PUBLIC DISCLOSURE

May 8, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Pacific Bank
RSSD # 3470930

16011 Whittier Boulevard
Whittier, California 90603

Federal Reserve Bank of San Francisco
101 Market Street
San Francisco, California 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 the safe and sound operation of the institution. This evaluation is not, nor should it 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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INSTITUTION RATING

Institution's Community Reinvestment Act (CRA) Rating

First Pacific Bank is rated "OUTSTANDING"

PERFORMANCE LEVELS	PERFORMANCE TESTS
	Lending Test
Outstanding	X
Satisfactory	
Needs to Improve	
Substantial Noncompliance	

The major factors supporting the institution's rating include:

- A reasonable loan-to-deposit (LTD) ratio;
- A reasonable number of loans originated in the assessment areas;
- A reasonable geographic dispersion of loans, with no conspicuous gaps in lending patterns, driven by the bank's performance in the Los Angeles-Orange assessment area;
- A reasonable dispersion of loans to businesses of different sizes; and
- An excellent responsiveness to the community development needs within the Los Angeles-Orange assessment area by providing affordable housing and supporting community service organizations in these geographies.

INSTITUTION

Description of Institution

First Pacific Bank (FPB), Whittier, California, reported total assets of $366.6 million as of December 31, 2022, and is wholly-owned by Friendly Hills Bancorp, a shell bank holding company similarly headquartered in Whittier, California. During the review period, the bank operated a total of five branches, including two offices in Los Angeles County, with one branch each in the cities of Orange, Redlands, and San Diego. Since the prior July 6, 2015 CRA examination, the bank has expanded its branch network from two branches to five offices. Specifically, FPB acquired three branches of the Bank of Southern California on September 24, 2021, which were located in Orange, Redlands, and Santa Fe Springs. Of these, the former two branches remain while the latter location was consolidated into the bank's pre-existing Santa Fe Springs office. Additionally, the bank opened a new full-service branch in San Diego, California on June 23, 2022. As a result of the branch network expansion, FPB has added two new assessment areas consisting of the whole counties of San Diego, and San Bernardino, respectively, to its previous single assessment area comprised of Los Angeles and Orange Counties.

FPB is a full service, relationship-focused institution that offers traditional financial products and services to businesses and consumers. Loan products include lines of credit, term loans, construction credits, Small Business Administration (SBA)-guaranteed loans, California Capital Access Program (CalCAP) Truck loans, and 1-4 family mortgage loans. Deposit account offerings consist of demand, money market, savings, and Certificates of Deposit while services include Remote Deposit Capture and Mobile Banking.

Exhibit 1 on the following page represents FPB's loan portfolio as stated in the Consolidated Reports of Condition and Income as of December 31, 2022, and reflects the bank's commercial lending focus that comprises 58.2 percent of the bank's total loans and leases.

EXHIBIT 1 LOANS AND LEASES AS OF DECEMBER 31, 2022		
Loan Type	**$ ('000s)**	**%**
Commercial/Industrial & Non-Farm Non-Residential Real Estate	119,373	58.2
Farm Land & Agriculture	0	0.0
Secured by 1-4 Family Residential Real Estate	40,478	19.7
Consumer Loans & Credit Cards	53	0.0
Construction & Land Development	20,933	10.2
All Other	0	0.0
Multi-Family Residential Real Estate	24,332	11.9
Total (Gross)	205,169	100.0

FPB did not face any legal or financial impediments during the review period that would have prevented the institution from helping to meet the credit needs of its assessment areas consistent with its business strategy, size, financial capacity, and local economic conditions.

Scope of Examination

FPB's performance was evaluated in accordance with the *Interagency Small Institution CRA Examination Procedures*. Such evaluation was based upon the following performance criteria:

- Loan volume compared to deposits (LTD Ratio);
- Lending inside versus outside the assessment area (Lending in Assessment Area);
- Dispersion of lending throughout the assessment area (Lending Distribution by Geography); and
- Lending to businesses of different sizes (Lending Distribution by Business Revenue).

The evaluation was based on a representative sample of small business loans originated or renewed from January 1, 2022 through December 31, 2022. Specifically, a total of 85 small business loans were considered in the evaluation of Lending in the Assessment Areas. Of these, 65 small business loans were extended within the bank's assessment areas and were used in the analysis of Lending Distribution by Geography and Lending Distribution by Business Revenue.

Per the bank's request, FPB also submitted certain loans secured by residential real estate for CRA credit and were evaluated as community development activities. The community development loan review period covered July 7, 2015 to May 8, 2023.

The bank's responsiveness to consumer complaints was not evaluated since the bank did not receive any complaints related to its CRA performance during the review period.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

Overall, FPB's LTD ratio average of 67.3 percent is reasonable relative to its peer LTD range from 59.2 percent to 121.4 percent during the 29-quarter period since the last exam. The impact of bank's acquisition of $82.3 million in deposit liabilities associated with the Bank of Southern California acquisition during the third quarter of 2021 was considered in relation to the assessment of its LTD over the evaluation period. Specifically, the purchase of these deposits resulted in a LTD decline on an individual quarter-end basis from 58 percent as of June 30, 2021 to 34 percent as of September 30, 2021. However, the bank has successfully increased the bank's individual LTD figure to 76.3 percent as of year-end 2022. It is further noted that FPB met the credit needs of its assessment areas by serving as an active lender in the Paycheck Protection Program (PPP), which helped ensure that critically needed credit was available to small businesses during the pandemic. Specifically, the institution originated 333 PPP loans in 2020 and 2021, totaling $66.2 million, all of which were paid off by October 12, 2022.

