



PUBLIC DISCLOSURE

April 15, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Universal Bank

Charter Number: 705801

3455 Nogales Street-2nd Floor
West Covina, CA 91792

Office of the Comptroller of the Currency

25 Jesse Street at Ecker Square
16th Floor
San Francisco, CA 94105

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 **Outstanding**.

The lending test is rated: Outstanding.

The major factors that support this rating include:

- The Lending Test rating is based on the bank's excellent record of performance in meeting credit needs of its assessment area (AA).
 - Universal Bank's (UB) loan-to-deposit ratio (LTD) is more than reasonable given the bank's size, financial condition, and business strategy.
 - A majority of the UB's loans are within its AA.
 - The geographic distribution of loans reflects excellent distribution in low- and moderate-income areas.
 - UB's Community Development (CD) activities demonstrated excellent responsiveness during the evaluation period and had a positive effect on the bank's rating in its AA.
 - There were no complaints regarding UB's performance in meeting the credit needs of its AA.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, UB's LTD is more than reasonable. UB's average LTD is 109.3 percent for the twelve quarters from January 1, 2021, through December 31, 2023. The ratio ranged from a quarterly low of 99.6 percent to a quarterly high of 128.8 percent. UB's average LTD ratio exceeds the average LTD ratios of other community banks operating in the bank's AA. The average quarterly LTD ratio for similarly situated banks is 96 percent over the same period. The average ratio ranged from a quarterly low of 63.1 percent to a quarterly high of 130.7 percent. The bank's average LTD ratio was higher than the peer average over the review period.

Lending in Assessment Area

A majority of the bank's loans are inside its AA. UB originated or purchased 60.5 percent by number and 54.4 percent of the dollar of its loans inside the bank's AA 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. See Table D below for details. The concentration of loans inside the AA had a positive impact on the bank's lending performance.

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2021	14	56.0	11	44.0	25	13,359	38.4	21,462	61.6	34,821
2022	8	88.9	1	11.1	9	23,225	94.7	1,300	5.3	24,525
2023	4	44.4	5	55.6	9	8,136	35.5	14,795	64.5	22,932
Total	26	60.5	17	39.5	43	44,720	54.4	37,557	45.6	82,277
Source: Bank Data Due to rounding, totals may not equal 100										

Description of Institution

UB is an intrastate full-service community bank headquartered in West Covina, California. The bank operated under multiple names since 1954 when it was originally chartered as Universal Savings and Loan Association. In 1996, the bank name changed to Universal Bank. UB is a minority owned financial institution and a wholly owned subsidiary of Universal Financial, Inc., a one-bank holding company also headquartered in West Covina. The bank was not involved in any merger or acquisition activity during the evaluation period.

The bank operates five full-service branches in Los Angeles County, which the bank has selected to be its AA. Los Angeles County comprises the Los Angeles-Long Beach-Glendale Metropolitan Division (MD), which is part of the larger Los Angeles-Long Beach-Anaheim Metropolitan Statistical Area (MSA). The main branch in West Covina is in an upper-income census tract. UB also operates branches in Monterey Park and Arcadia in a middle-income tract, and Rosemead, and Eagle Rock in moderate and upper-income tracts respectively. In November 2022, the Arcadia branch was relocated from an upper/middle-income tract to a middle-income tract. The relocation was 2.3 miles and the branch remained accessible to existing customers.

In addition to loan products, UB offers traditional banking services. Each branch has an automated teller machine (ATM), and the Eagle Rock Branch offers drive-up teller access during normal banking hours. All branches are open for business Monday through Friday from 9:00 AM to 4:30 PM. UB offers a variety of alternative banking services including telephone banking, on-line banking, bill payment, Business Remote Deposit Capture (RDC), Zelle money transfer service and direct deposit. All branches except West Covina offer night depository service.

