



**PUBLIC DISCLOSURE**

March 18, 2024

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

Bank of Southern California, National Association  
Charter Number 24100

12265 El Camino Real, Suite 210  
San Diego, CA 92130

Office of the Comptroller of the Currency

Santa Ana Office  
1551 N. Tustin Avenue, Suite 1050  
Santa Ana, CA 92705

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

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## Overall CRA Rating

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

**The lending test is rated:** Satisfactory

**The community development test is rated:** Outstanding

The overall performance of Bank of Southern California, National Association (BoSC or bank) reflects satisfactory responsiveness to community credit needs. The major factors that support this rating include:

- The Lending Test rating is based on the bank's record of performance in meeting the credit needs of its assessment areas (AAs) during the evaluation period through its lending activities.
  - The loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and business strategy.
  - The bank originated a substantial majority of its loans within its AAs.
  - The geographic distribution of loans reflects reasonable distribution throughout the bank's AAs.
  - Lending activities represent poor distribution to businesses of different sizes.
- The Community Development (CD) Test rating is based on the aggregate assessment of the bank's community development activities for loans, investments and donations, and services in the bank's AAs.
  - The bank's CD activities demonstrate an excellent level of responsiveness based on available opportunities in the AAs during the evaluation period.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the bank's loan-to-deposit ratio is reasonable. The quarterly average LTD ratio for the previous 12 quarters ending December 31, 2023, was 89.33 percent, with a high of 99.75 percent and a low of 75.56 percent.

BoSC's average LTD ratio compares favorably to other financial institutions of similar size, AA demographics, and lending products. For purposes of comparison, we selected five banks that BoSC considers direct competitors for loans and deposits in its AAs. The combined quarterly average LTD ratio for these institutions over the same period was 88.17 percent. Their average LTD ratios ranged from a high of 99.19 percent to a low of 76.40 percent.

### Lending in Assessment Area

A substantial majority of the bank's loans are inside its AAs.

The bank originated and purchased 96.3 percent of the number of loans and 96.8 percent of the dollar volume inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. Lending Test conclusions are based upon loans originated and purchased inside the bank's AAs.

Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business										
2021	1,911	96.2	75	3.8	1,986	258,445	96.4	9,767	3.6	268,212
2022-23	479	96.8	16	3.2	495	214,144	97.4	5,676	2.6	219,820
<b>Total</b>	<b>2,390</b>	<b>96.3</b>	91	3.7	2,481	<b>472,589</b>	<b>96.8</b>	15,443	3.2	488,032
<i>Source: Evaluation Period: 01/01/2021 - 12/31/2023 Bank Data. Due to rounding, totals may not equal 100.0%.</i>										

## Description of Institution

Bank of Southern California, N.A. is an intrastate full-service community bank headquartered in San Diego, California, near the community of Del Mar. The bank was chartered in December 2001 as Ramona National Bank. The bank relocated to the north San Diego County area in March 2007 and changed its name to First Business Bank. In June 2010 the name was changed to Bank of Southern California, N.A. BoSC acquired Bank of Santa Clarita (BSC) in October 2021. In May 2020, BoSC became a wholly-owned subsidiary of Southern California Bancorp, a one-bank holding company. BoSC has no affiliate relationships.

The bank operates 13 full-service branches in the contiguous counties of San Diego, Riverside, San Bernardino, Orange, Los Angeles, and Ventura. These counties make up BoSC's four AAs. In July 2021, the bank converted the Westlake Village Loan Production Office (LPO) into a full-service branch and designated Ventura County as a new assessment area. With the BSC acquisition the Santa Clarita branch was added to the bank's geographic footprint in Los Angeles County. The bank has eight branches located in upper-income census tracts (CTs), Carlsbad, Del Mar, Encino, Rancho Mirage, Rancho Santa Margarita, Santa Clarita, West Los Angeles, and Westlake Village. Two branches are located in middle-income CTs, Downtown San Diego and Irvine. There are two branches located in moderate-income CTs, Glendale and Ramona. The La Quinta branch is located in an unknown CT. During the evaluation period management also opened the Encino branch on March 22, 2021 and converted the West Los Angeles LPO into a full-service branch on April 19, 2021. In addition, the Orange, Redlands, and Santa Fe Springs branches were sold to another financial institution on September 24, 2021.

The bank offers a variety of traditional banking products to consumer and business customers. Deposit products include checking, savings accounts, certificates of deposit, and money market accounts for personal and business. Loan products include commercial real estate (CRE), construction, commercial and industrial (C&I) loans, and business lines of credit. The bank also participates in the Small Business Administration (SBA) 7(a) and 504 loan programs and is an SBA Preferred Lender. Consumer loans are limited to home equity lines of credit (HELOCs). Both business and personal credit cards are available, but are co-branded through Elan Financial Services.

Only the La Quinta, Ramona, Rancho Mirage, and Rancho Santa Margarita branches offer automated teller machines (ATMs) and night drop services. Drive-up teller services are located at the La Quinta and Rancho Mirage branches. Safe deposit box services are available at the Glendale, La Quinta, Ramona, and Rancho Mirage branches. All branches are open for business Monday through Friday

from 9:00 AM to 5:00 PM. BoSC also offers a variety of alternative banking services including telephone banking, online banking, mobile banking, direct deposit, Remote Deposit Capture (RDC), bill payment, Automated Clearing House (ACH) origination, lockbox services, merchant services, and cash vault services.

As of December 31, 2023, BoSC reported total assets of \$2.36 billion, total loans of \$1.96 billion, total deposits of \$1.95 billion, and total tier 1 capital of \$270.34 million. Total loans represented approximately 83.0 percent of total assets. Refer to the table below for a summary of the loan portfolio by major loan types.