Lending in Assessment Areas

A majority of FPB's loans, by number and dollar volume of loan, were extended within it's assessment areas. Exhibit 2 below shows that 76.5 percent of the bank's small business lending by number and 84.7 percent of small business lending by dollar volume was originated in these geographies. This performance reflects that the bank's credit activities are centered in its assessment areas.

EXHIBIT 2
LENDING INSIDE AND OUTSIDE THE ASSESSMENT AREAS
JANUARY 1, 2022 – DECEMBER 31, 2022

Loan Type	Inside				Outside			
	#	%	$('000s)	%	#	%	$('000s)	%
Small Business	65	76.5	38,118	84.7	20	23.5	6,892	15.3
Total Loans	**65**	**76.5**	**38,118**	**84.7**	**20**	**23.5**	**6,892**	**15.3**

Geographic and Borrower Distribution

The bank demonstrates reasonable penetration among census tracts of different income levels and businesses of different sizes within its assessment areas. Small business loan performance in FPB's single full-scope assessment area of Los Angeles-Orange was a primary factor in this assessment. These conclusions are based on a variety of contextual factors that affect the individual conclusions in the separate assessment areas. The facts and data supporting the overall conclusions are presented within the separate assessment area analyses.

FPB's geographic distribution of credit showed a reasonable dispersion relative to the concentration of businesses in the underlying geographies.[1] With regard to borrower distribution, the bank extended 60 percent of its small business loans to small businesses. In addition, the majority of the loan amounts extended by the bank in the assessment areas of Los Angeles-Orange, and San Bernardino were in dollar amounts of $250 thousand or less, meeting identified small business credit needs. Notably, the bank originated a high number of CalCAP credits for small business truck owners with an average loan size of approximately $96,000, which helped address the referenced small business needs for smaller-sized loans.

Response to Complaints

FPB did not receive any CRA-related complaints during the review period. Accordingly, the bank's performance in responding to complaints was not considered in evaluating its overall CRA performance.

Community Development Activities

The bank's community development lending demonstrated excellent responsiveness to the community development credit needs primarily centered in the Los Angeles-Orange assessment area by providing affordable housing and supporting organizations offering essential services to low-and-moderate income communities. Overall, the bank extended a total of 20 qualified community development loans totaling $19.6 million during the review period. This represents a 66.7 percent increase by number and a 226.7 percent increase by dollar amount from the prior examination period, when the bank extended 12 loans totaling $6 million. The following reflects a summary of FPB's lending activities:

- 10 loans totaling $12.5 million which supported the critical need of affordable housing and provided 110 housing units to low-and moderate-income individuals and families.
- 4 loans totaling $2.6 million, which provided fourteen units of affordable housing specifically in low-income census tracts.
- A $1.9 million dollar loan to a borrower that focuses on acquiring distressed properties in low-and moderate-income geographies for renovation and leasing as affordable housing units under a government subsidy program. This loan supported ten affordable housing units.

[1] 2022 CRA Aggregate lending data was unavailable to use as a comparative assessment tool during the exam.

- 3 loans totaling $1.8 million that helped support organizations providing critical services to low-and-moderate income individuals needing assistance with housing, food and medical support.

While there were no community development loans originated in the limited scoope areas of San Bernardino and San Diego, two of the bank's affordable housing loans, totaling approximately $771,000, benefitted the broader statewide or regional area that includes these assessment areas.

Fair Lending Or Other Illegal Practices Review

Concurrent with this CRA evaluation, we conducted a review of the bank's compliance with consumer protection laws and regulations and found no violations of the substantive provisions of anti-discrimination, fair lending, or other illegal credit practice rules, laws or regulations that were inconsistent with helping to meet community credit needs.

FULL-SCOPE ASSESSMENT AREA CONCLUSIONS

Los Angeles – Orange Assessment Area

DESCRIPTION OF OPERATIONS IN LOS ANGELES-ORANGE

The Los Angeles-Orange assessment area consists of the Los Angeles-Long Beach-Anaheim Metropolitan Statistical Area (MSA), which is comprised of Los Angeles and Orange Counties in their entireties. Los Angeles County is located along the Pacific Coast in Southern California, south of Kern County, east of Ventura County and west of San Bernardino County. Orange County is located south of Los Angeles County and is bordered by San Bernardino County and Riverside County to the northeast and San Diego County to the south. Based upon the 2020 U.S. Decennial Census, the two-county assessment area was estimated to be home to over 13.2 million people.[2] With a population of over 10 million, Los Angeles County was the most populous county in California, while Orange County was ranked third most populous with 3.1 million people.[3]

The Los Angeles-Orange assessment is a highly competitive market for financial services. The June 30, 2022 Deposit Market Share Report shows that 109 federally-insured financial institutions were operating 2,145 offices in the area with combined total deposits of over $795 billion. According to that same data, First Pacific ranked 84th in the area with just 0.03 percent of the deposit market share.[4] With three of FPB's five offices in the Counties of Los Angeles and Orange, a majority of the bank's branches are housed in this assessment area.

Exhibit 3 on the following page presents key demographic and business information used to help develop a performance context for the assessment area.

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2 Source: 2011-2015 U.S. Census Bureau American Community Survey 2020 U.S. Census Bureau Decennial Census.

3 Source: 2020 U.S. Census Bureau Quickfacts; available from https://www.census.gov/quickfacts/fact/table/losangelescountycalifornia,orangecountycalifornia, sandiegocountycalifornia,CA/POP010220.