As of December 31, 2023, UB reported total assets of \$371 million, total loans of \$280 million, total deposits of \$255 million, and total equity capital of \$65 million. Net loans represent about 75 percent of total assets. Loan originations are centered in multifamily at 59.6 percent and commercial real estate at 30 percent. Other commercial and industrial loan products are available, but do not compose a significant portion of loan originations. The bank does not offer consumer lending products; however, they do have a white label credit card service through Elan™ Financial Services.

There are no legal, financial, or other factors impeding the ability of the bank to meet the credit needs of the communities it serves in Los Angeles County. UB received an “outstanding” rating under the intermediate small bank evaluation procedures at the March 22, 2021, Community Reinvestment Act (CRA) Examination.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The Office of the Comptroller of the Currency (OCC) evaluated UB under the Small Bank examination procedures which includes a Lending Test that evaluates the bank’s record of meeting the credit needs of its AAs through its lending activities. The OCC performed a full-scope assessment of CRA performance in the bank’s one identified AA of Los Angeles County.

The evaluation period for the Lending Test includes UB’s performance from January 1, 2021, through December 31, 2023, and covers two census periods. Analysis of UB’s performance for year 2021 is based on the 2015 American Community Survey (ACS). The analysis of performance data for years 2022 and 2023 is based on the 2020 U.S. Census. The Lending Test evaluated multifamily mortgage loans originated during the evaluation period, as these loans were determined to be the primary loan product originated by UB. The OCC captured these mortgage loans under Home Mortgage. As the bank’s primary lending product, the distribution of mortgage loans received full weight during our analysis. Our review focused on the geographic distribution of the bank’s mortgage loans by income level of the geography. As most borrowers were entities other than individuals or families, income was not required to be reported. Therefore, an analysis of mortgage loan distribution by income level of the borrower would not be meaningful and was not included in the scope of this review.

At the bank’s option, UB provided CD activities from January 1, 2021, through December 31, 2023, reflecting the bank’s record of qualified investments and services. The OCC assessed the performance of these CD activities and its effect on the bank’s rating in its AA.

Selection of Areas for Full-Scope Review

In each state where UB has an office, one or more of AAs within that state were selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same 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. 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. UB has only one AA. Therefore, all weighting for the evaluation was placed on the Los Angeles County AA.

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 California: **Outstanding.**

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

The major factors that support this rating include:

- The geographic distribution of home mortgage loans across geographies of different income levels is by income level of the geography reflects excellent distribution in low- and moderate-income areas.
- The banks CD activities demonstrated excellent responsiveness during the evaluation period and had a positive effect on the overall state rating.

Description of Institution's Operations in California

Los Angeles County AA

UB designated Los Angeles County as its AA. Los Angeles County comprises the Los Angeles-Long Beach-Glendale MD and is part of the larger Los Angeles-Long Beach-Anaheim MSA. For 2021, Los Angeles County consists of 2,346 census tracts (CTs) surrounding the bank's five full-service branches located in West Covina, Monterey Park, Eagle Rock, Arcadia, and Rosemead. Of the 2,346 CTs, 221 are low-income, 674 are moderate-income, 583 are middle-income, and 817 are upper income. In addition, there are 51 CTs that do not report data and are listed as unknown.

The Los Angeles County AA is the bank's primary market with 100 percent of the bank's deposits. Competition from larger financial institutions in the AA is strong. As of June 30, 2021, the Federal Deposit Insurance Corporation (FDIC) Market Share report included 99 financial institutions with a combined 1,634 branches competing for over \$590 billion in deposits. UB ranked 63rd with \$289.7 million of deposits, representing only 0.05 percent of the market share in the AA. The largest competitors include Bank of America, National Association (NA); Wells Fargo Bank, NA; and JPMorgan Chase Bank, NA, with a combined 44.5 percent of the deposit market in the AA.

