tracts. The bank's multifamily lending within low-income census tracts exceeds the 2011 HMDA aggregate and is slightly below the aggregate in moderate-income census tracts. In 2011, the bank's market share of multifamily lending in low-income census tracts is below its overall market share of multifamily lending, and lending in moderate-income census tracts is below but near to its overall multifamily market share.

Single-Family Lending

The geographic distribution of the bank's single-family lending is very poor.

The geographic distribution of the bank's home purchase lending is very poor. The bank's percentage of lending for home purchase is significantly below the percentage of owner-occupied housing in both low- and moderate-income census tracts. The bank did not grant any loans in low-income census tracts. The bank's home purchase lending within low- and moderate-income census tracts is also significantly below the 2011 HMDA aggregate. In 2011, the bank's market share of home purchase lending in low- and moderate-income geographies is significantly below its overall market share of home purchase lending within the AA. Filtering out banks with assets exceeding \$10 billion and non-banks does not appreciably improve the bank's performance.

The geographic distribution of the bank's home refinance lending is very poor. The bank did not grant any home refinance loans within low- or moderate-income census tracts.

The volume of the bank's home improvement lending is too low to perform any meaningful analysis. The bank only originated four home improvement loans in this AA during the evaluation period and none were located in low- or moderate-income census tracts.

Santa Rosa MSA

The distribution of LBS's home mortgage loans within geographies of different income levels in the Santa Rosa MSA is adequate. The bank's multifamily lending reflects excellent responsiveness. The bank's home refinance and home purchase lending reflects very poor responsiveness. Multifamily lending accounts for 45 percent of AA lending, home refinance lending represents 35 percent and home purchase lending represents 15 percent. Overall performance is weighted in accordance with the bank's business strategy and staffing allocation focused on multifamily lending.

Multifamily Lending

The geographic distribution of the bank's multifamily lending is excellent. The bank's percentage of lending secured by multifamily dwellings exceeds the percentage of multifamily housing units in moderate-income census tracts. The bank's multifamily lending within moderate-income census tracts exceeds the 2011 HMDA aggregate. In 2011, the bank's market share of multifamily lending in moderate-income census tracts exceeds its overall market share of multifamily lending in the AA. There are no low-income census tracts in the Santa Rosa MSA. Although the volume of multifamily loans is low, the bank is a market leader in this type of lending, ranking second of 19 for all multifamily loans in 2011 and ranking first for multifamily loans in moderate-income census tracts.

Single-Family Lending

The geographic distribution of the bank's single-family lending is very poor. Overall loan volume was too low to analyze and none of the loans were granted in moderate-income census tracts.

The volume of the bank's home purchase lending is too low to perform any meaningful analysis. The bank only originated three home purchase loans in this AA during the evaluation period and none were located in moderate-income census tracts.

The volume of the bank's home refinance lending is too low to perform any meaningful analysis. The bank only originated seven home refinance loans in this AA during the evaluation period and none were located in moderate-income census tracts.

The volume of the bank's home improvement lending is too low to perform any meaningful analysis. The bank only originated one home improvement loan in this AA during the evaluation period and it was not located in a moderate-income census tract.

Lending Gap Analysis

We reviewed summary reports and maps and analyzed LBS's home mortgage lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps. All of the bank's AAs consist of whole geographies, meet the requirements of the CRA regulation, and do not arbitrarily exclude any low- or moderate-income areas.

Inside/Outside Ratio

This ratio is a bank-wide calculation and is not calculated by individual AA. Analysis is limited to bank originations and purchases, if applicable, and does not include affiliate lending. For the evaluation period, a high percentage of loans are made in the bank's AAs. By both number and dollar volume of HMDA-reportable loans, 77 percent of the bank's loans are inside the AAs.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Overall, the bank's distribution of home mortgage loans among borrowers of differing income levels reflects poor penetration throughout the Los Angeles MSA and the Santa Rosa MSA.

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.

Los Angeles MSA

The distribution of LBS's home mortgage loans among borrowers of different income levels in the Los Angeles MSA is overall very poor.

Los Angeles MD

The distribution of LBS's home mortgage loans among borrowers of different income levels in the Los Angeles MD is very poor. The bank did not make any loans to low- or moderate-income borrowers. Given that multifamily lending accounts for 69 percent of AA lending and borrower income information is not obtained on multifamily lending, performance under this component is not weighted as heavily as Distribution of Loans by Income Level of the Geography.

Santa Ana MD

The distribution of LBS's home mortgage loans among borrowers of different income levels in the Santa Ana MD is very poor. The bank did not make any loans to low- or moderate-income borrowers. Given that multifamily lending accounts for 52 percent of AA lending and borrower income information is not obtained on multifamily lending, performance under this component is not weighted as heavily as Distribution of Loans by Income Level of the Geography.

Santa Rosa MSA

The distribution of LBS's home mortgage loans among borrowers of different income levels in the Santa Rosa MSA is poor. The volume of the bank's home purchase and home refinance lending is too low to analyze and ultimately reflects very poor responsiveness. Given the bank's business strategy and staffing allocation focused on multifamily lending, performance under this component is weighted less heavily than its performance under Distribution of Loans by Income Level of the Geography.

Community Development Lending

LBS's level of CD lending positively impacts its overall lending performance in the Los Angeles MSA and has a neutral impact on the Santa Rosa MSA.