<b>Bank of Southern California, N.A. Loan Portfolio by Major Product Type as of December 31, 2023</b>		
<b>Loan Type</b>	<b>\$(000s)</b>	<b>% of Portfolio</b>
Commercial RE	1,023,889	52.1
Commercial & Industrial	326,202	16.6
Construction	243,521	12.4
Multifamily Residential RE	221,247	11.3
1-4 Family Residential RE	143,903	7.3
Consumer	4,387	0.2
Farmland	1,643	0.1
Total	1,964,792	100.0

There are no legal, financial, or other factors impeding the ability of the bank to meet credit needs in its communities. BoSC received a “Satisfactory” rating under the intermediate small bank (ISB) Community Reinvestment Act (CRA) procedures at their March 15, 2021 CRA examination.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

This performance evaluation (PE) assesses the CRA performance of Bank of Southern California, using ISB CRA examination procedures. We performed a full-scope examination of the bank’s four assessment areas. Refer to appendix A for detailed information.

Consistent with BoSC’s business strategy, OCC examiners reviewed the bank’s primary product of loans to businesses. This evaluation also included an assessment of the bank’s community development lending, investments and donations, and services activities. The evaluation period for both the lending test and CD test is January 1, 2021 through December 31, 2023.

With an evaluation period end date of December 31, 2023, bank qualifying activities performed in response to the significant impact the COVID-19 pandemic had on economies across the United States are addressed in this evaluation. This includes the more than 1,800 PPP loans that the bank originated in 2021. The bank opened their PPP loan portal to all interested borrowers and as a result made loans to both existing customers as well as noncustomers in both California and across the United States.

Due to the Census data changing during the evaluation period, we compared loans originated from January 1, 2021 through December 31, 2021 to 2015 American Community Survey (ACS) Census data, and loans originated from January 1, 2022 through December 31, 2023 to 2020 U.S. Census data.

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

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the “Scope” section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### **Ratings**

The bank’s overall rating is a blend of the state ratings, and where applicable, multistate ratings.

BoSC has four AAs. Equal weighting for the evaluation was placed on all four AAs.

The MMSA rating and state ratings are based on performance in all bank AAs. Refer to the “Scope” section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

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

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank’s or federal savings association’s (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank’s lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution’s lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

## State Rating

### State of California

**CRA rating for the State of California:** Satisfactory

**The Lending Test is rated:** Satisfactory

**The Community Development Test is rated:** Outstanding

The major factors that support this rating include:

- The geographic distribution of loans reflects reasonable distribution throughout the bank's AAs.
- Lending activities represent poor distribution to businesses of different sizes.
- BoSC's aggregate level of responsiveness to CD needs is excellent.

### Description of Institution's Operations in California

#### San Diego County Assessment Area

Bank of Southern California designated San Diego (SD) County as an AA. The county makes up the entire San Diego-Chula Vista-Carlsbad, CA MSA and consists of 737 census tracts (CTs): 46 low-income; 167 moderate-income; 262 middle-income; and 248 upper-income. In addition, 14 CTs do not report data and are listed as unknown. The AA meets the requirements of the regulation and does not arbitrarily exclude low- and moderate-income (LMI) geographies.

The primary lending products in the SD County AA are commercial and industrial loans, construction/land loans, commercial real estate loans, and SBA loans. The bank has four branches in the AA: Carlsbad, Del Mar, Downtown San Diego, and Ramona. The Ramona branch is located in a moderate-income CT and is the only branch that offers ATM services in the AA. The Downtown San Diego branch is located in a middle-income CT. Both the Carlsbad and Del Mar branches are located in upper-income CTs. Competition from other financial institutions is strong in the SD AA. As of June 30, 2023, the FDIC Deposit Market Share report indicates bank's deposits inside the AA totaled \$701.5 million, ranking 18th in deposit market share with 0.58 percent of the AA's deposits. A total of 45 financial institutions, with a combined 465 branches, competed for deposits of over \$121.7 billion in San Diego County. This includes three nationwide mega-banks with a combined 233 branches that account for 53.1 percent of total deposit market share, representing \$64.6 billion in deposits.

The top industries in the SD AA include international trade, manufacturing, military, and tourism. The largest employer in the AA is the Federal Government, which includes the Department of Defense as there are a number of U.S. naval bases, the Naval Medical Center San Diego, the U.S. Marine Corps, and the U.S. Coast Guard. Other major employers include Collins Aerospace, and the University of California and UC Health.

To assess community needs, we reviewed information from recent interviews with two organizations providing services in the SD AA. Community needs in the AA include nonprofit, entity-based working and lending capital for affordable housing development, nonprofit grant support for credit strengthening, lending and equity investment in rent-restricted affordable rental apartments, and marketing to low-income renters and connecting them to banking services. The frequency of startup businesses as well as lending activity in San Diego County has slowed due to inflation and higher interest rate environment. The area has also been impacted by the outflow of residents exceeding the inflow of residents.

Individuals have been willing to move away due to remote job opportunities and the rising cost of living in the AA. Although business activity has slowed, opportunities for financial institutions to provide assistance are prevalent throughout the AA. Local financial institutions can help facilitate the education on grants and programs that assist small businesses through workshops or webinars in LMI communities. One of the contacts said that large banks have been active in the community, however, once goals have been reached, participation slows down. The contact indicated that the large bank activities do not seem to be based on the needs of the community, but rather on what will meet their minimum CRA credit requirements.