4 Federal Deposit Insurance Corporation (FDIC), Summary of Deposits; available from https://www7.fdic.gov/sod/sodMarketRpt.asp?barItem=2.

EXHIBIT 3
ASSESSMENT AREA DEMOGRAPHICS[5]
LOS ANGELES – ORANGE

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	178	5.7	142,545	4.8	39,818	14.0	699,400	23.7
Moderate-income	856	27.5	792,186	26.8	125,169	44.1	486,097	16.5
Middle-income	926	29.8	905,587	30.7	73,556	25.9	529,772	17.9
Upper-income	1,071	34.4	1,098,658	37.2	43,367	15.3	1,238,213	41.9
Tract not reported	81	2.6	14,506	0.5	1,991	0.7	0	0.0
Total AA	*3,112*	*100.0*	*2,953,482*	*100.00*	*283,901*	*100.0*	*2,953,482*	*100.0*

Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by tract	#	% by tract
Low-income	225,201	29,216	13.0	1.4	183,218	81.4	12,767	5.7
Moderate-income	1,184,434	364,211	30.7	17.1	758,418	64.0	61,805	5.2
Middle-income	1,388,988	672,356	48.4	31.6	643,632	46.3	73,000	5.3
Upper-income	1,803,716	1,056,633	58.6	49.6	613,113	34.0	133,970	7.4
Tract not reported	58,695	7,284	12.4	0.3	44,424	75.7	6,987	11.9
Total AA	*4,661,034*	*2,129,700*	*45.7*	*100.0*	*2,242,805*	*48.1*	*288,529*	*6.2*

Income Categories	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or Equal to $1 Million		Greater than $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	21,090	3.7	19,148	3.6	1,841	4.4	101	3.3
Moderate-income	117,237	20.5	107,024	20.2	9,741	23.5	472	15.3
Middle-income	161,035	28.1	147,768	28.0	12,506	30.2	761	24.6
Upper-income	263,565	46.0	246,242	46.6	15,644	37.8	1,679	54.4
Tract not reported	10,178	1.8	8,412	1.6	1,691	4.1	75	2.4
Total AA	*573,105*	*100.0*	*528,594*	*100.0*	*41,423*	*100.0*	*3,088*	*100.0*
Percentage of Total Businesses			**92.2**		**7.2**		**0.5**	

[5] 2022 FFIEC Census Data, 2022 Dun & Bradstreet Data, 2016-2020 U.S. Census Bureau American Community Survey. Note: Percentages may not total 100 percent due to rounding.

Economic Conditions

During the review period, the economic expansion of the Los Angeles-Orange area was abruptly halted by the COVID-19 pandemic. The subsequent recovery was steady but lagged behind the national average until 2022.

The area's economy was in the late expansion stage of the business cycle prior to the pandemic. By November 2019, the unemployment rates in both Los Angeles County and Orange County had dropped to historic lows, largely due to job gains in healthcare, construction, professional/business services, and leisure/hospitality.[6] [7] However, the economic fallout of the pandemic hit the assessment area harder than most regional economies.[8] The disruption of global commerce, which was already impacted by trade conflicts, had a direct impact on the local economy because the ports of Los Angeles and Long Beach are major economic drivers of the area.[9] The decrease in both supply and demand for goods due to the pandemic resulted in waves of business closures in the assessment area as well as the temporary closures of some factories.[10] Additionally, travel restrictions and the statewide lockdown halted domestic and international tourism which were heavily relied upon by the area's economy due to the presence of Disneyland, Universal Studios, and the surrounding hotels, restaurants and recreational facilities.[11] By midyear 2020, the unemployment rate of the assessment area was among the highest in the country. Los Angeles County had 17.5 percent unemployment, and Orange County had 13.5 percent unemployment in July of 2020.[12] [13]

In 2021, the area's economy showed signs of recovery as employment growth improved with the leisure and hospitality sector leading the way.[14] [15] By August 2022, total employment in the area generally reached prepandemic levels, while unemployment figures in the counties of Los Angeles and Orange have slowly dropped to 5.3 percent, and 3.4 percent respectively, and progressing toward the respective 2019 prepandemic rates of 4.4 percent and 2.8 percent.[16] [17]

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6 Moody's Precis Report, Los Angeles-Long Beach-Glendale, CA, November 2019.
7 Moody's Precis Report, Anaheim-Santa Ana-Irvine, CA November, 2019.
8 Moody's Precis Report, Los Angeles-Long Beach-Glendale, CA February 2020.
9 Ibid.
10 Moody's Precis Report, Los Angeles-Long Beach-Glendale, CA, August 2020.
11 Moody's Precis Report, Anaheim-Santa Ana-Irvine, CA, August 2020.
12 Moody's Precis Report, Los Angeles-Long Beach-Glendale, CA, August 2020.
13 Moody's Precis Report, Anaheim-Santa Ana-Irvine, CA, August 2020.
14 Moody's Precis Report, Los Angeles-Long Beach-Glendale, CA August 2021.
15 Moody's Precis Report, Anaheim-Santa Ana-Irvine, CA August 2021.
16 Moodys Precis Report, Los Angeles-Long Beach-Glendale, CA August 2022.
17 Moody's Precis Report, Anaheim-Santa Ana-Irvine, CA August 2022.