Los Angeles MSA

CD lending has a positive impact on lending performance in the Los Angeles MSA. The bank reported 11 loans totaling \$14.2 million. The volume represents 8.9 percent of allocated Tier One capital. Ten of the bank's CD loans (CDLs) totaling \$13.5 million were qualifying multifamily loans that provide affordable housing to low- and moderate-income individuals. One loan (multiple advances) for \$753 thousand is part of a \$1 million line of credit commitment for the purchase of homes for redevelopment and occupancy of low- and moderate-income individuals.

Santa Rosa MSA

CD lending has a neutral impact on lending performance in the Santa Rosa MSA. The bank reported seven loans totaling \$5.5 million. The volume represents 3.7 percent of allocated Tier One capital. Five of the bank's CDLs totaling \$4.8 million were qualifying multifamily loans that provide affordable housing to low- and moderate-income individuals. One loan totaling \$547 thousand provides housing and social services for low- and moderate-income women and their children and one loan totaling \$163 thousand provides affordable homeownership opportunities for low- and moderate-income families.

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 multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

Product Innovation and Flexibility

LBS's product flexibility has a neutral impact on its Lending Test conclusions. As of this evaluation period, the bank participated in FHA/VA loan programs and applied for, and was awarded Workforce Initiative Subsidy for Homeownership (WISH) down payment assistance grants to assist low- and moderate-income homebuyers. The bank, however, did not make many loans through these programs during the review period.

The bank has implemented additional affordable housing financing programs in 2012 and is developing more innovative financing programs in 2013.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the lending test in the San Francisco-Oakland MSA and the San Jose MSA is not inconsistent with the bank's overall Low Satisfactory performance under the lending test. Refer to Tables 1 through 13 in appendix C for the facts and data that support these conclusions.

INVESTMENT TEST

The bank's performance under the Investment Test is rated **Low Satisfactory**. Based on a full-scope review, the bank's performance in the Santa Rosa MSA and Los Angeles MSA is adequate. Performance in the limited-scope AAs did not impact the bank's Investment Test rating.

Conclusions for Areas Receiving Full-Scope Reviews

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

Santa Rosa MSA

Overall, the bank's Investment Test performance in the Santa Rosa AA is adequate. During the evaluation period, LBS purchased 10 investments in the Santa Rosa AA totaling \$4.96 million. In addition, the bank made \$131 thousand to charitable organizations. This represented approximately 3.4 percent of allocated Tier 1 Capital. In addition, we considered the ongoing impact that investments made prior to the current evaluation period had within the AA. The remaining balance on two prior period investments as of the date of our examination was \$398 thousand. When considering both current and prior period investments, the total of \$5.5 million represents approximately 3.67 percent of allocated Tier 1 Capital for the AA.

The bank's responsiveness to the CD needs in the AA is adequate. In terms of total dollar amount, 67 percent of the bank's investments and grants were made to organizations focused on affordable housing. This includes \$3.2 million in mortgage-backed securities where the underlying mortgages were made to LMI borrowers. The remaining investments and grants were made to organizations focused on economic development and community services. Significant investments included \$1.4 million with a CRA Qualified Investment Fund Bond, which provides securities targeting single-family, multi-family and economic development loan-backed securities. In addition, the bank donated real estate owned valued at \$290 thousand to an organization that develops affordable housing in Santa Rosa.

Funding for affordable housing is one of the main identified CD needs in the AA. There are several nonprofit organizations located in Santa Rosa that provide ample investment opportunities for financial institutions in the AA. These organizations provide affordable housing and community services to LMI families, economic development activities, and small business financial and educational support.

Los Angeles MSA

Overall, the bank's investment performance in the Los Angeles MSA is good. During the evaluation period, LBS purchased 13 investments in the Los Angeles AA totaling \$6.4 million. In addition, the bank made \$164 thousand to charitable organizations. This represented approximately 4 percent of allocated Tier 1 Capital. In addition, we considered the ongoing impact that investments made prior to the current evaluation period had within the AA. There were no prior period investments.

The bank's responsiveness to the CD needs in the AA is good. In terms of total dollar amount, 62 percent of the bank's investments and grants were made to organizations focused on affordable housing. This includes \$4 million in mortgage-backed securities where the underlying mortgages were made to LMI borrowers. The remaining investments and grants were made to organizations focused on economic development, community services and to purchase several certificate of deposits in minority-owned financial institutions. Funding for small businesses for the purpose of business expansion and acquiring assets, affordable housing, and multi-family housing are some of the identified CD needs in the AA. There are ample investment opportunities for financial institutions in the AA. There are community development corporations, community development financial institutions and several nonprofit organizations located in and serving the greater Los Angeles area. These

organizations provide affordable housing and community services to LMI families as well as promote economic development activities.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance in the San Francisco – Oakland MSA is not inconsistent with the bank's overall "Low Satisfactory" performance under the Investment Test and is considered adequate. However, performance in the San Jose MSA was weaker due to a lower level of investments and is considered poor. The combined performance in the limited-scope AAs was not significant enough to impact the overall rating for the bank. Refer to Table 14 in Appendix C for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

LBS's performance under the Service Test is rated "High Satisfactory." Based on full-scope reviews, the bank's performance in the Santa Rosa MSA is excellent, and in the Los Angeles MSAs good.

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.

