

PUBLIC DISCLOSURE

July 12, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Pacific Premier Bank
RSSD # 431172**

**17901 Von Karman Avenue, Suite 1200
Irvine, California 92614**

**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

Pacific Premier Bank is rated "OUTSTANDING"

The following table shows the performance level of Pacific Premier Bank with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	LENDING TEST*	INVESTMENT TEST	SERVICE TEST
OUTSTANDING	X	X	
HIGH SATISFACTORY			X
LOW SATISFACTORY			
NEEDS TO IMPROVE			
SUBSTANTIAL NONCOMPLIANCE			

* The lending test is weighted more heavily than the investment and service tests in determining the overall rating.

The major factors supporting the institution’s rating include:

- Excellent lending levels and responsiveness to assessment area credit needs.
- Overall excellent geographic distributions of lending, primarily driven by strong small business lending penetration in the majority of the bank’s assessment areas.
- Good distributions of lending to businesses of different revenue sizes, with excellent responsiveness to the credit needs of very small businesses.
- A leader in making community development loans that were responsive to assessment area needs, particularly in support of affordable housing and economic development.
- Extensive use of innovative and flexible lending practices in serving assessment area credit needs.
- Excellent levels of qualified community development investments that exhibited excellent responsiveness to credit and community development needs and makes extensive use of innovative and complex investments.
- A leader in providing community development services that benefit low- and moderate-income individuals, small businesses, and improved access to affordable housing, while providing reasonably accessible retail banking services to the bank’s geographies.

INSTITUTION

Description of Institution

Pacific Premier Bank (PPB), with total assets of \$20.5 billion as of June 30, 2021, is wholly-owned by Pacific Premier Bancorp, Inc. Both entities are headquartered in Irvine, California. PPB is a commercial bank with a strategic focus of serving small- and medium-sized businesses. Since its inception in 1983, the bank has grown through a series of mergers and acquisitions. Since the prior Community Reinvestment Act (CRA) examination on May 7, 2018, the bank acquired Grandpoint Bank (Grandpoint), based in Los Angeles, California on July 1, 2018, and Opus Bank (Opus), based in Irvine, California on June 1, 2020. These acquisitions more than doubled the bank's asset size from \$8.1 billion to over \$20 billion, and expanded PPB's operations into Arizona, Oregon, and Washington. PPB operates 65 full-service branches in California, Nevada, Arizona, Oregon, and Washington. The bank has a national footprint through its 23 loan production offices (LPOs) in California, Washington, Connecticut, Nebraska, New Jersey, Texas, and Utah. Additionally, PPB has one administrative office in Dallas, Texas, that is focused on serving the nationwide homeowners association (HOA) market.

PPB provides an array of financial services to business customers, including term business, commercial real estate (CRE), construction, and land development loans. Small Business Administration (SBA) and other government guaranteed loans are offered on a national level, and the bank's nationwide Franchise Capital lending program offers loans to qualified franchisees. Deposit products include checking, money market, and savings accounts; cash management services; electronic banking; and online bill payment. PPB's HOA and property management business line provides cash management services tailored to the unique needs of its clients.

Exhibit 1 below depicts PPB's loan portfolio as stated in the Consolidated Reports of Condition and Income as of December 31, 2020, and illustrates the bank's commercial lending focus. While the loan portfolio includes residential mortgage loans, the vast majority of these were obtained through the acquisition of other financial institutions, and PPB does not actively offer residential mortgage loans.

EXHIBIT 1 LOANS AND LEASES AS OF DECEMBER 31, 2020		
Loan Type	\$ ('000s)	%
Commercial/Industrial & Non-Farm Non-Residential Real Estate	6,810,949	51.4
Multifamily Residential Real Estate	5,174,191	39.1
Construction & Land Development	366,419	2.8
All Other	328,559	2.5
Secured by 1-4 Family Residential Real Estate	279,945	2.1
Farm Land & Agriculture	273,360	2.1
Consumer Loans & Credit Cards	5,703	0.0
Total (Gross)	13,239,126	100.0

PPB's recent bank mergers have expanded the bank's CRA assessment areas since the previous examination:

- On July 1, 2018, PPB acquired Grandpoint and its network of branches located in Los Angeles, San Diego, Maricopa, Pima, and Clark counties. The branches located in Maricopa, Pima, and Clark counties were outside the bank's existing assessment areas and as a result, PPB's assessment areas were expanded to include those counties under the Phoenix, Tucson, and Vancouver assessment areas, respectively.
- On June 1, 2020, PPB acquired Opus and its network of branches located in Los Angeles, Orange, San Bernardino, San Diego, Contra Costa, Marin, Maricopa, Multnomah, King, Snohomish, Pierce, and Skagit counties. Multnomah County was added to the bank's existing Vancouver assessment area. The branches located in King, Snohomish, Pierce, and Skagit counties were outside the bank's existing assessment areas and as a result, PPB's assessment areas were expanded to include those counties in the Washington assessment area. Lastly, the Contra Costa and Marin counties comprised the Northern California assessment area that was adopted upon the acquisition of Opus on June 1, 2020, and was subsequently eliminated on October 2, 2020, due to branch closures.

PPB currently has nine assessment areas:

- **Greater Los Angeles (Greater LA)** – comprised of the Los Angeles-Long Beach, CA Combined Statistical Area (CSA) and includes the entire counties of:
 - Los Angeles and Orange, which compose the Los Angeles-Long Beach-Anaheim, CA Metropolitan Statistical Area (MSA); and
 - Riverside and San Bernardino, which compose the Riverside-San Bernardino-Ontario, CA MSA.
- **San Luis Obispo** –the entirety of San Luis Obispo County that composes the San Luis Obispo-Paso Robles, CA MSA.
- **Santa Barbara** –the entirety of Santa Barbara County that composes the Santa Maria-Santa Barbara, CA MSA.
- **San Diego** –the entirety of San Diego County that composes the San Diego-Chula Vista-Carlsbad, CA MSA.
- **Washington** – comprised of part of the Seattle-Tacoma, WA CSA and includes the entire counties of:
 - King, Snohomish and Pierce which compose the Seattle-Tacoma-Bellevue, WA MSA; and
 - Skagit, which composes the Mount Vernon-Anacortes, WA MSA.
- **Phoenix** – composed of Maricopa County and comprises a part of the Phoenix-Mesa-Chandler MSA.
- **Tucson** – composed of Pima County that composes the Tucson, AZ MSA.
- **Vancouver** – composed of Clark and Multnomah counties, which comprise part of the multistate Portland-Vancouver-Hillsboro, OR-WA MSA.
- **Las Vegas** – composed of Clark County that composes the Las Vegas-Henderson-Paradise, NV MSA.

PPB acquired 38 branches in California, 17 branches in Washington, four branches in Arizona, and one branch in Oregon as a result of the Grandpoint and Opus acquisitions. Of the 38 branches that were acquired in California, 28 were in the Greater LA assessment area, seven in the San Diego assessment area, and three in the Northern California assessment area. Of the 17 branches that were acquired in Washington, 16 were in the Washington assessment area, and one was in the Vancouver assessment area. Of the four acquired branches in Arizona, two were in the Phoenix and Tucson assessment areas each.

The bank conducted branch network analyses that resulted in the subsequent closure or consolidation of acquired and existing branches. This impacted 24 branches in California, 16 located in the Greater LA assessment area, five located in the San Diego assessment area, and three located in the Northern California assessment area. Additionally, there were five branch closures in the Washington assessment area and two in the Phoenix assessment area.

PPB's largest presence remains in the Greater LA assessment area where 31 of its 65 branches are located. The Opus acquisition increased PPB's presence in Washington, where there are currently 11 branches and where PPB has its second largest branch network presence. Aside from San Luis Obispo with nine branches and San Diego with six branches, PPB has a limited branch presence in each of its remaining assessment areas, with no more than two branches in any one assessment area.