The information in the following table provides SD County AA demographic information for 2023.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: San Diego County AA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	737	6.2	22.7	35.5	33.6	1.9
Population by Geography	3,298,634	6.5	24.5	34.6	33.4	1.0
Housing Units by Geography	1,215,528	5.7	23.0	36.0	34.9	0.4
Owner-Occupied Units by Geography	609,350	2.4	15.8	37.2	44.4	0.2
Occupied Rental Units by Geography	521,353	9.8	31.5	34.7	23.3	0.7
Vacant Units by Geography	84,825	4.4	21.9	36.0	37.4	0.3
Businesses by Geography	445,045	3.8	17.4	34.2	43.7	0.9
Farms by Geography	8,200	3.4	17.8	38.6	40.0	0.2
Family Distribution by Income Level	759,418	22.8	17.3	18.7	41.2	0.0
Household Distribution by Income Level	1,130,703	24.4	16.0	17.6	42.0	0.0
Median Family Income MSA - 41740 San Diego-Chula Vista-Carlsbad, CA MSA		\$95,623	Median Housing Value			\$619,119
			Median Gross Rent			\$1,778
			Families Below Poverty Level			7.2%
<i>Source: 2020 U.S. Census and 2023 D&amp;B Data. Due to rounding, totals may not equal 100.0%.</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## **Inland Empire Assessment Area**

Bank of Southern California, N.A. designated Riverside County and San Bernardino County, also known as the Inland Empire (IE), as an AA. Together the counties make up the Riverside-San Bernardino-Ontario, CA MSA and include 984 CTs: 48 low-income; 282 moderate-income; 362 middle-income; and 279 upper-income. In addition, 13 CTs do not report data and are listed as unknown. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies.

The primary lending products in the IE AA are SBA loans, commercial and industrial loans, and commercial real estate loans. The bank has two branches in the IE AA: La Quinta and Rancho Mirage. The Rancho Mirage branch is located in upper income CT and La Quinta branch is located in an unknown income CT. Both branches have an ATM on-site. Competition from other financial institutions



is strong in the IE AA. As of June 30, 2023, the FDIC Deposit Market Share report indicates the bank’s deposits inside the AA total \$211.7 million ranking 25th in deposit market share with 0.28 percent of the AA’s deposits. A total of 39 financial institutions, with a combined 466 branches competed for over \$76.6 billion deposits in the Inland Empire. This includes three nationwide mega-banks with a combined 227 branches that account for 64.8 percent of total deposit market share, representing \$49.7 billion in deposits.

The top industries in the IE AA include healthcare, military, retail, and transportation and warehousing. Major employers in the IE AA include Stater Brothers Markets, Arrowhead Regional Medical Center, U.S. Marine Corps, Fort Irwin, Walmart, and University of California - Riverside.

To assess community needs, we reviewed information from recent interviews with four organizations providing services in the Inland Empire AA. General banking needs in the AA include affordable housing and small business funding. Additionally, financial education needs continue to persist, and education is essential to bridge the gap between business owners who can attain capital through banks versus uneducated small business owners who don’t have the necessary information or financials to apply for loans. The contacts have seen an increase in webinar enrollment, which supports the demand for financial education among LMI individuals in the AA. Housing prices in the AA have increased which caused rental rates to increase at a faster pace than inflation, and faster than financial assistance programs can help. The contacts emphasized the need for local financial institutions to invest in affordable housing programs as well as assist with improving financial literacy in the AA through workshops or webinars.

The information in the following table provides Inland Empire AA demographic information for 2023.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Inland Empire AA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	984	4.9	28.7	36.8	28.4	1.3
Population by Geography	4,599,839	4.0	27.3	37.4	30.4	1.0
Housing Units by Geography	1,566,442	4.2	27.3	37.8	29.9	0.7
Owner-Occupied Units by Geography	882,033	2.2	21.4	38.3	37.4	0.6
Occupied Rental Units by Geography	494,470	7.5	37.1	37.1	17.7	0.7
Vacant Units by Geography	189,939	4.7	29.4	37.4	26.9	1.6
Businesses by Geography	422,087	2.8	23.2	37.2	36.0	0.7
Farms by Geography	8,252	3.1	21.1	39.9	35.3	0.6
Family Distribution by Income Level	1,029,309	21.8	17.5	19.3	41.4	0.0
Household Distribution by Income Level	1,376,503	24.3	15.8	17.9	42.0	0.0
Median Family Income MSA - 40140 Riverside-San Bernardino-Ontario, CA MSA		\$76,686	Median Housing Value			\$355,170
			Median Gross Rent			\$1,427
			Families Below Poverty Level			10.5%
<i>Source: 2020 U.S. Census and 2023 D&amp;B Data. Due to rounding, totals may not equal 100.0%.                      (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Southern California Assessment Area

Bank of Southern California designated both Los Angeles County and Orange County, also referred to as Southern California (SC), as an AA. Each of these counties is a separate Metropolitan Division (MD), Los Angeles-Long Beach-Glendale, CA MD and Anaheim-Santa Ana-Irvine, CA MD. Together these MDs make up the Los Angeles-Long Beach-Anaheim, CA MSA. For this PE the MDs will be combined, analyzed, and evaluated at the MSA level as one AA. The AA includes 3,112 CTs: 178 low-income; 856 moderate-income; 926 middle-income; and 1,071 upper-income. In addition, 81 CTs do not report data and are listed as unknown. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies.

The primary lending products in the SC AA are commercial and industrial loans, commercial real estate loans, construction/land loans, SBA loans, and multifamily loans. The bank has six branches in the AA: Encino, Glendale, Irvine, Rancho Santa Margarita, Santa Clarita, and West Los Angeles. The Encino, Rancho Santa Margarita, Santa Clarita, and West Los Angeles branches are located in upper-income CTs. The Irvine branch is located in a middle-income CT. The Glendale branch is located in a moderate-income CT. During the evaluation period management opened the Encino branch and converted the West Los Angeles LPO into a full-service branch. In addition, the Orange, Redlands, and Santa Fe Springs branches were closed. The Rancho Santa Margarita branch is the only one in the AA that has an ATM on-site.