Santa Rosa MSA

LBS's branch distribution in the Santa Rosa MSA is excellent. LBS has one branch in this AA, which is accessible to geographies and individuals of different income levels in the AA. There are no low-income CTs in the AA. The branch distribution in moderate-income CTs exceeds the percentage of the population in moderate-income CTs. While LBS does not have Automated Teller Machines (ATM) located within the branch or at a stand-alone site, LBS does provide ATM/point of sale cards to its deposit customers to allow cash withdrawals at any ATM and to make purchases wherever point of sale transactions are accepted. All service fees charged to the customer are reimbursed with no limits. Branch openings and closings have not affected the overall accessibility of the bank's delivery systems. Branch services and hours did not vary in a way that would inconvenience portions of the AA, particularly LMI individuals.

Los Angeles MSA

LBS's branch distribution in the Los Angeles MSA is adequate. Branches are accessible to geographies and individuals of different income levels in the AA. LBS has four branches in this AA that are located in upper-income geographies. While there are no branches in low-income CTs, the percentage of the population in low-income CTs is very low. There are no branches in moderate-income CTs, which is significantly below the percentage of the population in moderate-income geographies. However, accessibility in moderate-income tracts improved after considering near-to branches. LBS has one branch that is near to moderate-income CTs.

Near-to branches are those located in middle- or upper-income CTs that are within one half mile from a low- or moderate-income CT.

While LBS does not have ATM's located within the branches or at a stand-alone site, LBS does provide ATM/point of sale cards to its deposit customers to allow cash withdrawals at any ATM and to make purchases wherever point of sale transactions are accepted. All service fees charged to the customer are reimbursed with no limits. Branch openings and closings have not adversely affected the overall accessibility of the bank's delivery systems. During the rating period, the bank opened one branch located in an upper-income CT. Branch services and hours did not vary in a way that would inconvenience portions of the AA, particularly LMI individuals.

Community Development Services

LBS employees in the Los Angeles MSA and the Santa Rosa MSA provided an excellent level of community development services. Bank employees participated in a variety of organizations and partnerships, some in leadership roles, that benefited LMI individuals, promoted economic development, and provided affordable housing. They also provided technical assistance on financial and banking related matters to numerous community groups, low- and moderate-income persons and families, and small businesses.

Los Angeles MSA

In the Los Angeles MSA, LBS employees provided their expertise to 26 different community development organizations. Examples of LBS's community development services are listed below.

Los Angeles and Orange County Neighborhood Housing Services – Bank employee has served on the Board of Directors of each organization, as well as Chairperson of the Lending Council, Loan Committee and Audit Committee which primarily focus on LMI borrowers becoming homeowners. In addition, other bank employees have been a presenter at a HUD certified first time homebuyer seminar where information about lending programs and down payment assistance programs were provided to attendees.

The Van Meter Multipurpose Center – Bank employee developed and conducted the first in a series of homeownership seminars targeted to local residents in a low and moderate-income neighborhood in South Central Los Angeles. The seminar focused on "Avoiding Foreclosure" and provided foreclosure prevention information. There were 35 attendees at this event.

LBS has a participation in the Federal Home Loan Bank of San Francisco's (FHLB) Affordable Housing Program (AHP) and Access to Housing and Economic Assistance for Development (AHEAD). Participation in the FHLB's subsidy programs is a long-term commitment by member bank sponsors. The bank's community development services, in relation to the FHLB's grant programs, do not end with submission and sponsoring of grant subsidies. While the bank has not sponsored any grant funds to local community development organizations during this evaluation period, the bank has provided on-going monitoring of 11 projects' sponsored funds to ensure compliance with the terms and restrictions of the projects.

Santa Rosa MSA

In the Santa Rosa MSA, LBS employees provided their expertise to 14 different community development organizations and programs. Examples of LBS's community development services are listed below.

Sonoma County Task Force for the Homeless – An LBS employee provided technical expertise as a member of the Sonoma County Homeless County Task Force. The Task Force was developed to address the growing need for affordable housing and support services targeted to homeless individuals.

Council on Aging – An LBS employee reviewed financial statements and served as an Audit Committee Member at this non-profit organization whose primary purpose is to provide services and programs that benefit low-income seniors. One of their primary programs is “Meals on Wheels” which assists low-income seniors in meeting the nutritional needs of seniors through a food distribution program.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the San Francisco MSA AA and the San Jose MSA is weaker than the bank's overall “High Satisfactory” performance under the Service Test and is considered adequate. Performance differences in these areas are not significant enough to impact the bank's overall rating. Refer to Table 15 in Appendix C for the facts and data that support these conclusions.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD Loans): 1/1/2010 to 12/31/2011 Investment and Service Tests and CD Loans: 3/1/2010 to 4/22/2013	
Financial Institution	Products Reviewed	
Luther Burbank Savings Santa Rosa, CA	Home Mortgage, Home Purchase, Home Refinance loans, Community Development Loans, Investments, and Services	
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Los Angeles-Long Beach-Santa Ana MSA	Full-Scope	Los Angeles and Orange Counties
Santa Rosa-Petaluma MSA	Full-Scope	Sonoma County
San Francisco-Oakland-Fremont MSA	Limited-Scope	Alameda, Contra Costa, San Francisco, San Mateo and Marin Counties
San Jose-Sunnyvale-Santa Clara MSA	Limited-Scope	Santa Clara and San Benito Counties

Appendix B: Market Profiles for Full-Scope Areas

Los Angeles-Long Beach-Glendale, CA MD

Demographic Information for Full Scope Area: Los Angeles-Long Beach-Glendale, CA MD						
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		46,509	Median Housing Value		240,248	
HUD Adjusted Median Family Income for 2011		64,000	Unemployment Rate (2000 US Census)		3.72%	
Households Below Poverty Level		15%				

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

The Los Angeles-Long Beach-Glendale MD is comprised of Los Angeles County: a diverse urban area that includes more than 80 cities and a number of unincorporated areas. The assessment area meets regulatory requirements and does not arbitrarily exclude low- or moderate-income areas. Los Angeles County is the most populous county in the State of California with nearly 10.0 million residents as of 2012, an increase of 144,000 since the 2010 Census.