PPB received an outstanding performance rating at its May 7, 2018, CRA examination. During the review period for this examination, there were no legal or financial impediments that inhibited the bank's ability to meet the credit needs of its communities, consistent with its business strategy, size, financial capacity, and local economic conditions.

Scope of Examination

PPB's performance was evaluated in accordance with the Interagency Large Institution CRA Examination Procedures. As such, performance was assessed under the lending, investment, and service tests. The evaluation period for loans reviewed under the lending test was from January 1, 2018, through December 31, 2020. The evaluation period for community development loans, qualified investments, and community development services was from May 8, 2018, to July 12, 2021.

The lending test, which is weighted more heavily than the investment or service tests, is based on a review of small business, small farm, home purchase, home refinance, home improvement, multifamily, and community development loans. The investment test is based on a review of qualified community development investments made during the review period and during a prior period that remained on the bank's books. The service test evaluation is based on a review of retail banking services and qualified community development services provided during the review period.

Full- and limited-scope reviews of the assessment areas were determined based on a number of factors, including the bank's presence and level of lending and deposit activity within each assessment area. The Greater LA, Washington, Tucson, Vancouver, and Las Vegas assessment areas received full-scope reviews, while the San Luis Obispo, San Diego, Santa Barbara, and Phoenix assessment areas received limited-scope reviews. Although the bank's

presence and activity in the Tucson, Vancouver, and Las Vegas assessment areas are limited, they received full-scope reviews in order to determine the overall performance and assign a rating for the State of Arizona, the Vancouver multistate MSA, and the State of Nevada, respectively. Given the preponderance of PPB branches and concentration of deposit and lending activity, the Greater LA assessment area received the greatest weight. Assessment areas are presented throughout this report in descending order based on the number of bank branches and loan volume, beginning with California (Greater LA), followed by Washington, Arizona (Tucson), Vancouver, and Nevada (Las Vegas).

Product-specific performance under the lending test is weighted according to the bank's business focus, its deposit and lending activity, and opportunities within each assessment area. The review considered the bank's lending for purposes of small business, small farm, and community development lending, as well as its home purchase, refinance, home improvement, and multifamily lending reportable under the Home Mortgage Disclosure Act (HMDA). As small business loans represent a significant majority of the bank's lending, greater weight was placed on the bank's performance in this area. Multifamily loans were weighted less due to a lower volume of activity by number. Because the volume of home purchase, refinance, home improvement, and other home mortgage and small farm loans was very low, they were considered in the evaluation, but did not influence the rating of the bank's lending record. All lending data considered during the review is presented in the lending tables contained in Appendix E – CRA Core Tables. The scope of the review is consistent throughout the performance evaluation, unless otherwise noted.

In addition, 12 community representatives were contacted in connection with the examination regarding credit needs and market conditions within the assessment areas. Contacts represented organizations working in small business development, economic and community development, and affordable housing.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

This section of the performance evaluation contains conclusions regarding the bank’s overall performance followed by specific conclusions for individual states and assessment areas within each state where the bank has full-service branches. In accordance with the Interagency CRA Large Institution Examination Procedures, at least one assessment area from each state and multistate MSA received a full-scope review, and each state and multistate MSA earned a separate rating. However, with approximately 85 percent of the bank’s lending and deposit activity within the California assessment areas, conclusions for the state of California had the most influence on PPB’s overall performance under each of the three performance tests. The overall state conclusions are based on performance within the respective assessment areas and relevant contextual information.

Lending Test

PPB’s overall performance under the lending test is outstanding. Lending within the Greater LA assessment area, where the bank has its greatest presence, along with the Tucson, Vancouver, and Las Vegas assessment areas were outstanding given the economic conditions, competitive environment, and the bank’s financial capacity. Performance was good in Washington, considering PPB’s limited and brief presence in the area during the review period. Overall geographic distributions of loans were generally excellent, while borrower distributions were generally good. In addition, relatively high levels of community development loans were noted in each assessment area.

LENDING ACTIVITY

Overall lending levels reflect excellent responsiveness to assessment area credit needs, driven by activity in the Greater LA, Tucson, and Las Vegas assessment areas. Loan volumes in the assessment areas were generally comparable with the bank’s share of deposits in those markets and helped meet affordable housing and economic development needs. Overall loan volumes are displayed in Exhibit 2 below, and volumes within the respective assessment areas are shown in Tables 1, 15, 23, 29, and 37 within Appendix E.

EXHIBIT 2 SUMMARY OF LENDING ACTIVITY JANUARY 1, 2018 TO DECEMBER 31, 2020				
Loan Type	#	%	\$ ('000s)	%
Small Business	10,595	86.9	2,227,543	35.5
Small Farm	96	0.8	20,303	0.3
Total Business Related	10,691	87.7	2,247,846	35.8
HMDA Home Purchase	29	0.2	25,109	0.4
HMDA Home Improvement	2	0.0	2,056	0.0
HMDA Refinancing	72	0.6	33,627	0.5
HMDA Multifamily	1,400	11.5	3,973,394	63.3
Total HMDA Related	1,503	12.3	4,034,187	64.2
Total Loans	12,194	100.0	6,282,033	100.0

Note: Affiliate loans include only loans originated or purchased within the bank’s assessment areas.

ASSESSMENT AREA CONCENTRATION

A substantial majority of loans by number were made within the bank’s assessment areas. Exhibit 3 below shows the number and dollar volume of loans extended within PPB’s assessment areas during the review period. The Tables in Appendix E contain additional information regarding assessment area-specific lending activity.

EXHIBIT 3 LENDING INSIDE AND OUTSIDE THE ASSESSMENT AREAS JANUARY 1, 2018 TO DECEMBER 31, 2020								
Loan Type	Inside				Outside			
	#	%	\$ ('000s)	%	#	%	\$ ('000s)	%
Small Business	9,360	88.3	1,923,216	86.3	1,235	11.7	304,327	13.7
Small Farm	77	80.2	16,663	82.1	19	19.8	3,640	17.9
Total Business Related	9,437	88.3	1,939,879	86.3	1,254	11.7	307,967	13.7
HMDA Home Purchase	20	69.0	21,031	83.8	9	31.0	4,079	16.2
HMDA Home Improvement	2	100.0	2,056	100.0	0	0.0	0	0.0
HMDA Refinancing	66	91.7	28,831	85.7	6	8.3	4,796	14.3
HMDA Multifamily	1,111	79.4	3,214,077	80.9	289	20.6	759,317	19.1
Total HMDA Related	1,199	79.8	3,265,995	81.0	304	20.2	768,192	19.0
Total Loans	10,636	87.2	5,205,874	82.9	1,558	12.8	1,076,159	17.1

Note: Affiliate loans not included.

GEOGRAPHIC AND BORROWER DISTRIBUTION

The geographic distribution of loans demonstrates generally excellent penetration among census tracts of different income levels, while borrower distributions are good overall. 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.

The performance of small business loans in the California markets was the driving factor in the overall assessment of the bank’s geographic lending distribution. PPB’s lending demonstrated excellent geographic dispersion in the Greater LA, Washington, and Tucson markets. For each of the bank’s assessment areas, small business geographic distribution performance in low-income census tracts was particularly strong. The dispersion of multifamily loans is generally excellent, with adequate performance noted in some markets. Lending patterns generally followed the location of the bank’s branches and concentrations of local small businesses or owner-occupied housing units. The bank’s lending did not demonstrate any unusual patterns or unexplained lending gaps.

Overall borrower distribution, which was also driven by the performance of small business loans, was good. The bank was responsive to small business credit and the community need for smaller dollar loans, despite lending distributions to small businesses being generally below demographic and aggregate comparators. The bank’s proprietary Quickscore

products, Small Business Overdraft Loan program, and involvement in government guaranteed programs for small businesses enhanced PPB's overall lending performance.