Los Angeles County has a diverse economic base and an estimated population of 9.7 million, making it one of most populous counties in the United States. The largest non-government employers include Kaiser Permanente, Walt Disney Company and NBC Universal. With a median housing value over \$681 thousand and median rent of \$1,601, there is a shortage of affordable housing. There are many homeless people with over 66 thousand individuals experiencing homelessness on any given night. The AA has an estimated deficit of over 700,000 homes that are affordable to LMI households. In addition, there are 14.01 percent of families living below the poverty line in the AA.

The unemployment rate in Los Angeles County increased only slightly between 2022 and 2023, moving from 4.9 percent to 5.1 percent. It should be noted that 2022's unemployment rate did not match the pre-

pandemic rate of 4.5 percent. The county's unemployment rate is expected to reach 5.4 percent in 2024 and 5.6 percent in 2025.

Community Contacts

Examiners reviewed information obtained from four recent (2021-2023) community contacts, demographic information from Tables A and other economic data. The community contacts included a nonprofit financial counseling agency, a small business development agency, a sustainable housing agency, and a low-income financial counseling agency. The contacts identified affordable housing and access to capital for vital neighborhood businesses as critical needs in the AA. Some opportunities to address the needs include:

- Credit building loans for low-income individuals.
- Small business loans for micro-businesses and startups.
- Financing ADU and manufactured home loans to accommodate the lack of housing.
- Originating more HELOCS / fixed-rate loans in low-moderate income communities.
- Offering 10/1 fixed-rate mortgages for 10 years and adjusting once per year thereafter.

Table A – Demographic Information of the Assessment Area						
Assessment Area: 2021 Los Angeles County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2,346	9.4	28.7	24.9	34.8	2.2
Population by Geography	10,038,388	8.6	29.3	26.3	35.1	0.8
Housing Units by Geography	3,476,718	7.8	26.3	24.8	40.6	0.5
Owner-Occupied Units by Geography	1,499,879	2.4	17.2	26.6	53.7	0.1
Occupied Rental Units by Geography	1,763,190	12.2	34.2	23.6	29.2	0.9
Vacant Units by Geography	213,649	8.7	25.4	22.8	42.2	1.0
Businesses by Geography	1,150,937	4.7	19.2	21.2	52.6	2.3
Farms by Geography	10,514	3.0	17.3	24.2	54.3	1.2
Family Distribution by Income Level	2,186,485	24.5	16.3	16.7	42.4	0.0
Household Distribution by Income Level	3,263,069	25.9	15.4	15.8	43.0	0.0
Median Family Income MSA - 31084 Los Angeles-Long Beach-Glendale, CA		\$62,703	Median Housing Value			\$495,540
			Median Gross Rent			\$1,292
			Families Below Poverty Level			14.3%
Source: 2015 American Community Survey and 2021 Dun & Bradstreet Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

For 2022/2023, Los Angeles County consists of 2,498 census tracts (CTs) surrounding the bank's five full-service branches located in West Covina, Monterey Park, Eagle Rock, Arcadia, and Rosemead. Of the 2,498 CTs, 159 are low-income, 694 are moderate-income, 711 are middle-income, and 857 are upper income. In addition, there are 77 CTs that 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 Los Angeles County AA is the bank's primary market with 100 percent of the bank's deposits for 2022-2023. As of June 30, 2022, the FDIC Market Share report included 95 financial institutions with a combined 1,571 branches competing for over \$602 billion in deposits. UB ranked 73rd with \$246.2 million of deposits, representing only 0.04 percent of the market share in the AA. The largest competitors include Bank of America, NA; Wells Fargo Bank, NA; and JPMorgan Chase Bank, NA, with a combined 46.8 percent of the deposit market in the AA. As of June 30, 2023, the FDIC Market Share report included 92 financial institutions with a combined 1,486 branches competing for over \$516 billion in deposits. UB ranked 74th with \$216.7 million of deposits, representing only 0.04 percent of the market share in the AA. The largest competitors include Bank of America, National Association (NA); Wells Fargo Bank, NA; and JPMorgan Chase Bank, NA, with a combined 50.6 percent of the deposit market in the AA. For 2023, the bank's primary loan originations were multifamily residential real estate loans (59.5 percent) and to a lesser extent commercial real estate loans (30.23 percent). Other commercial loans and 1-4 family loans comprised only five percent of loan originations.