Competition from other financial institutions is strong in the SC AA. As of June 30, 2023, the FDIC Deposit Market Share report indicates the bank's deposits inside the AA are \$997.8 million and ranks 41st in deposit market share with 0.14 percent of the AA's deposits. A total of 108 financial institutions, with a combined 2,029 branches, competed for over \$695.5 billion of insured deposits in Southern California. This includes three nationwide mega-banks with a combined 933 branches that account for 50.1 percent of the deposit market share, representing \$348.7 billion in deposits.

The top industries in the SC AA include entertainment, hospitality and tourism, aerospace and defense, information technology, and trade and logistics. Major employers in the SC AA include Disney Resorts, University of California - Irvine, St. Joseph Health, Cedars-Sinai Medical Center, Los Angeles International Airport LAX, and the University of California Los Angeles.

To assess community needs, we reviewed information from recent interviews with five organizations providing services in the SC AA. All five contacts communicated a significant need for financial literacy workshops given the AA's ethnic diversity and growing minority populations. Language barriers make it difficult for certain populations to seek and attain credit, and local financial institutions have the opportunity to make a positive impact on underserved communities. One of the contacts stated that financial literacy workshops in the past have greatly benefitted LMI communities. Overall banking needs include credit counseling, small consumer loans, and affordable housing. Recent economic factors including inflation and higher interest rates have caused construction and land costs to increase, which has led to an increase in homelessness in the AA. In addition, increased income inequality has also had a negative impact on affordable housing. There are lending opportunities for local financial institutions to provide credit building loans, which would help LMI individuals gain credit to bridge the gap between the mortgage rates of wealthier individuals.

The information in the following table provides SC AA demographic information for 2023.

**Table A – Demographic Information of the Assessment Area****Assessment Area: Southern California AA**

<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	3,112	5.7	27.5	29.8	34.4	2.6
Population by Geography	13,200,998	5.2	28.3	30.9	34.4	1.1
Housing Units by Geography	4,661,034	4.8	25.4	29.8	38.7	1.3
Owner-Occupied Units by Geography	2,129,700	1.4	17.1	31.6	49.6	0.3
Occupied Rental Units by Geography	2,242,805	8.2	33.8	28.7	27.3	2.0
Vacant Units by Geography	288,529	4.4	21.4	25.3	46.4	2.4
Businesses by Geography	2,017,520	3.4	18.7	27.8	47.5	2.6
Farms by Geography	19,464	2.7	18.1	29.0	48.8	1.5
Family Distribution by Income Level	2,953,482	23.7	16.5	17.9	41.9	0.0
Household Distribution by Income Level	4,372,505	25.6	15.2	16.7	42.5	0.0
Median Family Income MSA - 11244 Anaheim-Santa Ana-Irvine, CA	\$106,451	Median Housing Value				\$696,400
Median Family Income MSA - 31084 Los Angeles-Long Beach-Glendale, CA	\$80,317	Median Gross Rent				\$1,676
		Families Below Poverty Level				9.6%

*Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0%.  
(\* The NA category consists of geographies that have not been assigned an income classification.*

## Ventura County Assessment Area

Bank of Southern California, N.A. has designated Ventura County (Ventura) as an assessment area. The county makes up the Oxnard-Thousand Oaks-Ventura, CA MSA and includes 190 CTs: nine are low-income; 46 are moderate-income; 77 are middle-income; and 55 are upper-income. In addition, three CTs do not report data and are listed as unknown. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies.

The primary lending products in the Ventura AA are commercial and industrial loans, commercial real estate loans, and construction/land loans. The bank has one branch in the Ventura AA, the Westlake Village branch which is located in an upper-income CT. Competition from other financial institutions is strong in the Ventura AA. As of June 30, 2023, the FDIC Deposit Market Share report indicates the bank's deposits inside the AA are \$71.8 million and ranks 17th in deposit market share with 0.29 percent of the AA's deposits. A total of 20 financial institutions, with a combined 128 branches, competed for over \$24.8 billion of insured deposits in Ventura County. This includes three nationwide mega-banks with a combined 65 branches that account for 69.7 percent of the deposit market share, representing \$17.3 billion in deposits.

The top industries in the Ventura AA include education and health services, defense and aerospace, technology, manufacturing, and agriculture. Major employers in the Ventura AA include Ventura Naval Base, Amgen, Inc, Naval Air Warfare Ctr Weapons, Bank of America, and WellPoint Health Networks, Inc.

To assess community needs, we reviewed information from a recent interview with an organization providing services in the Ventura AA. The contact said the greatest challenge in the AA is the lack of affordable housing for not only low- and moderate-income populations, but also for the middle-income population. There is a need for small business loans, especially for micro businesses and startups. Capital continues to be a significant need for both new and growing businesses. Opportunities for participation by local banks include providing funding and resources to support small business workshops and assisting with marketing the workshops to the community. The contact stated that local institutions have been providing support in the AA, but additional support from other institutions is always needed.