PPB makes extensive use of flexible lending products and programs to address the needs of small businesses that may not otherwise be met. Overall, the bank extended 5,856 loans during the review period totaling nearly \$1.5 billion in lending products designed to address the unique credit needs of small businesses and rural areas. The bank's Quickscore products are also innovative. The Quickscore Access and Small Business Overdraft Loan programs were created and introduced in response to opportunities PPB identified to increase lending to smaller businesses. The bank was successful in extending these offerings in its new markets within the Washington, Tucson, Phoenix, and Vancouver assessment areas. Lending programs employed during the review period within the bank's assessment areas and broader statewide and regional areas, along with related loan volume, include the following:

Quickscore

The Quickscore program offers flexible underwriting criteria and lower fees, which is designed to increase access to capital for small businesses, and support businesses and non-profit organizations' needs for small dollar loans of \$50,000 or less with terms up to 36 months. Unlike other small business loans, Quickscore requires an application only, no additional financials are necessary, and decisions are made in as little as 24 hours.

Quickscore Access

The Quickscore Access program is a microloan program offering flexible underwriting criteria and lower fees, which is designed to increase access to capital for small businesses' needs for small dollar loans of \$5,000 or less with terms up to 36 months. Quickscore Access requires an application only, no additional financials are necessary, and decisions are made within 24 hours. The program was launched in November 2018 in response to the identified need for more access to credit and smaller dollar loans.

Quickscore Plus

The Quickscore Plus program offers similar flexible underwriting criteria, lower fees, and requires only an application and business financials. This program offers terms up to 60 months and loan amounts of \$250,000 or less. Similar to the Quickscore product, decisions can be made in as little as 24 hours.

On a combined basis, PPB extended 643 Quickscore, Quickscore Access, and Quickscore Plus loans totaling \$40.8 million.

Small Business Overdraft Loan Program

The Small Business Overdraft Loan Program addresses the need for smaller dollar loan products for small businesses with gross annual revenues of \$1 million or less. This program commenced in July 2019, and PPB has extended 1,129 Small Business Overdraft Loans totaling \$1.1 million.

SBA 7(a)

The SBA 7(a) program helps creditworthy small businesses acquire financing when they cannot otherwise obtain credit at reasonable terms. The program covers business borrowing requests in which the business has sufficient cash flow to repay the loan, but may not have the necessary collateral or history required by a bank's lending policy. PPB extended 124 such loans totaling \$186.3 million.

SBA 504

The SBA 504 loan program helps small businesses obtain long-term financing to acquire and improve major fixed assets, such as owner-occupied real estate or equipment. With as little as 10 percent owner equity, the program offers flexibility to small businesses that may not otherwise qualify for credit without SBA participation. PPB extended 32 such loans totaling \$29.7 million.

California Capital Access Business Loan Program (Cal CAP)

A Cal CAP loan provides small and medium-sized businesses that would otherwise not meet a bank's typical conventional underwriting standards access to financing. Cal CAP loans offer a variety of flexible features for addressing individual small business credit needs. Loans can be short- or long-term, have fixed or variable rates, be secured or unsecured, and bear any type of amortization schedule. Eligible uses of loan proceeds include land acquisition, construction or renovation of buildings, start-up costs, equipment or inventory purchases, capital projects, and working capital. In addition, there is no minimum loan amount. PPB extended 21 such loans totaling \$10.1 million.

Small Business Credit Initiative Loan Guarantee Program (SBLGP)

Small business owners located in California looking for financing to acquire, start, or build their business can benefit from a Small Business Credit Initiative (SBCI) loan, which offers financing through state and federally funded programs. The SBCI program offers a variety of flexible features, such as terms of up to seven years and renewable one-year lines of credit with interest only monthly payments. According to the California Small Business Finance Center, PPB ranked 1st in dollars loaned and 5th in number of loans of the top financial institution users of the SBLGP for 2018 and 2019.¹ PPB extended 28 such loans totaling \$14.8 million.

United States Department of Agriculture (USDA) Business & Industrial (B&I) Guaranteed Loan Program

The USDA B&I guaranteed loan program provides businesses in rural areas financing with favorable rates and terms that otherwise might not be available. B&I financing can be used for commercial real estate or business acquisition, construction, conversion, repair, modernization, refinance, equipment, and working capital. The B&I guaranteed loan program allows lenders to offer borrowers more flexible terms, such as longer loan maturity or larger loan sizes. This flexibility expands lending opportunities for small businesses. PPB extended one such loan totaling \$1.1 million.

¹ California Infrastructure and Economic Development Bank, Small Business Finance Center, Annual Report, 2018-2019; available from: ibank.ca.gov/wp-content/uploads/2020/06/FINAL-SBFC-Annual-Report.pdf.

Paycheck Protection Program (PPP)

The PPP was enacted as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to aid small businesses in order to maintain payroll costs, avoid layoffs or salary reductions, and keep their businesses operational. In response to the COVID-19 pandemic, the bank extended PPP loans to address the credit needs of its assessment areas, and as such, this activity was considered in the evaluation of the bank's overall lending performance. The bank's volume of PPP loans originated in 2020 exceeded the volume of small business loans originated in 2018 and 2019 combined. The bank originated 3,413 PPP loans for under \$1 million totaling \$619 million. In total, PPB extended 3,878 PPP loans amounting to nearly \$1.2 billion that helped retain over 122,000 jobs.

Loan Modifications

The bank implemented various temporary economic relief options, including loan modifications, in response to the unique challenges presented by the COVID-19 emergency. These modifications helped borrowers ease cash flow pressures, improve capacity to service debt, and recover or maintain financial capacity. The bank provided loan modifications to borrowers of commercial real estate, commercial and industrial, small business, franchise, multifamily, and other loans. At the peak of the bank's loan modification activity, PPB had 1,461 loans with modifications, representing an outstanding loan balance of over \$2.2 billion, as of July 31, 2020.

COMMUNITY DEVELOPMENT LENDING

Overall, PPB was a leader in making community development loans during the review period, demonstrating excellent responsiveness to the needs within its assessment areas as well as broader statewide and regional areas that include its assessment areas. The bank's community development lending levels surpassed all of its similarly situated institutions. Specifically, the bank extended 1,253 community development loans totaling \$3.1 billion throughout its assessment areas and 166 loans totaling \$407.9 million that benefited a broader statewide area that includes the bank's assessment areas. The bank addressed the need for affordable housing and employment by financing 15,367 units of affordable housing and creating or retaining 32,932 jobs. These activities were considered in the bank's overall performance assessment because the bank adequately engaged in qualified activities addressing the needs of its assessment areas.

Community development lending was generally consistent with the bank's presence in each market. The majority of the community development loans made by the bank financed affordable housing for low- and moderate-income individuals, which was uniformly identified as a community need within the bank's high-cost assessment areas. Other community development loans supported economic development by providing financing to small businesses for the creation or retention of jobs for low- and moderate-income individuals. In addition, loans were provided to non-profit organizations that provide health and essential social services to low- and moderate-income individuals, which is another identified need given the prevalence of poverty within the assessment areas. The bank also financed loans, including PPP loans, that stabilized and revitalized low- and moderate-income geographies and rural areas.

The following are examples of loans made within broader statewide or multistate regional areas that include the bank's assessment areas:

- A \$7.8 million loan to support affordable housing. The loan refinanced a 156-unit multifamily apartment complex in a moderate-income census tract that provides 155 units of affordable housing to low- and moderate-income individuals and families.
- A \$5.3 million loan for the purchase of a multi-tenant retail property to promote revitalization and stabilization of a low-income census tract. The property consists of three commercial buildings that contain 21 retail units, as well as a gas station and convenience store. The property also supports economic development by providing job opportunities for numerous low- and moderate-income individuals.
- A \$1 million line of credit to a Community Development Financial Institution (CDFI) lender that supports economic development through job creation and retention. The CDFI helps entrepreneurs generate income, build assets, create jobs, and achieve financial success through business ownership. The organization serves entrepreneurs in Arizona, Nevada, and Washington. The CDFI's portfolio consists of 64 percent minority-owned businesses, 42 percent women-owned businesses, and 60 percent low- and moderate-income business owners.