The HUD-adjusted median family income for 2011 is \$64,000. The poverty rate as of the 2000 Census was 15 percent. Approximately 37 percent of the census tracts in Los Angeles County are designated as low- or moderate-income and 37 percent of the population resides in these low- and moderate-income geographies.

Los Angeles and Long Beach are home to the two busiest ports in the country and international trade is an important driver to the Los Angeles economy. In addition to the trade sectors, leading industries include government, professional/business services, health and education services, hospitality services, and manufacturing. Major employers include Kaiser Permanente, Northrop Grumman Corporation, and Bank of America. Economic conditions significantly declined between 2008 and 2010 and modestly improved in 2011 and 2012. According to the Bureau of Labor Statistics, the average unemployment rate was 7.5 percent in 2008 and rose significantly to 11.6 percent in 2009. The average annual unemployment rate exceeded 12 percent in 2010 and 2011 but declined to 10.9 percent in 2012.

Housing in the Los Angeles-Long Beach-Glendale MD is expensive. According the U.S. Census Bureau's 5-Year American Community Survey (2007-2011), Los Angeles County's affordability ratio was 8.50, or 241 percent of the national ratio. The Affordability Ratio measures homeownership opportunity by dividing the median value of owner occupied housing by the median household income of the area. The National Association of Home Builder's (NAHB) Housing Opportunity Index (HOI) for 4th Quarter 2011 further substantiates the high cost of housing in the county. The HOI for the Los Angeles-Long Beach-Glendale MD was 48.3 based on the Median Income in 2011 and the median home sales price of \$295,000 during fourth-quarter 2011. This metropolitan division ranked 220 out of 225 metropolitan areas monitored nationally. The HOI is defined as the share of homes sold in that area that would have been affordable to a family earning the median income. Based on the median home sales price and median family income, homeownership opportunities are limited for low- and moderate-income individuals. Accumulating sufficient funds for down payment on a median priced home is a barrier for both low- and moderate-income homebuyers and the mortgage payment, alone, on a median priced home with 20 percent down payment exceeds 30 percent of a low-income individual's income. Another barrier to homeownership for low-, moderate-, and middle-income individuals is investor and cash buyers that compete for available housing stock for investment purposes. According to the 5-year American Community Survey from 2007 through 2011, the homeownership in Los Angeles County is 47.8 percent.

As of June 30, 2012, there are 124 financial institutions with branch operations in Los Angeles County. According to the June 30, 2012 FDIC's Summary of Deposits report, LBS ranks 25 with 0.45 percent deposit market share. LBS has deposits of \$1.2 billion distributed among four branches serving Los Angeles County. Bank of America is the number one institution in the county with 16.9 percent of the deposit market share, followed by Wells Fargo Bank and Union Bank of California with 15.2 percent and 11.8 percent market shares respectively.

Community contacts indicate a variety of needs, including affordable housing; small business financing, including micro loans; multifamily housing that can accommodate large families; financial services, particularly branches in the unbanked and under-banked communities; foreclosure prevention counseling; job training/work force development; basic literacy and education skills. Opportunities for financial institutions include 1) participation in community based loan funds; 2) provision of services to, or through, community development organizations; 3) lending, investment, and/or services activities through local CDFIs and CDCs; and 4) supporting businesses through loans and investments in the areas targeted for economic development.

Santa Ana-Anaheim-Irvine CA MD

Demographic Information for Full Scope Area: Santa Ana-Anaheim-Irvine CA MD						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	577	3.64	26.86	33.10	36.22	0.17
Population by Geography	2,846,289	4.95	30.96	31.84	32.26	0.00
Owner-Occupied Housing by Geography	574,193	1.25	19.56	33.56	45.63	0.00
Business by Geography	368,357	2.38	25.49	33.63	37.70	0.80
Farms by Geography	3,788	2.48	26.03	32.87	38.36	0.26
Family Distribution by Income Level	673,912	20.69	17.97	20.68	40.65	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	260,573	7.49	42.05	32.12	18.35	0.00
Median Family Income		64,321	Median Housing Value		275,476	
HUD Adjusted Median Family Income for 2011		84,200	Unemployment Rate (2000 US Census)		2.50%	
Households Below Poverty Level		8%				

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

The Santa Ana-Anaheim-Irvine MD covers Orange County. The assessment area meets regulatory requirements and does not arbitrarily exclude low- or moderate-income areas. Orange County's population is 3.1 million as of 2012, an increase of 80,000 since the 2010 Census.

The HUD-adjusted median family income for 2011 is \$84,200. The poverty rate as of the 2000 Census was 8 percent. Approximately 31 percent of the census tracts in Orange County are designated as low- or moderate-income and 36 percent of the population resides in these low- or moderate-income geographies.