Table A – Demographic Information of the Assessment Area						
Assessment Area: 2022-2023 Los Angeles County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2,498	6.4	27.8	28.5	34.3	3.1
Population by Geography	10,014,009	5.7	28.2	29.9	34.7	1.4
Housing Units by Geography	3,559,790	5.4	25.4	28.1	39.5	1.6
Owner-Occupied Units by Geography	1,534,472	1.5	16.1	30.6	51.3	0.4
Occupied Rental Units by Geography	1,798,032	8.8	33.8	26.5	28.5	2.4
Vacant Units by Geography	227,286	5.1	21.9	23.0	47.0	3.0
Businesses by Geography	1,524,041	3.8	18.0	25.1	49.9	3.2
Farms by Geography	13,760	2.7	16.9	25.9	52.6	2.0
Family Distribution by Income Level	2,211,342	23.9	16.5	17.5	42.2	0.0
Household Distribution by Income Level	3,332,504	25.9	15.0	16.3	42.7	0.0
Median Family Income MSA - 31084 Los Angeles-Long Beach-Glendale, CA		\$80,317	Median Housing Value			\$681,607
			Median Gross Rent			\$1,601
			Families Below Poverty Level			10.5%
Source: 2020 U.S. Census and 2023 Dun & Bradstreet Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

Scope of Evaluation in California

The rating for the State of California is based on a full-scope review of the Los Angeles County AA. The OCC used a combination of bank and examiner generated loan and demographic reports to assess CRA performance. In addition, OCC used information about the community and the bank's performance

obtained during meetings with members of local community organizations. OCC also considered the origination of a substantial majority of loans inside the AA and the significant amount of market competition when evaluating overall performance.

The evaluation period for the lending test was January 1, 2021, through December 31, 2023. The analysis focused on the distribution of mortgage loans as the bank's primary lending product. The bank was not required to report income information on multifamily housing loans for the Home Mortgage Disclosure Act (HMDA) data purposes. Therefore, an income distribution analysis would not be meaningful and was not included in the scope of this review. The OCC placed all weight on the bank's distribution by income level of the geography. The OCC compared the bank's distribution to demographic information as well as aggregate performance ratios which provided a comparison to peers.

LENDING TEST

The bank's performance under the Lending Test in California is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's lending performance in the state of California is excellent.

Distribution of Loans by Income Level of the Geography

The bank exhibits excellent geographic distribution of loans in the state.

Home Mortgage Loans

Refer to Table O in the state of California section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases. UB's distribution of mortgage loans within the AA shows excellent distribution in both low- and moderate-income geographies. During the 2021 to 2023 evaluation period, the bank originated 26 multifamily mortgage loans inside the AA. Of these loans, the OCC found that the bank's lending in low-income geographies of 21.4 percent exceeded both the peer aggregate of 2.4 percent and the demographic of 2.6 percent in 2021. The bank's lending in moderate-income geographies of 57 percent exceeded both the peer aggregate of 17.2 percent and the demographic of 16.4 percent in 2021.

For the 2022 to 2023 evaluation period, the OCC found that the bank's lending in low-income geographies of 16.6 percent exceeded both the peer aggregate of 1.5 percent and the demographic of 2.0 percent. The bank's lending in moderate-income geographies of 58.3 percent exceeded both the peer aggregate of 16.1 percent and the demographic of 17.1 percent in the 2022 to 2023 period.

Number and Amount of CD Loans

The CD 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.