Investment Test

PPB's overall performance under the investment test is outstanding. The bank made a significant level of investments, demonstrating excellent responsiveness to the credit and community development needs of its assessment areas. The bank's level of investments surpassed many similarly situated institutions. In addition, the bank made extensive use of innovative and complex investments, often in a leadership role. Given the bank's expanded territory, PPB sought opportunities to strategically invest in activities that simultaneously benefit the bank's varied assessment areas. In total, the bank made \$336.5 million in community development investments and grants directly within its assessment areas or in broader statewide or regional areas that also benefitted its assessment areas.

Specifically, the assessment area investments consist of 43 prior period investments, and 902 current period investments and grants totaling \$222 million. Of these investments, \$110 million were in prior period investments that remained on PPB's books, and \$112 million were in current period investments and donations. In addition, PPB also had 11 investments totaling \$3.9 million in unfunded commitments.

Investments in broader statewide or regional areas that also benefitted the assessment areas include 8 prior investments, 36 current investment and donations totaling \$114.4 million, and one unfunded commitment totaling \$3.2 million. In addition to these assessment area investments, the bank made eight nationwide investments and donations totaling \$16.8 million, as well as three investments totaling \$2.6 million in unfunded commitments that benefitted two or more states.

PPB made a broad array of investments, including equity investments in certified CDFIs, low-income housing tax credits, minority-owned depository institutions, mortgage-backed

securities, municipal bonds, securitized funds, and Small Business Investment Companies. These investments assisted in the creation or retention of 15,762 affordable housing units and 15,928 jobs. Investments were made predominantly in the state of California, where the majority of the bank's branches are located. The distributions of these investments can be found on Tables 13, 21, 27, 35 and 41. A summary of the key types of investments made by PPB include:

- **Community Development Financial Institutions (CDFIs)** – The purpose of these organizations is to provide financial services in low-income communities and to people who lack access to financing. PPB invested \$11.4 million in CDFI funds. This includes \$1.2 million in current period investments and \$10.2 million in prior period investments that remain on the bank's books. Additionally, the bank has an additional \$1.6 million in unfunded commitments. These investments support 7,462 jobs and 2,799 affordable housing units in the bank's assessment areas and in broader statewide areas that include the bank's assessment areas.
- **Low-Income Housing Tax Credits (LIHTCs)** - LIHTCs are an indirect federal subsidy used to finance the development of affordable housing for low- and moderate-income families. Given the high housing cost cities in which the bank operates, LIHTCs are essential for meeting the need for affordable housing. PPB invested in \$98.6 million in LIHTCs, with \$30 million in new investments and \$68.6 million in prior period investments that remain on the bank's books. The bank also maintains \$5.9 million in unfunded commitments. These investments helped provide 5,364 units of affordable housing within the bank's assessment areas and in broader statewide areas that include the bank's assessment areas.
- **Minority-Owned Financial Institutions** – The CRA specifically recognizes the importance of encouraging the growth and strengthening of minority-owned financial institutions and includes specific statutory bases for consideration of activities designed to accomplish those aims, including making deposits and purchasing stock in such institutions. PPB purchased \$1.7 million in certificates of deposit (CDs) of minority-owned institutions during the current period. The bank also retains \$2.5 million of stock in minority-owned institutions that was purchased during a prior review period.
- **Mortgage-Backed Securities (MBS)** – PPB invested a total of \$116 million in MBS secured by loans to low- and moderate-income individuals. This includes \$760,000 in current period investments and the retention of \$115.2 million purchased during a prior period that remain on the bank's books. These investments are secured by 6,787 units of affordable housing for low- and moderate-income individuals.
- **Small Business Investment Company (SBIC)** – A SBIC is a type of privately-owned investment company that is licensed by the SBA to facilitate the flow of long-term capital to small businesses. PPB made \$13.3 million in SBIC investments, including \$5 million during the current period and \$8.3 million during the prior period that remain on the bank's books. PPB also has \$2.2 million in unfunded commitments to SBICs. These investments support 7,269 jobs within the bank's assessment areas and in broader statewide areas that include the bank's assessment areas.

Investments benefitting a broader statewide or regional area that include one of the bank's assessment areas, along with specific activities benefiting only individual assessment areas, are addressed under their respective portions of the evaluation.

Service Test

PPB's performance under the service test is high satisfactory. Retail banking services are accessible to the bank's assessment areas. Branch hours and services do not vary in a way that inconveniences portions of the bank's assessment areas, including geographies and individuals of different income levels. In addition, the bank is a leader in providing community development services in the majority of its assessment areas, with a notable level of services provided in some areas where the bank maintains only a limited presence.

RETAIL BANKING SERVICES

PPB's delivery systems are reasonably accessible to the bank's geographies and individuals of different income levels in its assessment areas, and do not vary in ways that inconvenience portions of those areas. The bank's full range of products and services are available at all branches. Although branches do not offer extended hours, other delivery systems such as ATMs, mobile and internet banking, and remote deposit capture effectively provide customers with access to banking services after normal business hours. Additionally, PPB offers a centralized call center from 8:00 am to 5:00 pm Monday through Friday and free ATM service for individuals who receive California public assistance through Electronic Benefits Transfer (EBT).

As previously noted, a consolidation of the bank's branch network during the review period resulted in the closure of 31 branches, including two each in low-, moderate-, and unknown-income census tracts, 10 in middle-income census tracts, and 15 in upper-income census tracts. PPB also acquired and/or relocated 63 branches during the same period: two in low-income census tracts, 11 in moderate-income census tracts, 15 in middle-income census tracts, 32 in upper-income census tracts, and three in unknown-income census tracts. Overall, the bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems to individuals of different income levels across its assessment areas.

COMMUNITY DEVELOPMENT SERVICES

PPB is a leader in providing community development services that were responsive to the needs within its assessment areas. During the review period, employees provided 4,453 community development services, totaling 16,763 hours to 286 organizations. Services included financial literacy presentations that benefited nearly 19,000 low- and moderate-income individuals and free tax assistance that benefitted over 1,900 low- and moderate-income individuals. Services offered covered a variety of other community needs including vocational and financial education, technical assistance to small businesses and non-profit organizations, and fundraising. Additionally, bank staff provided leadership and financial expertise to community-based organizations by serving on their boards of directors and other committees. While the majority of service hours benefited the California assessment areas, notable service hours were provided in the other areas where the bank has only had a limited

presence in both duration and location. Activities specific to individual assessment areas are discussed in their respective sections of this evaluation.

Fair Lending or Other Illegal Practices Review

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) established the Bureau of Consumer Financial Protection (Bureau). In general, the Dodd-Frank Act gives the Bureau, among other things, primary supervisory authority over insured depository institutions with total assets of more than \$10 billion when assessing compliance with the requirements of federal consumer financial laws. The Federal Reserve Bank of San Francisco (Federal Reserve), however, retains authority to enforce PPB's compliance with the CRA and certain other consumer compliance laws and regulations. During the review period of this evaluation from January 1, 2018, through July 12, 2021, the Federal Reserve did not cite violations involving discriminatory or other illegal credit practices that adversely affected the Federal Reserve's evaluation of the bank's CRA performance. As of the date of this report, the Federal Reserve is unaware of any violations of the Equal Credit Opportunity Act, Regulation B, or Unfair, Deceptive, or Abusive Acts or Practices identified by the Bureau.