Leading industries include trade, professional and business services, hospitality services, and health and education services. Large employers in Orange County include Walt Disney Company, the University of California Irvine, Boeing, St. Joseph Health System and Albertsons. Economic conditions declined between 2008 and 2010 and modestly improved in 2011 and 2012. According to the Bureau of Labor Statistics, the average unemployment rate was 5.3 percent in 2008. The unemployment rate rose significantly to 8.9 percent in 2009 and rose further in 2010 to 9.5 percent. The average annual unemployment rate declined to 8.8 percent in 2011 and further declined to 7.6 percent in 2012.

Housing in Orange County is expensive. According to the U.S. Census Bureau's 5-Year American Community Survey (2007-2011), Orange County's affordability ratio was 7.59, which is 2 times the national ratio. The Affordability Ratio measures homeownership opportunity by dividing the median value of owner occupied housing by the median household income of the area. The National Association of Home Builders' (NAHB) Housing Opportunity Index (HOI)

for 4th Quarter 2011 further substantiates the high housing costs in the county. The HOI for the Santa Ana-Anaheim-Irvine MSA was 47.4 based on the Median Family Income in 2011 and the median home sales price of \$392,000 during fourth-quarter 2011. This MSA ranked 222 out of 225 metropolitan areas monitored nationally. The HOI is defined as the share of homes sold in that area that would have been affordable to a family earning the median income. Based on these measures, homeownership opportunities are limited for low- and moderate-income individuals. Accumulating sufficient funds for down payment on a median priced home is a barrier for both low- and moderate-income homebuyers and the mortgage payment, alone, on a median priced home with 20 percent down payment exceeds 30 percent of a low-income individual's income. Homeownership opportunities are further limited for low-, moderate-, and middle-income individuals as they compete with investors and cash-buyers for short sale and foreclosed properties. According to the 5-year American Community Survey from 2007 through 2011, the homeownership rate in Orange County is 60.3 percent.

As of June 30, 2012, there are 94 financial institutions with branch operations in Orange County. LBS does not operate any branches in this AA. Wells Fargo is the number one institution in the county with 21.7 percent of the deposit market share, followed by Bank of America and JP Morgan Chase Bank with 18.4 percent and 10.0 percent market shares respectively.

Information from community contacts identified the following needs:

Support for foreclosure prevention programs, especially those targeted to LMI persons and families; Housing and supportive services for homeless persons; Support for endeavors that will increase the supply and the quality of affordable housing; and Support for endeavors that will improve the quality and increase the quantity of neighborhood facilities serving LMI persons and areas.

Santa Rosa-Petaluma CA MSA

Demographic Information for Full Scope Area: Santa Rosa-Petaluma CA MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	86	0.00	13.95	73.26	12.79	0.00
Population by Geography	458,614	0.00	14.38	69.79	15.83	0.00
Owner-Occupied Housing by Geography	110,511	0.00	9.17	71.27	19.56	0.00
Business by Geography	52,307	0.00	13.94	69.95	16.10	0.00
Farms by Geography	2,135	0.00	5.95	80.70	13.35	0.00
Family Distribution by Income Level	113,645	17.73	18.87	24.32	39.08	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	41,594	0.00	18.30	71.16	10.54	0.00
Median Family Income		61,922	Median Housing Value		271,480	
HUD Adjusted Median Family Income for 2011		81,500	Unemployment Rate (2000 US Census)		2.23%	
Households Below Poverty Level		7%				

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

The Santa Rosa-Petaluma MSA covers Sonoma County. The assessment area meets regulatory requirements and does not arbitrarily exclude low- or moderate-income areas. Sonoma County’s population is approximately 492,000 as of 2012, an increase of 8,000 since the 2010 Census.

The HUD-adjusted median family income for 2011 is \$81,500. The poverty rate as of the 2000 Census was 7 percent. Approximately 14 percent of the census tracts in Sonoma County are designated as moderate-income and 14 percent of the population resides in these moderate-income geographies. There are no low-income census tracts in the county as of the 2000 Census.

Leading industries include trade, government, health and education services, and professional and business services. Major employers in Sonoma County include Kaiser Permanente, St. Joseph Health Systems, and Agilent Technologies. Economic conditions significantly declined between 2008 and 2010 and modestly improved in 2011 and 2012. According to the Bureau of Labor Statistics, the average unemployment rate was 5.7 percent in 2008. The unemployment rate rose significantly to 9.6 percent in 2009 and rose further in 2010 to 10.5 percent. The average annual unemployment rate declined to 9.8 percent in 2011 and further declined to 8.6 percent in 2012.

Housing in Sonoma County is expensive. According the U.S. Census Bureau’s 5-Year American Community Survey (2007-2011), Sonoma County’s affordability ratio was 7.42, which is 2 times the national ratio. The Affordability Ratio measures homeownership opportunity by dividing the median value of owner occupied housing by the median household

income of the area. The National Association of Home Builder's (NAHB) Housing Opportunity Index (HOI) for 4th Quarter 2011 further substantiates the high housing costs in the county. The HOI for the Santa Rosa-Petaluma MSA was 70.5 based on the Median Family Income in 2011 and the median home sales price of \$280,000 during fourth-quarter 2011. This MSA ranked 194 out of 225 metropolitan areas monitored nationally. The HOI is defined as the share of homes sold in that area that would have been affordable to a family earning the median income. Based these measures, homeownership opportunities are limited for low- and moderate-income individuals. Accumulating sufficient funds for down payment on a median priced home is a barrier for both low- and moderate-income homebuyers and the mortgage payment, alone, on a median priced home with 20 percent down payment exceeds 30 percent of a low-income individual's income. According to the 5-year American Community Survey from 2007 through 2011, the homeownership rate in Sonoma County is 61.5 percent.