The information in the following table provides Ventura AA demographic information for 2023.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Ventura County AA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	190	4.7	24.2	40.5	28.9	1.6
Population by Geography	843,843	4.9	23.9	42.5	28.4	0.3
Housing Units by Geography	289,425	3.4	21.7	44.1	30.3	0.5
Owner-Occupied Units by Geography	172,037	1.8	16.6	43.4	38.0	0.2
Occupied Rental Units by Geography	99,602	6.0	30.1	46.3	17.0	0.6
Vacant Units by Geography	17,786	3.8	24.8	38.9	29.2	3.2
Businesses by Geography	94,348	2.9	16.8	43.4	36.5	0.4
Farms by Geography	2,643	4.0	21.5	39.8	34.6	0.1
Family Distribution by Income Level	196,312	22.0	16.5	20.8	40.7	0.0
Household Distribution by Income Level	271,639	23.6	15.7	19.4	41.3	0.0
Median Family Income MSA - 37100 Oxnard-Thousand Oaks-Ventura, CA MSA	\$101,160	Median Housing Value			\$616,364	
		Median Gross Rent			\$1,886	
		Families Below Poverty Level			6.1%	
<i>Source: 2020 U.S. Census and 2023 D&amp;B Data. Due to rounding, totals may not equal 100.0%.                      (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Scope of Evaluation in California

The CRA evaluation determines the bank’s record of meeting community credit needs. The OCC used a combination of bank and examiner generated loan and/or demographic reports to assess the bank’s CRA performance. The evaluation period for the lending test is January 1, 2021 through December 31, 2023.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CALIFORNIA

### LENDING TEST

The bank’s performance under the Lending Test in California is rated Satisfactory.

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

Based on full-scope reviews of the bank's four AAs, the bank's lending performance in the state of California is Satisfactory.

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

Overall, the bank exhibits reasonable geographic distribution of loans in the state.

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

Refer to Table Q in the state of California section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

#### ***San Diego County Assessment Area***

For 2021, the bank originated and purchased 3.3 percent of small loans to businesses in low-income CTs, which was lower than the demographic percentage of 5.6 percent and aggregate lending of 5.2 percent, reflecting reasonable distribution. The bank originated and purchased 12.1 percent of small loans to businesses in moderate-income CTs, which was lower than the 14.7 percent of businesses and 14.3 percent of aggregate lending in these CTs. This represents reasonable distribution.

For 2022-23, the bank originated and purchased 2.7 percent of small loans to businesses in low-income CTs, which was lower than but near to the demographic percentage of 3.8 percent and aggregate lending of 3.4 percent, reflecting reasonable distribution. The bank originated and purchased 20.8 percent of small loans to businesses in moderate-income CTs, which exceeded both the 17.4 percent of businesses and 16.7 percent of aggregate lending in these CTs. This represents excellent distribution.

#### ***Inland Empire Assessment Area***

For 2021, the bank originated and purchased 1.0 percent of small loans to businesses in low-income CTs, which was lower than the demographic of 4.2 percent and aggregate lending of 3.5 percent, reflecting reasonable distribution. The bank originated and purchased 17.1 percent of small loans to businesses in moderate-income CTs, which was lower than the demographic of 24.8 percent and aggregate lending of 23.8 percent. This represents reasonable distribution.

For 2022-23, the bank did not originate and purchase any loans in low-income CTs, reflecting very poor distribution. The demographic percentage of AA businesses in low-income CTs was 2.8 percent and the aggregate lending was 2.1 percent. The bank originated and purchased 30.2 percent of small loans to businesses in moderate-income CTs, which exceeded both the demographic percentage of 23.2 percent and aggregate lending of 21.4 percent. This represents excellent distribution.

#### ***Southern California Assessment Area***

For 2021, the bank originated and purchased 3.2 percent of small loans to businesses in low-income CTs, which is lower than but near to the demographic percentage of 4.9 percent and aggregate lending of 4.8 percent, reflecting reasonable distribution. The bank originated and purchased 21.2 percent of

small loans to businesses in moderate-income CTs, which exceeded both the 19.3 percent of businesses and 19.9 percent of aggregate lending in these CTs. This represents excellent distribution.

For 2022-23, the bank originated and purchased 2.8 percent of small loans to businesses in low-income CTs, which is lower than but near to the demographic percentage of 3.4 percent and aggregate lending of 3.3 percent, reflecting reasonable distribution. The bank originated and purchased 12.6 percent of small loans to businesses in moderate-income CTs, which is lower than the 18.7 percent of businesses and 19.9 percent of aggregate lending in these CTs. This represents reasonable distribution.

#### *Ventura County Assessment Area*

For 2021, the bank originated and purchased 3.5 percent of small loans to businesses in low-income CTs, lower than but near to the demographic percentage of 4.8 and aggregate percentage of 4.8 percent, reflecting reasonable distribution. The bank originated and purchased 17.2 percent of small loans to businesses in moderate-income CTs, lower than the demographic percentage of 19.6 percent and aggregate lending of 19.0 percent. This represents reasonable distribution.

For 2022-23, the bank did not originate and purchase any loans in low-income CTs, reflecting very poor distribution. The demographic percentage of AA businesses in low-income CTs was 2.9 percent and aggregate lending was 3.2 percent. The bank originated and purchased 38.1 percent of small loans to businesses in moderate-income CTs, which exceeded both the demographic percentage of 16.8 percent and aggregate lending of 15.9 percent. This represents excellent distribution.

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

The OCC reviewed summary reports and maps and analyzed the bank's small business lending activity over the evaluation period to identify any gaps in geographic distribution of loans. The OCC did not identify any unexplained conspicuous gaps in the bank's AAs.

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

Overall, the bank exhibits poor distribution of loans to businesses of different sizes, given the product lines offered by the bank. BoSC does not meet the standard for satisfactory performance in lending to businesses with gross annual revenue (GAR) of \$1 million or less and reflects poor distribution within its AAs.

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

Refer to Table R in the state of California section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The approximately 1,800 PPP loans originated by the bank in 2021 did not have Gross Annual Revenue (GAR) data collected. Consequently, the percentages of bank loans compared with AA demographic and aggregate percentages are extremely low and analysis would not be meaningful. As a result, we analyzed the distribution of loans by using loan size as a proxy for revenue of the borrower.

#### *San Diego County Assessment Area*

For 2021, Table R shows the 2.2 percent of loans originated by the bank to businesses with revenues less than or equal to \$1 million is significantly below the 90.1 percent of businesses and the aggregate peer data of 46.4 percent in the SD County AA and reflects very poor distribution.