Small Business Lending

In March of 2020, the federal PPP was launched by the Treasury Department with the goal of helping small businesses survive the pandemic-related lockdowns.[18] As a result, growth in lending occurred within banks of all sizes nationwide. Overall, small banks increased lending to small businesses and small farms by an average of 23 percentage points more than expected during the first half of 2020, and lending by medium and large banks increased by 38 and 35 percentage points more than expected, respectively, during that same time period.[19] According to the borrower firms that elected to report their industry data, most loans under $1 million made as of August 2020 were made to businesses in the professional, scientific, and technical services industry, followed by other services (except public administration) industry, the health care and social assistance industry, and the construction industry.[20]

As depicted in Exhibit 4 on the following page, the number of small business loans originated within the assessment area has increased steadily since the prior 2015 examination, with the pace of loan growth in the area exceeding the statewide trend. Specifically, small business loans in the assessment area increased by 40.6 percent from 2016 to 2021, while at the statewide level, loans to small businesses increased by 36.5 percent. Lending to small businesses is critical for the support of the local economy given that small businesses represented 92.2 percent[21] of all businesses in the assessment area.

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18 Federal Reserve Bank of San Francisco, Economic Letter, Small Business Lending during COVID-19, November 23, 2020; available from: https://www.frbsf.org/economicresearch/publications/economic-letter/2020/november/small-business-lending-during-covid-19/.

19 Federal Reserve Bank of San Francisco, Economic Letter, Small Business Lending during COVID-19, November 23, 2020; available from: https://www.frbsf.org/economic-research/publications/ecoomic-letter/2020/november/small-business-lending-during-covid-19/.

20 SBA, PPP or Loan Data, 2020 Data Reports; *Borrower firms self-reported data and had the option to abstain from reporting certain details of the loan application, therefore data may not capture some details of each loan made*; available from: https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protectionprogram.

21 2022 Dun & Bradstreet data.

Exhibit 4 **Small Business Loan Trends** Assessment Area: Los Angeles-Orange						
Area	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Los Angeles-Orange AA	409,866	405,442	452,081	482,794	499,559	576,377
Los Angeles County, CA	299,616	298,116	330,693	354,890	365,864	427,499
Orange County, CA	110,250	107,326	121,388	127,904	133,695	148,878
California	983,634	961,046	1,072,551	1,146,375	1,182,917	1,342,194
Source: Federal Financial Institutions Examination Council (FFIEC) Community Reinvestment Act Aggregate Data						

Employment Statistics

Exhibit 5 below reflects the unemployment rate of FPB's assessment area and the State of California. The unemployment rate in both of the assessment area's two counties experienced a sharp increase in 2020 following the pandemic before declining in 2021. While the area's combined average unemployment rate was below the state average in 2017, 2018, and 2019, recovery from the pandemic in the assessment area lagged the state average due to the high unemployment rate of Los Angeles County. However, as noted previously, such rates have further dropped in 2022 and are approaching the prepandemic levels as evidenced by the unemployment rates for the counties of Los Angeles and Orange of 5.3 percent, and 3.4 percent, respectively.[22] [23]

Exhibit 5 **Unemployment Rates** Assessment Area: Los Angeles-Orange					
Area	**2017**	**2018**	**2019**	**2020**	**2021**
Los Angeles-Orange AA	4.5%	4.2%	4.0%	11.5%	8.2%
Los Angeles County, CA	4.8%	4.6%	4.4%	12.3%	8.9%
Orange County, CA	3.5%	3.0%	2.8%	9.0%	6.0%
California	4.8%	4.3%	4.1%	10.2%	7.3%
Source: Bureau of Labor Statistics, Local Area Unemployment Statistics					

22 Moodys Precis Report, Los Angeles-Long Beach-Glendale, CA August 2022.

23 Moody's Precis Report, Anaheim-Santa Ana-Irvine, CA August 2022.

Population Change

As of 2020, the assessment area's population was most heavily concentrated in Los Angeles County (75.9 percent), where the bank operates two of its three Los Angeles-Orange branches. Between 2015 and 2020, the overall population in the assessment area increased at a slower rate than the state as a whole, with the increase occurring in Orange County. Exhibit 6 below reflects the population changes that occurred during that timeframe.

Exhibit 6
Population Change
Assessment Area: Los Angeles-Orange

Area	2015 Population	2020 Population	Percent Change
Los Angeles Orange AA	13,154,457	13,200,998	0.4%
Los Angeles County, CA	10,038,388	10,014,009	-0.2%
Orange County, CA	3,116,069	3,186,989	2.3%
California	38,421,464	39,538,223	2.9%

Source: 2011-2015 U.S. Census Bureau American Community Survey 2020 U.S. Census Bureau Decennial Census

Median Family Income

Between 2015 and 2020, the median family income of the assessment area increased, although to a lesser degree than the state as a whole, with Los Angeles County experiencing the greatest increase. Exhibit 7 below reflects the change in median family income that occurred during that timeframe.

Exhibit 7
Median Family Income Change
Assessment Area: Los Angeles-Orange

Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Los Angeles Orange AA	$74,040	$85,544	15.5%
Los Angeles County, CA	$68,508	$80,317	17.2%
Orange County, CA	$93,965	$106,451	13.3%
California	$77,267	$89,798	16.2%

Source: 2011 - 2015 U.S. Census Bureau American Community Survey
2016 - 2020 U.S. Census Bureau American Community Survey
Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.

Mortgage Loan Trends

As reflected in Exhibit 8 below, mortgage loan originations within the assessment area increased significantly (173.2 percent) since 2018, exceeding the 162.2 percent growth rate statewide. Los Angeles County showed larger growth by number of loans with an increase of 226,527 mortgage loans (167.9 percent) originated between 2018 and 2021. Within the same timeframe, the number of mortgage loans in Orange County and the State of California increased by 186.2 percent and 162.2 percent, respectively. Exhibit 8 below contains mortgage loan data originated by financial institutions in the assessment area and the State of California in 2018 through 2021.