As of June 30, 2012, there are 22 financial institutions with branch operations in Sonoma County. According to the June 30, 2012 FDIC's Summary of Deposits report, LBS ranks 3 with 11.1 percent deposit market share. LBS has deposits of \$1.1 billion in a single branch serving Sonoma County. Wells Fargo and Exchange Bank occupy the top two spots with deposit market shares of 25.1 percent and 13.9 percent, respectively.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/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. [Note: Do not renumber the tables.]

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

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For

borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

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

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

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

Institution ID: LUTHER BURBANK SAVINGS (10000707960) (Included)

Table 1. Lending Volume

LENDING VOLUME												
Geography: CALIFORNIA												
Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011												
Assessment Area (2011):	% of Rated Area Loans (#) in MA/AA [*]	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans ^{**}		Total Reported Loans		% of Rated Area Deposits in MA/AA ^{***}
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Los Angeles- Long Beach- Glendale CA MD	58.24	445	484,771	0	0	0	0	11	14,219	456	498,990	36.93
Santa Ana-Anaheim-Irvine CA MD	13.28	104	127,840	0	0	0	0	0	0	104	127,840	0.00
Santa Rosa-Petaluma CA MSA	3.45	20	13,240	0	0	0	0	7	5,523	27	18,763	34.57
Limited Review:												
Oakland-Fremont-Hayward CA MD	5.75	45	54,486	0	0	0	0	0	0	45	54,486	0.00
San Francisco-San Mateo-Redwood City CA MD	11.75	90	94,699	0	0	0	0	2	1,397	92	96,096	19.00
San Jose CA AA (Santa Clara County)	7.54	58	53,089	0	0	0	0	1	700	59	53,789	9.50

^{*} Loan Data as of December 31, 2011. Rated area refers to either state or multi-state MA rating area.

^{**} The evaluation period for Community Development Loans is from January 01, 2010 to April 22, 2013.

^{***} Deposit Data as of June 30, 2012. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: LUTHER BURBANK SAVINGS (10000707960) (Included)

Table 1. Other Products

LENDING VOLUME		Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011								
Assessment Area (2011):	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:														
Los Angeles- Long Beach-Glendale CA MD	0.00	0	0	0	0	0	0	0	0	0	0	0	0	36.93
Santa Ana-Anaheim-Irvine CA MD	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0.00
Santa Rosa-Petaluma CA MSA	0.00	0	0	0	0	0	0	0	0	0	0	0	0	34.57
Limited Review:														
Oakland-Fremont-Hayward CA MD	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0.00
San Francisco-San Mateo-Redwood City CA MD	0.00	0	0	0	0	0	0	0	0	0	0	0	0	19.00
San Jose CA AA (Santa Clara County)	0.00	0	0	0	0	0	0	0	0	0	0	0	0	9.50

* Loan Data as of December 31, 2011. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Optional Product Line(s) is from January 01, 2010 to December 31, 2011.

*** Deposit Data as of June 30, 2012. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: LUTHER BURBANK SAVINGS (10000707960) (Included)

Table 1. Other Products

LENDING VOLUME		Geography: CALIFORNIA		Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011	
Assessment Area (2011):	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
Full Review:					
Los Angeles- Long Beach- Glendale CA MD	0	0	0	0	0
Santa Ana-Anaheim-Irvine CA MD	0	0	0	0	0
Santa Rosa-Petaluma CA MSA	0	0	0	0	0
Limited Review:					
Oakland-Fremont-Hayward CA MD	0	0	0	0	0
San Francisco-San Mateo- Redwood City CA MD	0	0	0	0	0
San Jose CA AA (Santa Clara County)	0	0	0	0	0

* The evaluation period for Optional Product Line(s) is from January 01, 2010 to December 31, 2011.

Institution ID: LUTHER BURBANK SAVINGS (10000707960) (Included)

Table 2a. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: CALIFORNIA					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011							
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income ¹			
	#	% of Total ²	% Owner Occ Units ³	% BANK Loans ⁴	% Owner Occ Units ³	% BANK Loans	% Owner Occ Units ³	% BANK Loans	% Owner Occ Units ³	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Los Angeles- Long Beach- Glendale CA MD	83	54.97	1.91	1.20	15.46	2.41	31.30	12.05	51.33	84.34	3.56	16.94	31.88	47.61
Santa Ana-Anaheim-Irvine CA MD	30	19.87	1.25	0.00	19.56	6.67	33.56	13.33	45.63	80.00	1.00	19.35	31.80	47.84
Santa Rosa-Petaluma CA MSA	3	1.99	0.00	0.00	9.17	0.00	71.27	66.67	19.56	33.33	0.00	9.51	72.51	17.98
Limited Review:														
Oakland-Fremont-Hayward CA MD	4	2.65	3.49	0.00	13.07	0.00	43.58	0.00	39.86	100.00	3.86	13.84	44.19	38.10
San Francisco-San Mateo-Redwood City CA MD	18	11.92	1.54	0.00	12.79	5.56	45.12	22.22	40.55	72.22	3.72	14.35	41.30	40.64
San Jose CA AA (Santa Clara County)	13	8.61	1.17	0.00	14.81	7.69	48.40	23.08	35.63	69.23	2.28	20.17	46.27	31.28

¹ Based on 2011 Peer Mortgage Data (USPR)

² 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.

³ 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 2000 Census information.