However, using loan size as a proxy for revenue of the borrower, the table below shows that approximately 99.9 percent of the number of loans originated and purchased by the bank were in amounts equal to or less than \$1 million. This represents excellent distribution in the SD County AA. In addition, 66.4 percent were loans in amounts equal to or less than \$100 thousand, reflecting responsiveness to the lending needs of small businesses.

<b>Borrower Distribution of Loans to Businesses by Loan Size in San Diego County AA</b>				
<b>Loan Size (000's)</b>	<b>Number of Loans</b>	<b>Percent of Number</b>	<b>Dollar Volume of Loans</b>	<b>Percent of Dollar Volume</b>
\$0 - \$100,000	528	67.1	17,715	16.3
\$100,001 - \$250,000	132	16.8	21,212	19.6
\$250,001 - \$500,000	67	8.5	25,215	23.3
\$500,001 - \$1,000,000	60	7.6	44,242	40.8
<b>Total</b>	<b>787</b>	<b>100.0</b>	<b>108,384</b>	<b>100.0</b>

For 2022-23, Table R shows the 24.8 percent of loans originated by the bank to businesses with revenues less than or equal to \$1 million is below the 91.8 percent of businesses and the aggregate peer data of 52.3 percent in the SD AA and reflects reasonable distribution.

*Inland Empire Assessment Area*

For 2021, Table R shows the 2.3 percent of loans originated by the bank to businesses with revenues less than or equal to \$1 million is significantly below the 89.3 percent of businesses and the aggregate peer data of 46.3 percent in the IE AA and reflects very poor distribution.

However, using loan size as a proxy for revenue of the borrower, the table below shows that approximately 100 percent of the number of loans originated and purchased by the bank were in amounts equal to or less than \$1 million. This represents excellent distribution in the IE AA. In addition, 63.8 percent were loans in amounts equal to or less than \$100 thousand, reflecting responsiveness to the lending needs of small businesses.

<b>Borrower Distribution of Loans to Businesses by Loan Size in Inland Empire AA</b>				
<b>Loan Size (000's)</b>	<b>Number of Loans</b>	<b>Percent of Number</b>	<b>Dollar Volume of Loans</b>	<b>Percent of Dollar Volume</b>
\$0 - \$100,000	194	63.8	6,114	16.1
\$100,001 - \$250,000	60	19.7	9,174	24.1
\$250,001 - \$500,000	36	11.8	13,460	35.3
\$500,001 - \$1,000,000	14	4.6	9,344	24.5
<b>Total</b>	<b>304</b>	<b>100.0</b>	<b>38,092</b>	<b>100.0</b>

For 2022-23, Table R shows the 15.9 percent of loans originated by the bank to businesses with revenues less than or equal to \$1 million is significantly below the 91.3 percent of businesses and the aggregate peer data of 53.2 percent in the IE AA and reflects poor distribution.

*Southern California Assessment Area*

For 2021, Table R shows the 1.6 percent of loans originated by the bank to businesses with revenues less than or equal to \$1 million is significantly below the 90.6 percent of businesses and the aggregate peer data of 45.3 percent in the SC AA and reflects very poor distribution.

However, using loan size as a proxy for revenue of the borrower, the table below shows that approximately 100 percent of the number of loans originated and purchased by the bank were in amounts equal to or less than \$1 million. This represents excellent distribution in the SC AA. In addition, a substantial majority, 67.4 percent, were loans in amounts equal to or less than \$100 thousand, reflecting responsiveness to the lending needs of small businesses.

<b>Borrower Distribution of Loans to Businesses by Loan Size in Southern California AA</b>				
<b>Loan Size (000's)</b>	<b>Number of Loans</b>	<b>Percent of Number</b>	<b>Dollar Volume of Loans</b>	<b>Percent of Dollar Volume</b>
\$0 - \$100,000	533	67.4	16,105	15.4
\$100,001 - \$250,000	138	17.5	22,333	21.4
\$250,001 - \$500,000	65	8.2	24,065	23.0
\$500,001 - \$1,000,000	55	6.9	41,991	40.2
<b>Total</b>	<b>791</b>	<b>100.0</b>	<b>104,494</b>	<b>100.0</b>

For 2022-23, Table R shows the 15.4 percent of loans originated by the bank to businesses with revenues less than or equal to \$1 million is significantly below the 92.4 percent of businesses and the aggregate peer data of 51.9 percent in the Southern California AA and reflects poor distribution.

*Ventura County Assessment Area*

For 2021, Table R shows the 20.7 percent of loans originated by the bank to businesses with revenues less than or equal to \$1 million is significantly below the 88.6 percent of businesses and the aggregate peer data of 45.2 percent in the Ventura AA and reflects poor distribution. The Westlake Village branch opened as an LPO on February 9, 2021, then transitioned to a full-service branch on July 9, 2021, which could account for the lower than peer loan volumes.

However, using loan size as a proxy for revenue of the borrower, the table below shows that 100 percent of the number of loans originated and purchased by the bank were in amounts equal to or less than \$1 million. This represents excellent distribution in the Ventura AA. In addition, a majority, 37.9 percent, were loans in amounts equal to or less than \$100 thousand, reflecting responsiveness to the lending needs of small businesses.