STATE OF CALIFORNIA

CRA Rating for California

Performance in California is rated “Outstanding”

The lending test is rated: Outstanding
The investment test is rated: Outstanding
The service test is rated: High Satisfactory

The major factors supporting the institution’s rating include:

- Lending levels that reflect excellent responsiveness to a variety of credit and community development needs, particularly for affordable housing and economic development.
- Excellent geographic lending distributions of small business and multifamily loans, with particularly strong performance in low- and moderate-income areas.
- Good distributions of loans among businesses of different revenue sizes, with excellent responsiveness to the credit needs of very small businesses.
- A leader in making community development loans, primarily for affordable housing and economic development needs, as well as in response to the economic impacts of the COVID-19 pandemic.
- Excellent level of qualified investments and grants that address the critical need for affordable housing as well as other community development needs.
- Reasonably accessible retail banking services and leadership in providing community development services.

Scope of Examination

The scope of the examination for the state of California is consistent with the overall scope of the CRA examination. As previously noted, PPB has four assessment areas in California – Greater LA, San Luis Obispo, San Diego, and Santa Barbara. The Greater LA assessment area received a full-scope review, while the San Luis Obispo, San Diego, and Santa Barbara assessment areas received limited scope reviews due to the bank’s relatively limited presence and lower level of activity in those respective areas. The Greater LA assessment area, and therefore the State of California, was given the greatest weight because of its larger branch presence, larger share of deposits, and higher loan volumes.

All loan types were considered as part of the lending test evaluation, and are presented in the Tables in Appendix E. However, in some instances lending levels were insufficient to draw meaningful conclusions. Accordingly, the lending test evaluation was primarily based on small business, multifamily, and community development loans.

Description of Operations in California

PPB operated 48 branches in California as of June 2021.² The state is a competitive market for financial services with 192 Federal Deposit Insurance Corporation (FDIC)-insured depository institutions operating 6,267 branches with combined deposits of \$2.1 trillion, as of June 30, 2021.³ Pacific Premier Bank ranked 19th out of the 192 institutions with deposits totaling \$15.4 billion, which represented a deposit market share of 0.73 percent.⁴

California's economy grew early in the review period, prior to the COVID-19 pandemic. The primary economic drivers in the state included technology, tourism and agriculture.⁵ As the tech capital of the world, California is home to some of the world's most valuable technology firms such as Apple and Netflix.⁶ Employment in technology grew by 61,195 net new jobs between 2018, and 2019, to an estimated 1.87 million jobs, and the state led the nation in the number of technology jobs and job gains in 2019.⁷ There was also growth in the travel industry during the review period. In 2019, the travel industry entered its ninth consecutive year of growth in 2019.⁸ Direct travel spending in California increased an estimated 3.2 percent between 2018, and 2019, and employment grew at the same rate.⁹ California's agriculture industry is another primary economic driver in the state. The state's agriculture industry leads the nation in agricultural production and accounts for 13 percent of the total U.S. agricultural value.¹⁰ In 2019, farms and ranches in the state received over \$50 billion in cash receipts, which represented an increase from 2018.¹¹

Overall, wage and salary income growth in California remained above the national average as of 2019.¹² Early in the review period while the state was in a late expansion stage of the business cycle, low unemployment indicated labor market tightness and wage growth.¹³ However, cost disadvantages for businesses and residents increased movement out of state,¹⁴ and the total net negative migration grew over the course of the review period.¹⁵

In the housing sector, house prices increased during the review period while housing affordability decreased or remained relatively stagnant and unaffordable compared to the U.S. overall.¹⁶ Limited housing stock and high demand for housing contributed to California's high housing costs.¹⁷ As of 2019, average home costs were 2.5 times more expensive and

² Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2021; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

³ Ibid.

⁴ Ibid.

⁵ Moody's Precip Report, California, November 2020.

⁶ Moody's Precip Report, California, November 2018.

⁷ CompTIA, Cyberstates 2020; available from: <https://www.cyberstates.org/>.

⁸ Visit California, California Travel Impacts, April 2020; available from: <https://industry.visitcalifornia.com/research/economic-impact>.

⁹ Ibid.

¹⁰ California Department of Food and Agriculture, California Agricultural Production Statistics, 2019 Crop Year; available from: <https://www.cdffa.ca.gov/Statistics/>.

¹¹ Ibid.

¹² Moody's Precip Report, California, March 2019.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Moody's Precip Report, California, November 2020.

¹⁶ Ibid.

¹⁷ Legislative Analyst's Office, Considerations for the Governor's Housing Plan, February 20, 2019; available from: <https://lao.ca.gov/Publications/Report/3941>.

average monthly rent was 50 percent higher than the rest of the country.¹⁸ High housing costs have in turn driven poverty rates to 19 percent, the highest in the nation, according to the Supplemental Poverty Measure that accounts for a households' food, clothing, shelter, and utilities costs.¹⁹

The review period was also marked by multiple years of wildfire damage and devastation in California. By one estimate, the destruction caused \$9 billion in property damage in 2020.²⁰ Yet, economic impacts and recovery from the wildfires during the review period were concentrated in the state's smaller regional economies, rather than registering as a mark against the state's vast economy.²¹

Based on the data referenced above, as well as input from community contacts discussed below, high housing costs and a lack of affordable housing pose significant challenges in the state. In addition, the economic downturn in 2020 was marked by a significant loss in employment and presented a number of credit needs for small businesses, as discussed further in the assessment area analysis to follow.

Conclusions with Respect to Performance Tests in California

Conclusions regarding PBB's performance in California with respect to the lending, investment, and service tests are essentially the same as the overall conclusions for the bank as a whole. Approximately 85 percent of deposits and loan originations occurred within California. As a result, the overall conclusions in this report were heavily influenced by the bank's performance in the California market. The following sections of this report contain specific comments regarding the individual assessment areas within California, noting any differences in performances among the areas.

In addition to the assessment area specific activity, PPB also engaged in community development lending and investment activities within California that were outside of any of its designated assessment areas. These activities were considered in the bank's overall performance assessment because the bank adequately engaged in qualified activities addressing the needs of its assessment areas.

With regard to community development lending, over \$348 million in community development loans either benefitted a broader or statewide area that includes one of the California assessment areas or were given consideration because the bank had adequately met the needs of its assessment areas. Notable examples include the following:

- A \$28.4 million loan that supports affordable housing for low- and moderate-income individuals. The loan refinanced a multifamily apartment complex in a low-income census tract. The complex includes 374 of 390 units that house low- and moderate-income individuals and families.

¹⁸ Legislative Analyst's Office, Considerations for the Governor's Housing Plan, February 20, 2019; available from: <https://lao.ca.gov/Publications/Report/3941>.

¹⁹ Ibid.

²⁰ Moody's Precip Report, California, November 2020.

²¹ Moody's Precip Report, California, November 2018.

- A \$10.5 million loan that promotes economic development by refinancing an industrial building for a company that offers warehousing, transportation, and logistics services to spirits importers, wineries, wholesalers, retailers, restaurants, auction houses, and private collectors. This loan enabled the retention of 100 low- and moderate-income jobs.
- A \$5 million loan to a nonprofit organization that provides health care services for low- and moderate-income individuals. The organization is part of a network of healthcare providers across the nation commonly known as “safety net health care providers.” Clients include uninsured working individuals, non-Medicaid covered unemployed individuals, and adults who cannot afford employer-sponsored coverage. This working capital loan helps bridge funding gaps from potential federal and state government funding shortages.
- A \$4.2 million loan that sustains the revitalization and stabilization of a low-income census tract. The loan refinanced a multi-building mixed use property that includes 13 residential units and nine commercial units. The commercial units consist of retail and warehouse businesses that support low- and moderate-income jobs.
- A \$1.9 million loan that supports economic development, and revitalization and stabilization in a rural and underserved county. The loan was originated under the USDA Rural Development program and helped to stabilize a rural portion of Calaveras County by retaining six jobs at a gas station.