Exhibit 8
Home Mortgage Trends - 2018 and Later
Assessment Area: Los Angeles - Orange

Area	**2018**	**2019**	**2020**	**2021**
Los Angeles-Orange AA	188,698	277,147	530,291	515,504
Los Angeles County, CA	134,925	194,645	355,793	361,452
Orange County, CA	53,773	82,502	174,498	154,052
California	711,670	1,021,720	1,876,147	1,866,142

Source: FFIEC, Home Mortgage Disclosure Act Loan/Application Records

Housing Cost Burden

Exhibit 9 on the following page, reflects the percentages of cost burdened renters and owners within the assessment area as well as statewide. In particular, the cost burden for all renters reflects the need for affordable housing in the assessment area, as a majority of renters are spending 30 percent or more of their household income on rent. Affordable housing options for low-income individuals were scarce throughout the assessment area as well as in the state. However, moderate-income renters and owners generally had similar affordable housing options in both Los Angeles and Orange counties.

Exhibit 9 **Housing Cost Burden** Assessment Area: Los Angeles - Orange						
	Cost Burden - Renters			**Cost Burden - Owners**		
Area	**Low Income**	**Moderate Income**	**All Renters**	**Low Income**	**Moderate Income**	**All Owners**
Los Angeles-Orange AA	81%	47%	53%	67%	47%	33%
Los Angeles County, CA	81%	45%	53%	68%	48%	34%
Orange County, CA	82%	53%	52%	63%	46%	30%
California	81%	51%	50%	66%	47%	30%
Cost Burden is housing cost that equals 30 percent or more of household income						
Source: U.S. Department of Housing and Urban Development (HUD), 2015-2019 Comprehensive Housing Affordability Strategy						

In addition to the high percentage of cost-burdened renters and homeowners, median home prices in the assessment area trended upward during the review period. The Los Angeles County median home price increased by 48.1 percent from July 2015 to February 2023. During that same period, Orange County experienced a 60.9 percent increase in median home prices while the statewide figure increased by 49.9 percent. Further, the median rent prices increased within the assessment area during the review period. Between 2015 and 2021, the median gross rent in Los Angeles County increased 33.8 percent from $1,279 to $1,711.[24] In Orange County, the median gross rent increased 28.7 percent from $1,624 to $2,090 during that same period.[25]

Credit and Community Development Needs

The foregoing economic data and the feedback collected from community contacts indicate that there is a continued demand to address credit needs and community development needs in the assessment area. According to the U.S. Census Bureau's Weekly Small Business Pulse Survey, as of April 17, 2022, 26.7 percent of small businesses in California were still experiencing a large negative effect on their businesses due to the pandemic, which was higher than the

24 US Census Bureau, Median Gross Rent for Los Angeles County, American Community Survey, 1-year estimate; available at: https://data.census.gov/table?q=2021+median+gross+rents+in+Los+Angeles+County,+California&g=010XX00US, and https://data.census.gov/table?q=2015+median+gross+rents+in+Los+Angeles+County,+California&g=010XX00US.

25 US Census Bureau, Median Gross Rent for Los Angeles County, American Community Survey, 1-year estimate; available at: https://data.census.gov/table?q=2021+median+gross+rents+in+Orange+County,+California&g=010XX00US, and https://data.census.gov/table?q=2015+median+gross+rents+in+Orange+County,+California&g=010XX00US.

national average of 21.6 percent.[26] In addition, the 2023 Federal Reserve Small Business Credit Survey Report indicated that 40 percent of small businesses applied for traditional credit financing in 2022, up from the 25 percent level in 2021. Of the former 2022 population of small business loan applicants, 53 percent received all the credit they needed while only 26 percent received a portion of the total credit sought and 21 percent were denied credit. Further, the report noted that businesses were more likely to use personal and government sources than funding from financial institutions. While the survey showed promising signs that some trends relating to revenues and employment levels are returning to prepandemic norms, continued small business financial challenges associated with inflationary pressures have resulted in the rising costs of goods, services and/or wages. Firms also cited difficulties in paying operating expenses, navigating uneven cash flows and struggling to hire or retain qualified staff.[27]

A community contact focused on small business development and support in the assessment area noted that there is an ongoing need for small business credit and financial education for business owners focused on available financing resources and credit opportunities in the area. In addition, a community contact providing housing support in the assessment area indicated that housing affordability continues to be an issue not only for low-and-moderate-income individuals and families but also for the middle-income population given the increases in median home prices and the significant rise in interest rates.

Overall, there are continued gaps in lending to small businesses and ongoing opportunities particularly for small business loans ranging from microloans of less than $50 thousand to larger-sized loans of up to $350 thousand. In light of the softening economy and tightening credit markets, Community contacts noted that there are opportunities for banks to provide more flexible credit products for small businesses outside of the traditional loan products offered. Additionally, financial institutions can provide financial education and technical assistance to its communities to help identify resources available to them or to assist in the referral of clients to other organizations such as community development financial institutions who can help find specific capital solutions to meet client needs.

Affordable housing-focused community contacts indicated that area homebuyers, particularly first-time homebuyers, continue to be in need of down payment assistance and financial education and counseling. The contacts also noted that there are opportunities for financial institutions to be more responsive to the credit needs of low-and moderate-income families by offering credit products that are more accommodating and less restrictive in

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26 U.S. Census Bureau, Weekly Small Business Pulse Survey,Time Range: All Phases through April 17, 2022; available from: https://portal.census.gov/pulse/data/#weekly.