<b>Borrower Distribution of Loans to Businesses by Loan Size in Ventura County AA</b>				
<b>Loan Size (000's)</b>	<b>Number of Loans</b>	<b>Percent of Number</b>	<b>Dollar Volume of Loans</b>	<b>Percent of Dollar Volume</b>
\$0 - \$100,000	11	37.9	280	3.7
\$100,001 - \$250,000	5	17.3	946	12.5
\$250,001 - \$500,000	9	31.0	3,462	45.7
\$500,001 - \$1,000,000	4	13.8	2,887	38.1
<b>Total</b>	<b>29</b>	<b>100.0</b>	<b>7,575</b>	<b>100.0</b>



For 2022-23, Table R shows that 4.8 percent of loans originated by the bank to businesses with revenues less than or equal to \$1 million is significantly below the 90.2 percent of businesses and the aggregate peer data of 51.6 percent in the Ventura AA and reflects very poor distribution.

**Responses to Complaints**

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

**COMMUNITY DEVELOPMENT TEST**

The bank’s performance under the Community Development Test in the state of California is rated Outstanding.

**Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank exhibits excellent responsiveness to CD needs in the state through CD loans, qualified investments and donations, and services, as appropriate, considering the bank’s capacity and the need and availability of such opportunities for community development in the bank’s AAs. Performance related to community development activities had a positive effect on the bank’s rating in the state.

During the evaluation period, BoSC’s aggregate CD loans, investments and donations totaled \$155.6 million inside their four AAs. We qualified an additional \$14.2 million in the larger state or regional area. In addition, employees provided an aggregate 1,911 service hours to 32 qualified organizations with a focus on nonprofit organizations that provide services for LMI individuals and families.

**Number and Amount of Community Development Loans**

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the bank’s level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

<b>Community Development Loans</b>				
<b>Assessment Area</b>	<b>Total</b>			
	<b>#</b>	<b>% of Total #</b>	<b>\$(000's)</b>	<b>% of Total \$</b>
San Diego County	22	25.9	32,843	20.9
Inland Empire	9	10.6	27,574	17.5
Southern California	48	56.5	85,870	54.6
Ventura County	0	0	0	0
Statewide or Regional Area	6	7.0	11,001	7.0
<b>Total</b>	<b>85</b>	<b>100.0</b>	<b>157,290</b>	<b>100.0</b>

The level of CD loans represents an excellent responsiveness to identified needs within the AAs, with the exception of the Ventura County AA. During the evaluation period, the bank made 79 qualified CD loans inside the AAs totaling \$146.3 million primarily in the SC AA and SD AA. A majority of the qualified loans were attributed to PPP loans originated in 2021, which reflected a responsiveness to community needs during the COVID-19 pandemic, and SBA 504 loans that provide long-term, fixed

rate financing for major fixed assets that promote business growth and job creation. Additional CD loan examples include:

- An SBA 504 loan that supports a business providing in home to care to people with disabilities, which retained 87 LMI jobs.
- A loan to a nonprofit that provides affordable senior housing and will also retain 309 LMI jobs and create 15 new jobs.
- SBA 504 loans to promote economic development by providing long-term financing for small businesses.

With the bank’s responsiveness to needs within the AA, we also considered statewide or regional activities that had a purpose, mandate, or function for community development. The bank originated four CD loans in the statewide or regional area totaling \$11.0 million. Four loans created a total of 299 units of affordable housing. The other two loans were SBA 504 loans to promote economic development by providing long-term financing for small businesses.

**Number and Amount of Qualified Investments**

The Qualified Investments Table, shown below, sets forth the information and data used to evaluate the bank’s level of qualified CD investments and donations. This table includes all CD investments and donations, including any prior period investments that remain outstanding as of the examination date.

Qualified Investments and Donations										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
San Diego County AA	3	4,987	10	438	13	17.3	5,425	43.3	1	382
Inland Empire AA	2	291	11	550	13	17.3	841	6.7	1	382
Southern California AA	2	300	33	2,517	35	46.7	2,817	22.5	1	765
Ventura County AA	1	36	10	208	11	14.7	244	1.9	0	0
Outside AA***	2	2,775	1	431	3	4.0	3,206	25.6	0	0
<b>Total</b>	<b>10</b>	<b>8,389</b>	<b>65</b>	<b>4,144</b>	<b>75</b>	<b>100</b>	<b>12,533</b>	<b>100</b>	<b>3</b>	<b>1,529</b>
* Prior Period Investments' means investments made in a previous evaluation 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. *** Outside Assessment area investments are located in the broader statewide or regional areas.										

BoSC demonstrated excellent responsiveness to the CD needs in its AAs. During the evaluation period, qualified investments and donations totaled \$12.5 million. These totals include prior period investments of \$5.6 million, and outside AA investments of \$3.2 million. The bank made \$3.7 million, or 64 individual investments/donations within the current period for its four AAs. The qualified investments and donations included investments in SBA loan pools, Low Income Housing Tax Credits (LIHTC),

minority deposit institutions (MDIs), and numerous donations to organizations which provide affordable housing services including downpayment assistance and U.S. Department of Housing and Urban Development (HUD) counseling to LMI families, provide medical services to LMI adults without health insurance, and support community services dedicated to LMI youth and family programs.

### **Extent to Which the Bank Provides Community Development Services**

The bank's level of CD services reflects an excellent responsiveness to identified needs within the AAs. BoSC employees contributed 1,911 hours to 32 qualified CD organizations during the evaluation period. Examples of CD services provided by bank staff include:

- Facilitating small business loan guarantees through weekly service reviewing loan applications that would not be approved in a bank's normal course of business for the Small Business Financial Development Corporation (SBFDC).
- Serving as advisory board members for several nonprofit organizations that provide services for LMI individuals and families.
- Providing financial program creation and support to advance the FDIC Alliance for Economic Inclusion (AEI) in Los Angeles.

The bank provided qualified service hours to organizations totaling 13 hours in the SD County AA, 294 hours in the IE AA, 1,445 hours in the SC AA, and 144 hours in the Ventura County AA.