<i>CD Loans 2021-2023</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Los Angeles County AA	23	60.5	26,924	52.8
Regional or Statewide:				
	15	39.5	24,061	47.2

During the evaluation period, the bank made 23 qualified CD loans inside the AA totaling \$26.9 million. Many qualified loans were mortgages on multifamily buildings with affordable rents for LMI families, which reflects excellent responsiveness to a primary community need for affordable housing. Additional CD loan examples include:

- A loan to provide 40 affordable units out of 41 total units in a moderate census tract.
- A loan supporting a local nonprofit theatre that provides LMI jobs and free programs to school children.
- A loan providing affordable housing in an upper income census tract.

With the bank's responsiveness to needs within the AA, the OCC also considered statewide or regional activities that had a purpose, mandate, or function for CD. The bank originated 15 CD loans, totaling \$24.1 million in qualified activity, in the regional or statewide area for affordable housing and community support services. Examples include a loan to a nonprofit providing LMI individuals with substance abuse treatment and recovery support services, and a loan to a community organization providing medical, behavior, and dental services to LMI individuals.

Responses to Complaints

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

Community Development

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

Number and Amount of Qualified Investments

<i>Qualified Investments and Donations 2021-2023</i>										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Los Angeles County AA	0	0	30	7,500	30	93.8	7,500	93.8	0	0
Regional or Statewide:										
	0	0	30	7,500	30	93.8	7,500	93.8	0	0

* 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.

UB demonstrated excellent responsiveness to CD investment opportunities in the AA. During the evaluation period, the bank made 30 investments and donations totaling \$7.5 million to qualified community development organizations in the AA. Most of the dollar volume consisted of certificates of deposit with community development financial intermediaries (CDFI's). There were two investments in Arkansas CDFIs for \$498m, or 6.3 percent of total CD investments.

With the bank's responsiveness to needs within the AA, the OCC considered statewide or regional activities that had a purpose, mandate, or function for community development. All qualified regional or statewide investments were certificates of deposit with CDFI's.

Extent to Which the Bank Provides Community Development Services

The bank's level of CD services reflects adequate responsiveness to identified needs within the AA. UB's qualified CD activities resulted in access to credit or services for LMI individuals or LMI geographies. During the three-year evaluation period, UB employees provided 728.5 hours to seven CD organizations within their AA. Highlights of qualified CD service activity provided by bank staff include the following:

- Provided multiple trainings to local high school students on various financial literacy topics.
- Provided ongoing financial literacy basics classes to local elementary school students.
- Organized and fundraised for recreational sports for LMI youth.

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the 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”.

Time Period Reviewed:	January 1, 2021 – December 31, 2023	
Bank Products Reviewed:	Mortgage loans Community development loans, qualified investments, community development services	
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
California Los Angeles County AA	Full-Scope	Los Angeles County comprises the Los Angeles-Long Beach-Glendale Metropolitan Division (MD) and is part of the larger Los Angeles-Long Beach-Anaheim Metropolitan Statistical Area (MSA).

Appendix B: Summary of MMSA and State Ratings

Overall Bank:	Lending Test Rating
Universal Bank	Outstanding
State:	
California	Outstanding

Appendix C: Definitions and Common Abbreviations

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

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 30th 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 O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses 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.

- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2021
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner - Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
2021 Los Angeles County	14	13,359	100	454,866	2.4	21.4	2.6	17.2	57.1	16.4	26.6	21.4	25.3	53.7	0	55.6	0.1	0	0.1
Total	14	13,359	100	454,866	2.4	21.4	2.6	17.2	57.1	16.4	26.6	21.4	25.3	53.7	0	55.6	0.1	0	0.1
Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2022-2023
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
2022 Los Angeles County	8	23,225	100	183,703	1.5	12.5	2.0	16.1	62.5	17.1	30.6	0	28.8	51.3	25	51.4	0.4	0	0.6
2023 Los Angeles County	4	8,136	100	183,703	1.5	25	2.0	16.1	50	17.1	30.6	0	28.8	51.3	25	51.4	0.4	0	0.6
Total	12	32,827	100	183,703	1.5	16.6	2.0	16.1	58.3	17.1	30.6	0	28.8	51.3	25	51.4	0.4	0	0.6
Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