27 2023 Report on Employer Firms: Findings from the 2022 Small Business Credit Survey; available at: https://www.fedsmallbusiness.org/survey/2023/report-on-employer-firms.

nature. In light of the ongoing housing affordability issues in the area and the increasing interest in accessory dwelling units (ADUs) that provide affordable housing alternatives especially in low-and moderate-income communities, contacts indicated that there is a significant need for banks to provide financing programs for ADUs, including creating fixed-rate loan products to fund these housing structures.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN LOS ANGELES-ORANGE

FPB's performance under the lending test in the Los Angeles-Orange assessment area is outstanding. This assessment is attributed to the bank's excellent responsiveness to the assessment area's community development lending needs and its satisfactory levels of lending distribution and penetration among businesses with different revenue sizes. FPB also demonstrates a strong record of serving the credit needs of smaller businesses.

Lending Distribution by Geography

Overall, the assessment area's geographic lending distribution is satisfactory. As reflected in Exhibit 10 on the following page, the bank's lending performance in moderate-income tracts was favorable and exceeded the concentration of businesses in these underlying geographies.[28] While the bank extended no loans in low-income census tracts in the area, the percentage of businesses in these tracts was very low at 3.5 percent, limiting the bank's lending opportunities. Also, the businesses situated in these geographies may not qualify for traditional lending products.

28 The geographic distribution of businesses in the assessment area by census tract category is used as a proxy for small business loan demand. Generally, the greater the number of businesses located in a tract, the greater the demand for small business loans within the census tract category. Aggregate lending data for 2022 was not available as a comparative performance measure at the time of this evaluation.

Exhibit 10 **Geographic Distribution of Small Business Loans** Assessment Area: Los Angeles Orange					
Geographic Income Level	**Bank Loans**				**Total Businesses %**
	#	**#%**	**$(000)**	**$%**	
Low	0	0.0	0	0.0	3.5
Moderate	14	35.0	4,751	30.5	19.3
Middle	17	42.5	5,164	33.1	28.0
Upper	9	22.5	5,685	36.4	46.7
Unknown	0	0.0	0	0.0	2.5
Tract-Unk	0	0.0	0	0.0	
Total	40	100.0	15,600	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100 percent due to rounding.

Lending Distribution by Business Revenue

FPB's lending by business revenue distribution is satisfactory, with 60 percent of its small business loans extended to small businesses. In addition, the bank demonstrates a strong record of serving the credit needs of small businesses as 72.5 percent in number of its overall business lending, and 91.7 percent in number of its loans to businesses with revenues of $1 million or less were in amounts of $250 thousand or less during the review period. Many of these loans involved loan amounts of $100,000 or less. Such lending helped address the area's small business credit demand for smaller-sized loans as identified by community contacts. Exhibit 11 on the following page, shows FPB's small business lending distribution by revenue size of businesses.

Exhibit 11 **Distribution of Small Business Lending By Revenue Size of Businesses** Assessment Area: Los Angeles Orange					
	Bank Loans				Total Businesses %
	#	#%	$(000)	$%	
By Revenue					
$1 Million or Less	24	60.0	3,838	24.6	91.8
Over $1 Million	16	40.0	11,762	75.4	7.6
Revenue Unknown	0	0.0	0	0.0	0.6
Total	40	100.0	15,600	100.0	100.0
By Loan Size					
$100,000 or Less	15	37.5	871	5.6	
$100,001 - $250,000	14	35.0	2,371	15.2	
$250,001 - $1 Million	8	20.0	5,003	32.1	
Total	40	100.0	15,600	100.0	
By Loan Size and Revenues $1 Million or Less					
$100,000 or Less	13	54.2	767	20.0	
$100,001 - $250,000	9	37.5	1,321	34.4	
$250,001 - $1 Million	2	8.3	1,750	45.6	
Total	24	100.0	3,838	100.0	

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100 percent due to rounding.

Community Development Activities

FPB's community development lending demonstrated excellent responsiveness to the community development credit needs in the Los Angeles-Orange assessment area by providing affordable housing and supporting organizations offering essential services to low-and-moderate income communities. Overall, the bank extended a total of 18 qualified community development loans totaling $18.8 million benefitting this area and included the following lending activities:

- 10 loans totaling $12.5 million which supported the critical need of affordable housing and provided 110 housing units to low-and moderate-income individuals and families.
- 4 loans totaling $2.6 million, which provided fourteen units of affordable housing

specifically in low-income census tracts.

- A $1.9 million dollar loan to a borrower that focuses on acquiring inner city, distressed properties in low-and moderate-income geographies for renovation and leasing as affordable housing units under a government subsidy program. This loan supported ten affordable housing units.
- 3 loans totaling $1.8 million, that helped support organizations providing critical services to low-and-moderate income individuals needing assistance with housing, food and medical support.

LIMITED-SCOPE ASSESSMENT AREA CONCLUSIONS

FPB's performance in the assessment areas subject to limited review are below the performance of the full-scope review area of Los Angeles-Orange. In light of the bank's relatively new presence in these markets, its smaller branch footprint and the percentage of loans and deposits in these geographies, the limited-scope assessment areas received less weight than the full-scope assessment area. Performance in these areas did not materially affect the bank's overall lending and community development activity assessment.

As noted previously, the institution operates one branch each in the cities of Redlands and San Diego, which were established in September 2021 and June 2022, respectively. Facts and data reviewed, including performance and demographic information, can be found in the tables accompanying this report.