Similarly, \$114.4 million in qualified investments and grants benefitted a broader statewide or regional area that includes the California assessment areas. Of these, \$108.5 million remained on the bank’s books from a prior period and \$6 million were new investments. While these investments served larger areas, many also had a direct and significant impact within one or more of the bank’s assessment areas. Notable examples of these statewide or regional investments include the following investments made during the current period:

- A \$5 million investment in a SBIC that supports economic development by financing small businesses. This SBIC invests in companies that are often underserved by traditional capital sources including those companies located in low- and moderate-income geographies or employing low- and moderate-income individuals located in Urban Empowerment Zones or Historically Underutilized Business Zones. The fund is recognized as a top impact fund and through this investment, the bank has supported the creation or retention of 808 low- and moderate-income jobs primarily in California.
- A \$2.4 million prior period investment in a LIHTC that supports 978 units of affordable housing in nine properties. The properties are located in Alameda, Contra Costa, Los Angeles, Orange, San Diego, and San Francisco Counties. Each of the units are income-restricted to low- and moderate-income individuals or seniors.
- A \$250,000 investment in a CDFI to support economic development in the organization’s microlending and small business loan program. The organization’s loan program addresses the needs of self-employed individuals, start-up businesses with low capital requirements, or small businesses looking to expand inventory or add

equipment. It aims to cater to borrower demographics of at least 95 percent low-to moderate income individuals, 90 percent minorities, and 60 percent women, as well as other borrowers such as disabled veterans who have historically been left out of traditional banking services. The bank's investment directly supports seven small business loans across California.

- Donations totaling \$90,000 to an organization that promotes economic development, services for low- and moderate-income individuals, and the revitalization and stabilization of low- and moderate-income geographies throughout California. The bank is a sponsor of the organization's climate adaption program for low- and moderate-income geographies. The innovative initiative will inform and teach community development corporations, CDFIs, and other community-based organizations on how to prepare themselves and their clients for climate adaption.
- A \$40,000 grant to an organization that supports community services for low- and moderate-income individuals. The grant will help to expand access to financial education and counseling for low- and moderate-income households in the areas of debt management, budgeting, credit counseling, student loans, and housing and foreclosure prevention.

Greater Los Angeles Assessment Area Conclusions

**For each assessment area where a full-scope review was performed using the examination procedures.*

DESCRIPTION OF OPERATIONS IN GREATER LOS ANGELES

The Greater Los Angeles assessment area consists of Los Angeles, Orange, Riverside, and San Bernardino counties and forms the Los Angeles-Long Beach-Anaheim, CA MSA and the Riverside-San Bernardino-Ontario, CA MSA. The area is bordered by Kern, and Inyo counties to the north, the states of Nevada and Arizona to the east, Imperial and San Diego counties to the south, and Ventura County to the west. As of 2020, the assessment area had a combined population of 17.8 million people.²²

There were 124 FDIC-insured commercial institutions operating 2,723 offices with combined deposits of \$844 billion in the assessment area as of June 30, 2021.²³ PPB's 31 branches in the area had total deposits of \$12.3 billion that represented 1.46 percent of the market.²⁴

Exhibit 4 on the following page presents key demographic and business information used to help develop a performance context for the assessment area.

²² U.S. Census Bureau, Annual Resident Population Estimates for States and Counties, July 1, 2020; available from <https://www.census.gov/programs-surveys/popest/technical-documentation/research/evaluation-estimates/2020-evaluation-estimates/2010s-counties-total.html>.

²³ Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2021; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

²⁴ Ibid.

EXHIBIT 4 ASSESSMENT AREA DEMOGRAPHICS GREATER LOS ANGELES ASSESSMENT AREA 2020 FFIEC CENSUS AND 2020 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	309	8.2	269,177	6.9	98,023	36.4	935,058	24.0
Moderate-income	1,067	28.4	1,044,583	26.8	230,327	22.0	639,938	16.4
Middle-income	1,061	28.3	1,122,058	28.8	123,275	11.0	680,284	17.5
Upper-income	1,254	33.4	1,453,291	37.3	67,502	4.6	1,637,447	42.1
Unknown-income	60	1.6	3,618	0.1	649	17.9	0	0.0
Total AA	3,751	100.0	3,892,727	100.0	519,776	13.4	3,892,727	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	415,832	76,659	2.6	18.4	308,387	74.2	30,786	7.4
Moderate-income	1,587,587	538,190	18.5	33.9	926,022	58.3	123,375	7.8
Middle-income	1,742,977	877,760	30.3	50.4	716,505	41.1	148,712	8.5
Upper-income	2,295,178	1,406,995	48.5	61.3	717,614	31.3	170,569	7.4
Unknown-income	21,070	2,079	0.1	9.9	15,768	74.8	3,223	15.3
Total AA	6,062,644	2,901,683	100.0	47.9	2,684,296	44.3	476,665	7.9
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	42,707	4.9	38,549	4.9	3,972	6.0	186	4.3
Moderate-income	180,329	20.9	164,044	20.6	15,534	23.6	751	17.5
Middle-income	236,329	27.3	215,307	27.1	20,021	30.4	1,001	23.3
Upper-income	392,843	45.4	366,758	46.1	23,830	36.2	2,255	52.4
Unknown-income	12,631	1.5	10,081	1.3	2,441	3.7	109	2.5
Total AA	864,839	100.0	794,739	100.0	65,798	100.0	4,302	100.0
% of Total Businesses				91.9		7.6		0.5
2021 Adjusted Median Family Income ²⁵								
Los Angeles County			\$80,000					
Orange County			\$106,700					
Riverside County			\$77,500					
San Bernardino County			\$77,500					

²⁵ FFIEC Adjusted Median Family Income; available from: <https://www.ffiec.gov/Medianincome.htm>.

Economic Conditions

During the review period, the assessment area economy expanded into a late stage of the business cycle. However, in 2020, the area had a slow recovery out of recession after the onset of the COVID-19 pandemic brought restrictions upon nonessential businesses and resulted in a significant loss of employment. The primary economic drivers in the area were tourism, technology, logistics, and healthcare. Late in the review period in 2019, unemployment rates were at historic lows and average hourly wages were up in San Bernardino County,²⁶ as well as in Los Angeles County where average hourly earnings outpaced the nationwide average.²⁷ However, after the economic downturn in early 2020, employment remained depressed in the area. In Los Angeles and San Bernardino counties, less than half of the jobs lost since the start of the pandemic had returned by the fourth quarter of 2020.²⁸ Economic trends in each county of the assessment area are described below.

The Los Angeles County economy is primarily driven by tourism, technology, and logistics. The tourism industry grew during the review period and in 2018, the number of visitors to the area increased for the eighth consecutive year.²⁹ The increase in visitors helped grow the hospitality industry by approximately four percent and made the industry one of the fastest growing sectors of the area's economy.³⁰ In addition to tourism, the technology industry drove dynamic economic growth in the area during the review period.³¹ Although Silicon Beach was a small portion of the economy, the sector contributed a large share of high-wage job growth and investment.³² In the logistics, trade, and transportation industry cluster, employment grew during the last decade, and reached over 300,000 jobs in 2019, representing 8 percent of the County's total employment.³³ Since 2010, the transportation cluster alone added nearly 35,000 jobs.³⁴ The ports of Los Angeles and Long Beach are a strength of the area economy, and the deep water San Pedro harbor enables the area to handle larger ships that other ports cannot accommodate.³⁵ In 2018, the Port of Los Angeles set a record for the most cargo it handled in a single month.³⁶ As previously discussed, there were a number of wildfires during the review period including a number in or adjacent to Los Angeles County. However, the impact on the economy was minimal as the fires largely spared business centers and tourist destinations.³⁷ Population growth showed signs of weakness in a higher level of out-migration paralleled by a decline in natural growth during the review period.³⁸ Overall, at the end of 2020, unemployment remained elevated in the area as the pandemic continued to limit business operations and slow the economic recovery.