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

Institution ID: LUTHER BURBANK SAVINGS (10000707960) (Included)

Table 3a. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: CALIFORNIA						Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011						
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Los Angeles- Long Beach-Glendale CA MD	4	33.33	1.91	0.00	15.46	50.00	31.30	0.00	51.33	50.00	1.51	10.77	29.02	58.71
Santa Ana-Anaheim-Irvine CA MD	4	33.33	1.25	0.00	19.56	75.00	33.56	0.00	45.63	25.00	0.43	13.19	33.30	53.08
Santa Rosa-Petaluma CA MSA	1	8.33	0.00	0.00	9.17	0.00	71.27	0.00	19.56	100.00	0.00	4.02	72.65	23.32
Limited Review:														
Oakland-Fremont-Hayward CA MD	0	0.00	3.49	0.00	13.07	0.00	43.58	0.00	39.86	0.00	5.07	8.65	31.99	54.30
San Francisco-San Mateo-Redwood City CA MD	3	25.00	1.54	0.00	12.79	0.00	45.12	33.33	40.55	66.67	1.08	10.74	39.50	48.68
San Jose CA AA (Santa Clara County)	0	0.00	1.17	0.00	14.81	0.00	48.40	0.00	35.63	0.00	0.87	9.62	48.09	41.42

* Based on 2011 Peer Mortgage Data (USPR)

** 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 2000 Census information.

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

Table 4a. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE														Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income [*]										
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans ^{****}	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	Low	Mod	Mid	Upp							
Full Review:																					
Los Angeles- Long Beach-Glendale CA MD	52	53.06	1.91	3.85	15.46	15.38	31.30	7.69	51.33	73.08	0.96	9.06	24.58	65.39							
Santa Ana-Anaheim-Irvine CA MD	16	16.33	1.25	0.00	19.56	0.00	33.56	31.25	45.63	68.75	0.45	11.93	29.14	58.49							
Santa Rosa-Petaluma CA MSA	7	7.14	0.00	0.00	9.17	0.00	71.27	71.43	19.56	28.57	0.00	6.30	70.68	23.02							
Limited Review:																					
Oakland-Fremont-Hayward CA MD	2	2.04	3.49	0.00	13.07	50.00	43.58	50.00	39.86	0.00	1.11	6.16	32.89	59.84							
San Francisco-San Mateo-Redwood City CA MD	15	15.31	1.54	0.00	12.79	13.33	45.12	20.00	40.55	66.67	2.22	10.46	39.10	48.22							
San Jose CA AA (Santa Clara County)	6	6.12	1.17	0.00	14.81	0.00	48.40	0.00	35.63	100.00	0.62	8.75	44.64	46.00							

^{*} Based on 2011 Peer Mortgage Data (USPR)

^{**} 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 2000 Census information.

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

Institution ID: LUTHER BURBANK SAVINGS (10000707960) (Included)

Table 5a. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011								
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income			
	#	% of Total**	% of MF Units***	% BANK Loans***	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Los Angeles- Long Beach-Glendale CA MD	306	61.08	12.96	9.15	31.74	37.91	28.34	28.76	26.96	24.18	12.62	35.32	28.91	23.15
Santa Ana-Anaheim-Irvine CA MD	54	10.78	6.27	20.37	41.07	53.70	33.61	22.22	19.05	3.70	12.73	57.56	23.34	6.37
Santa Rosa-Petaluma CA MSA	9	1.80	0.00	0.00	29.86	55.56	65.54	44.44	4.60	0.00	0.00	36.17	63.83	0.00
Limited Review:														
Oakland-Fremont-Hayward CA MD	39	7.78	13.31	12.82	27.95	30.77	45.36	43.59	13.38	12.82	14.22	41.78	33.33	10.67
San Francisco-San Mateo-Redwood City CA MD	54	10.78	19.98	11.11	23.42	27.78	31.54	38.89	25.05	22.22	12.10	27.72	34.98	25.19
San Jose CA AA (Santa Clara County)	39	7.78	6.98	20.51	25.75	30.77	53.88	38.46	13.39	10.26	8.00	30.55	47.27	14.18

* Based on 2011 Peer Mortgage Data (USPR)

** 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 multifamily units in a particular geography divided by the number of multi-family housing units in the area based on 2000 Census information.

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

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Table 8a. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: CALIFORNIA					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011							
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data [*]			
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ¹	% BANK Loans ^{****}	% Families ^{**}	% BANK Loans ^{****}	% Families ^{**}	% BANK Loans ^{****}	Low	Mod	Mid	Upp
Full Review:														
Los Angeles- Long Beach-Glendale CA MD	83	54.97	23.87	0.00	16.49	0.00	17.40	0.00	42.24	100.00	3.02	15.31	25.57	56.11
Santa Ana-Anaheim-Irvine CA MD	30	19.87	20.69	0.00	17.97	0.00	20.68	7.69	40.65	92.31	3.90	16.02	25.13	54.95
Santa Rosa-Petaluma CA MSA	3	1.99	17.73	0.00	18.87	0.00	24.32	0.00	39.08	100.00	7.78	22.78	25.05	44.39
Limited Review:														
Oakland-Fremont-Hayward CA MD	4	2.65	20.97	0.00	17.47	0.00	21.18	0.00	40.38	100.00	10.81	20.50	23.45	45.25
San Francisco-San Mateo-Redwood City CA MD	18	11.92	21.33	0.00	17.59	5.88	19.98	11.76	41.11	82.35	3.79	12.98	19.15	64.09
San Jose CA AA (Santa Clara County)	13	8.61	20.21	0.00	17.95	0.00	21.63	9.09	40.21	90.91	4.92	16.03	24.83	54.22

^{*} Based on 2011 Peer Mortgage Data (USPR)

^{**} 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 2000 Census information.