EXHIBIT 12
LIMITED-SCOPE ASSESSMENT AREA CONCLUSIONS

ASSESSMENT AREAS	LENDING TEST
San Bernardino County Assessment Area	Below
San Diego County Assessment Area	Below

APPENDIX A

Glossary of Terms

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

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

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

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

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

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

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

Full-scope review: Performance under the lending and community development tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

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 and community development tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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

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

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

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

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

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

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

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial 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.

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

APPENDIX B

Limited-Scope Assessment Area
Market Profiles

All demographic and economic information in this appendix originates from one of the following sources:

2022 FFIEC Census Data

U.S. Census Bureau, QuickFacts, Population Estimates, July 1, 2020; available from: http://www.census.gov/quickfacts/.

Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2022; available from: https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2.

FFIEC Adjusted Median Family Income; available from: https://www.ffiec.gov/Medianincome.htm.

FFIEC Community Reinvestment Act Aggregate Data; available from:https://www.ffiec.gov/craadweb/aggregate.aspx

2022 Dun & Bradstreet Data

San Bernardino County Profile, available from: https://labormarketinfo.edd.ca.gov/cgi/databrowsing/localAreaProfileQSResults.asp?selectedarea=San+Bernardino+County&selectedindex=36&menuChoice=localAreaPro&state=true&geogArea=0604000071&countyName=

San Bernardino Assessment Area

The San Bernardino assessment area consists of San Bernardino County in its entirety, which is a part of the Riverside-San Bernardino-Ontario, CA MSA. The County is part of the Inland Empire, one of the fastest growing metropolitan regions in the nation. Surrounding counties include Inyo to the north, Kern and Los Angeles to the west and Orange and Riverside to the south. San Bernardino's population totaled 2.18 million in 2020.

As of June 30, 2022, the assessment area consisted of 31 FDIC-insured depository institutions operating 219 offices with combined deposits of $38.5 billion as of June 30, 2022.

The exhibits on the following pages presents key demographic and business information covering the assessment area.

Exhibit 13 Assessment Area Demographics[29] Assessment Area: San Bernardino								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Families < Poverty Level as % of Families by Tract**		**Families by Family Income**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	29	6.2	22,734	4.6	7,171	31.5	116,177	23.7
Moderate-income	154	33.0	152,663	31.2	26,909	17.6	90,058	18.4
Middle-income	172	36.9	184,382	37.6	17,617	9.6	95,797	19.6
Upper-income	104	22.3	127,087	25.9	5,484	4.3	187,819	38.3
Tract not reported	7	1.5	2,985	0.6	446	14.9	0	0.0
Total AA	*466*	*100.0*	*489,851*	*100.0*	*57,627*	*11.8*	*489,851*	*100.0*
Income Categories	**Housing Units by Tract**	**Housing Types by Tract**						
		Owner-Occupied			**Rental**		**Vacant**	
		#	**% by tract**	**% by unit**	**#**	**% by tract**	**#**	**% by tract**
Low-income	40,040	10,118	25.3	2.6	23,771	59.4	6,151	15.4
Moderate-income	232,857	98,391	42.3	25.6	104,861	45.0	29,605	12.7
Middle-income	277,336	151,552	54.6	39.4	91,230	32.9	34,554	12.5
Upper-income	165,123	122,615	74.3	31.9	33,324	20.2	9,184	5.6
Tract not reported	6,020	2,098	34.9	0.5	2,130	35.4	1,792	29.8
Total AA	*721,376*	*384,774*	*53.3*	*100.0*	*255,316*	*35.4*	*81,26*	*11.3*
Income Categories	**Total Businesses by Tract**		**Businesses by Tract & Revenue Size**					
			Less Than or Equal to $1 Million		**Greater than $1 Million**		**Revenue Not Reported**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	1,447	2.8	1,322	2.8	118	3.0	7	2.8
Moderate-income	15,592	30.3	14,469	30.7	1,030	25.9	93	37.2
Middle-income	20,368	39.6	18,642	39.5	1,639	41.2	87	34.8
Upper-income	13,721	26.7	12,500	26.5	1,160	29.2	61	24.4
Tract not reported	263	0.5	232	0.5	29	0.7	2	0.8
Total AA	*51,391*	*100.0*	*47,165*	*100.0*	*3,976*	*100.0*	*250*	*100.0*
Percentage of Total Businesses			**91.8**		**7.7**		**.5**	

29 2022 FFIEC Census Data, 2022 Dun & Bradstreet Data, 2016-2020 U.S. Census Bureau American Community Survey. Note: Percentages may not total 100 percent due to rounding.

Exhibit 14

GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS

Assessment Area: San Bernardino

Geographic Income Level	Bank Loans				Total Businesses
	#	#%	$(000)	$%	%
Low	1	10.0	114	2.4	4.3
Moderate	2	20.0	100	2.1	27.2
Middle	5	50.0	3,785	79.4	38.3
Upper	2	20.0	769	16.1	29.5
Unknown	0	0.0	0	0.0	0.7
Tract-Unknown	0	0.0	0	0.0	
Total	10	100.0	4,768	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100 percent due to rounding.

Exhibit 15

Distribution of 2022 Small Business Lending By Revenue Size of Businesses

Assessment Area: San Bernardino

	Bank Loans				Total Businesses %
	#	#%	$(000)	$%	
By Revenue					
$1 Million or Less	8	80.0	622	13.0	92.5
Over $1 Million	2	20.0	4,146	87.0	7.0
Revenue Unknown	0	0.0	0	0.0	0.6
Total	10	100.0	4,768	100.0	100.0
By Loan Size					
$100,000 or Less	6	60.0	382	8.0	
$100,001 - $250,000	2	20.0	240	5.0	
$250,001 - $1 Million	1	10.0	700	14.7	
Total	10	100.0	4,768	100.0	
By Loan Size and Revenues $1 Million or Less					
$100,000 or Less	6	75.0	382	61.4	
$100,001 - $250,000	2	25.0	240	38.6	
$250,001 - $1 Million	0	0.0	0	0.0	
Total	8	100.0	622	100.0	

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100 percent due to rounding.