²⁶ Moody's Precis Report, Riverside-San Bernardino-Ontario CA, November 2019.

²⁷ Moody's Precis Report, Los Angeles-Long Beach-Glendale CA, May 2019.

²⁸ Moody's Precis Report, Los Angeles-Long Beach-Glendale CA, November 2020; Moody's Precis Report, Riverside-San Bernardino-Ontario CA, November 2020.

²⁹ Los Angeles Business Journal, L.A. Sets New Tourism Record with 50M Visitors, January 16, 2019; available from: <https://labusinessjournal.com/news/2019/jan/16/l-sets-new-tourism-record-50m-visitors/>.

³⁰ Ibid.

³¹ Moody's Precis Report, Los Angeles-Long Beach-Glendale CA, November 2018.

³² Ibid.

³³ Los Angeles Economic Development Corporation Institute for Applied Economics, Industry Clusters in Los Angeles County, 2020; available from: <https://laedc.org/2020/12/02/industry-clusters-2020/>.

³⁴ Ibid.

³⁵ Moody's Precis Report, Los Angeles-Long Beach-Glendale CA, May 2019.

³⁶ Moody's Precis Report, Los Angeles-Long Beach-Glendale CA, November 2018.

³⁷ Ibid.

³⁸ Moody's Precis Report, Los Angeles-Long Beach-Glendale CA, November 2020.

In Orange County, the primary economic drivers in the area were tourism, healthcare, and technology.³⁹ Early in the review period, three quarters of net new jobs in Orange County were in the leisure and hospitality industries.⁴⁰ Payrolls were pushed to an all-time high in 2019 with the aid of Disney's \$1 billion theme park built in recent years.⁴¹ In addition to tourism, the area is a major healthcare hub with leading university hospitals.⁴² Although job growth in the healthcare sector slowed during the review period, the growth rate remained nearly double the national average.⁴³ In addition to healthcare, the area is a hub for biotechnology and information technology companies that are attracted to the skilled workforce as well as the area's lower costs in comparison to the San Francisco Bay Area.⁴⁴ Growth in the technology sector was driven by the inflow of record levels of venture capital.⁴⁵ As of 2020, the area boasts one of the country's largest clusters of tech jobs.⁴⁶ In the housing market, home price appreciation slowed during the review period due to declines in affordability and permits for single-family starts.⁴⁷ During the area's economic recovery late in 2020, although unemployment fell, the pace of controlling the COVID-19 virus was slow in the area because of the dense population, which posed challenges to the economic recovery in the short term.⁴⁸

The primary economic drivers in Riverside and San Bernardino counties were logistics and defense. In the logistics industry, employment in transportation and wholesale trade rose by nearly two thirds between 2013 and 2019, in turn increasing the industry's share of total employment and output.⁴⁹ However, job growth in the industry was not met with commensurate wage growth as of 2017.⁵⁰ On an annualized basis, wages in the logistics industry grew at a rate of less than 1 percent per year, falling below inflationary pace and therefore resulting in real wage declines.⁵¹ Nonetheless, the strength of the logistics industry was evident in the economic recovery in late 2020 as it recovered all jobs lost earlier in the year at the onset of the pandemic.⁵² Lower business costs and a comparative advantage in transportation, distribution and warehousing were economic strengths of the area.⁵³ Similarly, better housing affordability and higher levels of inventory helped attract residents from coastal areas such as Los Angeles to San Bernardino.⁵⁴ In-migration drove population growth in 2019, which was nearly twice the state average.⁵⁵ However, residential construction was outpaced by this influx of new residents and as a result, single-family house prices continued to rise as of late 2019.⁵⁶ However, median house prices remained lower than in neighboring Los Angeles and Orange counties, as discussed below.

³⁹ Moody's Precis Report, Anaheim-Santa Ana-Irvine CA November 2020.

⁴⁰ Moody's Precis Report, Anaheim-Santa Ana-Irvine CA November 2018.

⁴¹ Moody's Precis Report, Anaheim-Santa Ana-Irvine CA August 2019.

⁴² Moody's Precis Report, Anaheim-Santa Ana-Irvine CA November 2018.

⁴³ Ibid.

⁴⁴ Moody's Precis Report, Anaheim-Santa Ana-Irvine CA August 2019.

⁴⁵ Moody's Precis Report, Anaheim-Santa Ana-Irvine CA November 2018.

⁴⁶ Moody's Precis Report, Anaheim-Santa Ana-Irvine CA November 2020.

⁴⁷ Moody's Precis Report, Anaheim-Santa Ana-Irvine CA August 2019.

⁴⁸ Moody's Precis Report, Anaheim-Santa Ana-Irvine CA November 2020.

⁴⁹ Moody's Precis Report, Riverside-San Bernardino-Ontario CA, November 2019.

⁵⁰ San Bernardino County, the San Bernardino County Labor Market Intelligence Report; available from: <https://wp.sbcounty.gov/workforce/wp-content/uploads/sites/5/2019/02/San-Bernardino-County-Labor-Market-Intelligence-Report.pdf>.

⁵¹ Ibid.

⁵² Moody's Precis Report, Riverside-San Bernardino-Ontario CA, November 2020.

⁵³ Ibid.

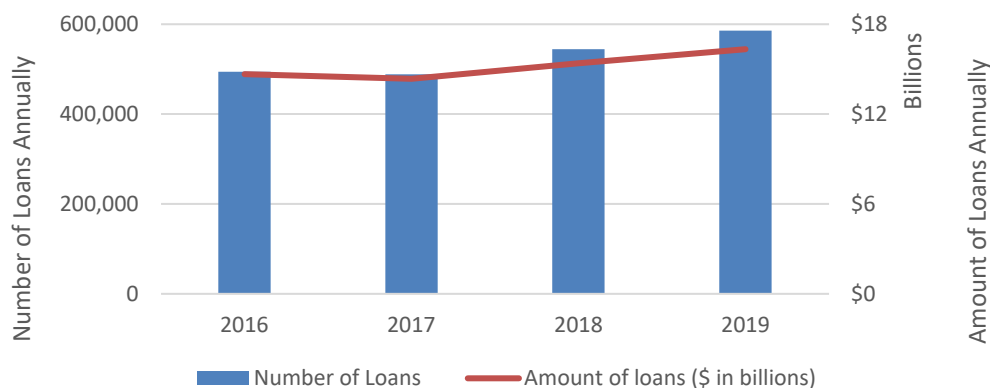
⁵⁴ Ibid.

⁵⁵ Moody's Precis Report, Riverside-San Bernardino-Ontario CA, August 2018.

⁵⁶ Moody's Precis Report, Riverside-San Bernardino-Ontario CA, November 2019.

As depicted in Exhibit 5 as shown below, small business lending from banks subject to the CRA trended upward during the review period. In 2019, there were 585,388 loans totaling \$16.3 billion made to small businesses in the assessment area. Lending to small businesses played a critical role in the economy given that small businesses accounted for 91.9 percent of all businesses in the assessment area, as noted in Exhibit 4. In response to the COVID-19 pandemic, the federal PPP was launched to aid small businesses during the pandemic-associated shelter-in-place orders and resulted in increased lending to small businesses and farms in the first half of 2020.⁵⁷ Nationwide, small business and farm lending by small banks grew on average by 23 percentage points, while lending by medium and large banks increased by 38 and 35 percentage points, respectively.⁵⁸ The growth in lending suggests small businesses and farms turned to banks for funding and support to respond to the pandemic’s negative effect on consumer and business activity in 2020.⁵⁹ In the assessment area, over 290,000 PPP loans in the amount of less than \$1 million were made and approximately 2 million jobs were self-reported to benefit from the loans made between April 3, 2020 and August 8, 2020.⁶⁰ According to the borrower firms that elected to report their industry, most loans under \$1 million were made to businesses in the Professional, Scientific, and Technical Services sector, followed by the Health Care and Social Assistance sector.⁶¹

Exhibit 5
Loans to Small Businesses in Assessment Area⁶²
2016-2019



Unemployment rates in the assessment area decreased early in the review period prior to steep increases in 2020 after the onset of the pandemic, as shown on the next page in Exhibit 6. In 2019, unemployment rates across the assessment area fell to the lowest rates during the review period. However, restrictions on business operations put into place in

⁵⁷ 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/economic-letter/2020/november/small-business-lending-during-covid-19/>.