^{****} As a percentage of loans with borrower income information available. No information was available for 15.2% of loans originated and purchased by BANK.

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

Institution ID: LUTHER BURBANK SAVINGS (10000707960) (Included)

Table 9a. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT														Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011			
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data										
	#	% of Total	% Families ¹	% BANK Loans ^{****}	% Families ²	% BANK Loans ^{****}	% Families ^{**}	% BANK Loans ^{****}	% Families ^{**}	% BANK Loans ^{****}	Low	Mod	Mid	Upp							
Full Review:																					
Los Angeles- Long Beach-Glendale CA MD	4	33.33	23.87	50.00	16.49	0.00	17.40	0.00	42.24	50.00	4.94	11.47	19.57	64.03							
Santa Ana-Anaheim-Irvine CA MD	4	33.33	20.69	0.00	17.97	0.00	20.68	0.00	40.65	100.00	6.38	15.72	24.90	53.00							
Santa Rosa-Petaluma CA MSA	1	8.33	17.73	0.00	18.87	0.00	24.32	100.00	39.08	0.00	6.18	19.94	26.69	47.19							
Limited Review:																					
Oakland-Fremont-Hayward CA MD	0	0.00	20.97	0.00	17.47	0.00	21.18	0.00	40.38	0.00	10.42	17.79	22.97	48.82							
San Francisco-San Mateo-Redwood City CA MD	3	25.00	21.33	0.00	17.59	0.00	19.98	50.00	41.11	50.00	11.14	19.83	22.35	46.67							
San Jose CA AA (Santa Clara County)	0	0.00	20.21	0.00	17.95	0.00	21.63	0.00	40.21	0.00	7.88	14.60	21.42	56.11							

¹ Based on 2011 Peer Mortgage Data (USPR)

^{**} 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 2000 Census information.

^{****} As a percentage of loans with borrower income information available. No information was available for 50.0% of loans originated and purchased by BANK.

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

Institution ID: LUTHER BURBANK SAVINGS (10000707960) (Included)

Table 10a. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011								
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families*	% BANK Loans****	% Families ³	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Los Angeles- Long Beach-Glendale CA MD	52	53.06	23.87	0.00	16.49	0.00	17.40	6.45	42.24	93.55	4.12	9.02	16.10	70.76
Santa Ana-Anaheim-Irvine CA MD	16	16.33	20.69	0.00	17.97	0.00	20.68	0.00	40.65	100.00	5.25	11.82	22.38	60.56
Santa Rosa-Petaluma CA MSA	7	7.14	17.73	0.00	18.87	50.00	24.32	50.00	39.08	0.00	7.72	16.31	23.42	52.54
Limited Review:														
Oakland-Fremont-Hayward CA MD	2	2.04	20.97	0.00	17.47	0.00	21.18	0.00	40.38	100.00	5.42	11.93	21.51	61.14
San Francisco-San Mateo-Redwood City CA MD	15	15.31	21.33	0.00	17.59	0.00	19.98	11.11	41.11	88.89	5.22	11.90	19.38	63.50
San Jose CA AA (Santa Clara County)	6	6.12	20.21	0.00	17.95	0.00	21.63	0.00	40.21	100.00	4.43	10.12	21.83	63.62

* Based on 2011 Peer Mortgage Data (USPR)

** 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 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 44.9% of loans originated and purchased by BANK.

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

Institution ID: LUTHER BURBANK SAVINGS (10000707960) (Included)

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Los Angeles-Long Beach-Glendale CA MD	0	0	0	6,387	0	6,387	42.65	0	0
Santa Ana-Anaheim-Irvine CA MD	0	0	0	0	0	0	0.00	0	0
Santa Rosa-Petaluma CA MSA	0	398	0	5,091	0	5,489	36.66	0	0
Limited Review:									
Oakland-Fremont-Hayward CA MD	0	0	0	0	0	0	0.00	0	0
San Francisco-San Mateo-Redwood City CA MD	0	1,280	0	1,159	0	2,439	16.29	0	0
San Jose CA AA (Santa Clara County)	0	0	0	659	0	659	4.40	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.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011					
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
Full Review:																	
Los Angeles-Long Beach-Glendale CA MD	36.93	4	50.00	0.00	0.00	0.00	100.00	1	0	0	0	0	1	8.00	29.44	30.88	31.58
Santa Ana-Anaheim-Irvine CA MD	0.00	0	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	4.95	30.96	31.84	32.26
Santa Rosa-Petaluma CA MSA	34.57	1	12.50	0.00	100.00	0.00	0.00	0	0	0	0	0	0	0.00	14.38	69.79	15.83
Limited Review:																	
Oakland-Fremont-Hayward CA MD	0.00	0	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	8.54	20.25	41.14	30.04
San Francisco-San Mateo-Redwood City CA MD	19.00	1	12.50	0.00	0.00	100.00	0.00	0	0	0	0	0	0	7.21	21.80	42.21	28.77
San Jose CA AA (Santa Clara County)	9.50	2	25.00	0.00	0.00	50.00	50.00	2	0	0	0	1	1	4.03	22.79	47.69	25.49