Exhibit 16 **Small Business Loan Trends** Assessment Area: San Bernardino					
Area	**2017**	**2018**	**2019**	**2020**	**2021**
San Bernardino 2022	38,035	42,688	47,440	48,962	60,023
Riverside-San Bernardino-Ontario, CA MSA	83,004	92,288	102,594	104,699	126,751
California	961,046	1,072,551	1,146,375	1,182,917	1,342,194
Source: FFIEC Community Reinvestment Act Aggregate Data					

San Diego Assessment Area

The San Diego assessment area consists of San Diego County in its entirety, which forms the San Diego-Chula Vista-Carlsbad, CA MSA. San Diego County is located in Southern California on the coast of the Pacific Ocean, south of Orange and Riverside counties, west of Imperial County, and north of the United States – Mexico border. As of 2020, the county was home to more than 3.3 million people.

As of June 30, 2022, the assessment area consisted of 45 FDIC-insured depository institutions operating 501 offices with combined deposits of $147.5 billion as of June 30, 2022.

The exhibits on the following pages presents key demographic and business information regarding the assessment area.

EXHIBIT 17

Assessment Area Demographics[30]

Assessment Area: San Diego

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	46	6.2	43,837	5.8	10,530	24.0	172,988	22.8
Moderate-income	167	22.7	173,346	22.8	20,063	11.6	131,098	17.3
Middle-income	262	35.5	260,157	34.3	15,032	5.8	142,293	18.7
Upper-income	248	33.6	279,925	36.9	9,275	3.3	313,039	41.2
Tract not reported	14	1.9	2,153	0.3	144	6.7	0	0.0
Total AA	*737*	*100.0*	*759,418*	*100.0*	*55,044*	*7.2*	*759,418*	*100.0*

Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% tract	#	% tract
Low-income	69,718	14,897	21.4	2.4	51,057	73.2	3,764	5.4
Moderate-income	279,122	96,116	34.4	15.8	164,465	58.9	18,541	6.6
Middle-income	437,896	226,716	51.8	37.2	180,673	41.3	30,507	7.0
Upper-income	423,636	270,251	63.8	44.4	121,644	28.7	31,741	7.5
Tract not reported	5,156	1,370	26.6	0.2	3,514	68.2	272	5.3
Total AA	*1,215,528*	*609,350*	50.1	*100.0*	*521,353*	*42.9*	*84,825*	*7.0*

Income Categories	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or Equal to $1 Million		Greater than $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	6,246	5.0	5,790	4.9	423	5.2	33	5.5
Moderate-income	27,040	21.5	25,174	21.5	1,765	21.8	101	16.9
Middle-income	45,371	36.0	42,125	35.9	3,040	37.6	206	34.4
Upper-income	46,795	37.2	43,731	37.3	2,811	34.8	253	42.2
Tract not reported	478	0.4	431	0.4	41	0.5	6	1.0
Total AA	*125,930*	*100.0*	*117,251*	*100.0*	*8,080*	*100.0*	*599*	*.5*
Percentage of Total Businesses			**93.1**		**6.4**		**.5**	

30 2022 FFIEC Census Data, 2022 Dun & Bradstreet Data, 2016-2020 U.S. Census Bureau American Community Survey. Note: Percentages may not total 100 percent due to rounding.

Exhibit 18

Geographic Distribution of Small Business Loans

Assessment Area: San Diego

Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	$(000)	$%	
Low	3	20.0	7,343	41.4	3.9
Moderate	2	13.3	1,034	5.8	17.3
Middle	5	33.3	4,634	26.1	34.6
Upper	5	33.3	4,740	26.7	43.4
Unknown	0	0.0	0	0.0	0.8
Tract-Unk	0	0.0	0	0.0	
Total	15	100.0	17,750	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100 percent due to rounding.

Exhibit 19

Distribution of Small Business Lending By Revenue Size of Businesses

Assessment Area: San Diego

	Bank Loans				Total Businesses %
	#	#%	$(000)	$%	
By Revenue					
$1 Million or Less	7	46.7	2,895	16.3	92.8
Over $1 Million	8	53.3	14,855	83.7	6.7
Revenue Unknown	0	0.0	0	0.0	0.6
Total	15	100.0	17,750	100.0	100.0
By Loan Size					
$100,000 or Less	2	13.3	185	1.0	
$100,001 - $250,000	1	6.7	200	1.1	
$250,001 - $1 Million	7	46.7	4,365	24.6	
Total	15	100.0	17,750	100.0	
By Loan Size and Revenues $1 Million or Less					
$100,000 or Less	2	28.6	185	6.4	
$100,001 - $250,000	1	14.3	200	6.9	
$250,001 - $1 Million	4	57.1	2,510	86.7	
Total	7	100.0	2,895	100.0	

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100 percent due to rounding.

Exhibit 20 **Small Business Loan Trends** Assessment Area: San Diego					
Area	**2017**	**2018**	**2019**	**2020**	**2021**
San Diego 2022	85,350	93,806	100,874	102,871	113,344
California	961,046	1,072,551	1,146,375	1,182,917	1,342,194
Source: FFIEC Community Reinvestment Act Aggregate Data					