In addition, bank management participated in LA REACH (Roundtable for Economic Access and Change), through Project REACH, to provide MDIs resources to evolve and thrive in the quickly changing financial service industry. In addition, bank employees provided additional service hours that benefited the AAs but did not qualify as CRA activities.

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed:</b>	01/01/2021 to 12/31/2023	
<b>Bank Products Reviewed:</b>	Small business loans Community development loans, qualified investments and donations, and services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
NA		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
California		
San Diego County	Full-scope	
Inland Empire	Full-scope	AA includes Riverside and San Bernardino Counties
Southern California	Full-scope	AA includes Los Angeles and Orange Counties
Ventura County	Full-scope	

## Appendix B: Summary of MMSA and State Ratings

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<b>RATINGS</b>		<b>Bank of Southern California</b>	
<b>Overall Bank:</b>	<b>Lending Test Rating*</b>	<b>CD Test Rating</b>	<b>Overall Bank/State/Multistate Rating</b>
Bank of Southern California	Satisfactory	Outstanding	Satisfactory
<b>MMSA or State:</b>			
California	Satisfactory	Outstanding	Satisfactory

(\*) The Lending Test and Community Development Test carry equal weight in the overall rating.

## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in 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. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, 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, 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-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

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

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**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-Scope 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:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

**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 state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

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

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

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

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

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

**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.

**Rating Area:** A rated area is a state or multi-state metropolitan statistical 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 statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

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

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

**Tier 1 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.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

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

**Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were 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) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.

**Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																			<b>2021</b>	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
San Diego County AA	787	108,384	41.9	118,477	5.6	3.3	5.2	14.7	12.1	14.3	34.7	32.2	34.6	44.9	52.5	45.9	0.1	0.0	0.1	
Inland Empire AA	304	38,092	14.8	132,675	4.2	1.0	3.5	24.8	17.1	23.8	34.5	39.1	34.4	36.4	42.8	38.3	0.1	0.0	0.1	
Southern California AA	791	104,494	40.4	601,563	4.9	3.2	4.8	19.3	21.2	19.9	24.7	29.0	25.5	49.3	45.1	48.3	1.9	1.5	1.5	
Ventura County AA	29	7,575	2.9	31,753	4.8	3.5	4.8	19.6	17.2	19.0	39.2	37.9	39.9	35.8	41.4	35.8	0.5	0.0	0.4	
<b>Total</b>	<b>1,911</b>	<b>258,545</b>	<b>100.0</b>	884,468	4.9	<b>2.9</b>	4.7	19.4	<b>16.8</b>	19.7	28.1	<b>32.0</b>	28.5	46.4	<b>47.7</b>	46.0	1.3	<b>0.6</b>	1.1	

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																			<b>2022-23</b>	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
San Diego County AA	149	59,312	31.1	113,825	3.8	2.7	3.4	17.4	20.8	16.7	34.2	34.2	34.2	43.7	42.3	44.9	0.9	0.0	0.7	
Inland Empire AA	63	28,202	13.2	137,568	2.8	0.0	2.1	23.2	30.2	21.4	37.2	30.2	37.9	36.0	39.7	38.0	0.7	0.0	0.6	
Southern California AA	246	115,899	51.4	566,368	3.4	2.8	3.3	18.7	12.6	19.9	27.8	33.3	28.5	47.5	48.4	46.0	2.6	2.8	2.2	
Ventura County AA	21	10,731	4.4	28,933	2.9	0.0	3.2	16.8	38.1	15.9	43.4	23.8	44.7	36.5	38.1	36.0	0.4	0.0	0.3	
<b>Total</b>	<b>479</b>	<b>214,144</b>	<b>100.0</b>	846,694	3.4	<b>2.3</b>	3.1	19.1	<b>18.6</b>	19.6	30.6	<b>32.8</b>	31.4	45.0	<b>44.9</b>	44.2	2.0	<b>1.5</b>	1.7	

Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2021</b>	
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Businesses with Revenues &lt;= 1MM</b>			<b>Businesses with Revenues &gt; 1MM</b>		<b>Businesses with Revenues Not Available</b>		
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	
San Diego County AA	787	108,384	41.9	118,477	90.1	2.2	46.4	3.7	5.3	6.3	92.5	
Inland Empire AA	304	38,092	14.8	132,675	89.3	2.3	46.3	3.5	5.3	7.3	92.4	
Southern California AA	791	104,494	40.4	601,563	90.6	1.6	45.3	3.8	6.7	5.6	91.7	
Ventura County AA	29	7,575	2.9	31,753	88.6	20.7	45.2	4.2	17.2	7.3	62.1	
<b>Total</b>	<b>1,911</b>	<b>258,545</b>	<b>100.0</b>	884,468	90.3	<b>2.3</b>	45.6	3.8	<b>6.0</b>	6.0	<b>91.7</b>	
<i>Source: 2023 D&amp;B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.</i>												

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2022-23</b>	
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Businesses with Revenues &lt;= 1MM</b>			<b>Businesses with Revenues &gt; 1MM</b>		<b>Businesses with Revenues Not Available</b>		
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	
San Diego County AA	149	59,312	31.1	113,825	91.8	24.8	52.3	2.8	54.4	5.3	20.8	
Inland Empire AA	63	28,202	13.2	137,568	91.3	15.9	53.2	2.7	69.8	6.0	14.3	
Southern California AA	246	115,899	51.4	566,368	92.4	15.4	51.9	2.9	69.9	4.8	14.6	
Ventura County AA	21	10,731	4.4	28,933	90.2	4.8	51.6	3.3	71.4	6.4	23.8	
<b>Total</b>	<b>479</b>	<b>214,144</b>	<b>100.0</b>	846,694	92.1	<b>18.0</b>	52.1	2.9	<b>65.1</b>	5.1	<b>16.9</b>	
<i>Source: 2023 D&amp;B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.</i>												

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.