⁵⁸ Ibid.

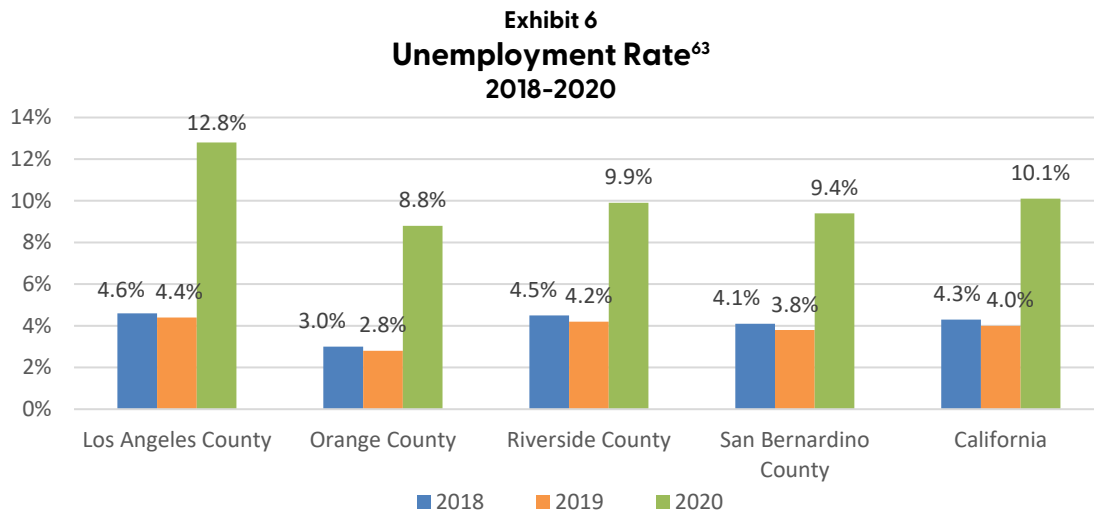
⁵⁹ Ibid.

⁶⁰ Small Business Administration, Paycheck Protection Program Loan Data; available from: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>. [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.]

⁶¹ Ibid.

⁶² Aggregate CRA Small Business data reports available from: <https://www.ffiec.gov/craadweb/aggregate.aspx>.

reaction to the pandemic impacted employment and led to doubled or tripled unemployment rates in 2020.

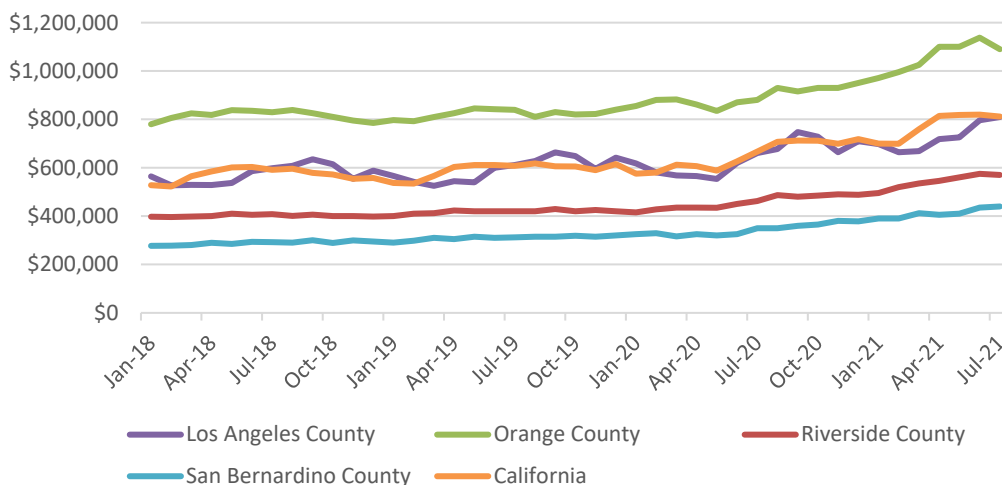


The trends in median home prices in the area are shown in Exhibit 7 on the following page. During the review period, median home prices in the area increased at a similar rate for the state of California overall. Orange County had median home prices above the statewide median home price, whereas Riverside and San Bernardino counties had comparatively lower median home prices throughout the review period. The median home price in Los Angeles County tracked closer to the statewide median home price during some segments of the review period. Median prices peaked in July 2021 in Los Angeles County to \$809,750, in June 2021 to \$1.14 million in Orange County, in June 2021 to \$575,000 in Riverside County, and in July 2021 to \$440,000 in San Bernardino County. The higher median home prices in Orange and Los Angeles counties compared to Riverside and San Bernardino counties correlated to housing affordability differences across the assessment area. According to the California Association of Realtors' Housing Affordability Index, the percentage of households that can afford to purchase the median priced home in the second quarter of 2021 was 22.09 percent in Los Angeles County, 16.81 percent in Orange County, 32.86 percent in Riverside County, and 43.16 percent in San Bernardino County.⁶⁴

⁶³ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: <https://www.bls.gov/lau/>.

⁶⁴ California Association of Realtors, Housing Affordability Index-Traditional, 2021 Q2 available from: <https://www.car.org/marketdata/data/haitraditional>.

Exhibit 7
Median Home Prices⁶⁵
January 2018–July 2021



In addition to rising costs for homeownership, rental prices also increased during the review period. The median rent for a 1-bedroom unit in Los Angeles County increased from \$1,176 in 2018 to \$1,234 in 2019.⁶⁶ Similarly, the median rent for a 1-bedroom unit increased between 2018 and 2019 from \$1,479 to \$1,574 in Orange County, from \$944 to \$1,005 in Riverside County, and from \$916 to \$953 in San Bernardino County.⁶⁷ More than half of the renter households in each county were cost burdened, or spent more than 30 percent of their income on rent and utilities.⁶⁸ There were 59 percent of cost burdened renter households in Los Angeles and San Bernardino counties, 58 percent in Orange County, and 60 percent in Riverside County, compared to the national average of 50 percent.⁶⁹

During the review period, the supply of affordable rental homes in the area was low. The area comprised of Los Angeles and Orange counties had the third most severe shortage of rental homes available for extremely low-income households (households with incomes below 30 percent area median income) in the nation.⁷⁰ Only 20 affordable rental units were available for every 100 households with extremely low income.⁷¹ Affordable rental homes were also limited in Riverside and San Bernardino counties, where there were 21 rental homes available per 100 renter households.⁷²

The trend in the poverty rates and public assistance or food stamp/Supplemental Nutrition Assistance Program (SNAP) benefit usage rates are shown on the following page in Exhibit 8.

⁶⁵ Zillow Research, Zillow Home Value Index, Single-Family Homes Time Series; available from: <https://www.zillow.com/research/data/>.

⁶⁶ U.S. Census Bureau, Median Gross Rent, 1-Bedroom, American Community Survey, 5-year estimate; available from: <https://www.census.gov/data/>.

⁶⁷ Ibid.

⁶⁸ Prosperity Now Scorecard, Los Angeles, Orange, Riverside, and San Bernardino counties, CA; available from: <https://scorecard.prosperitynow.org>.

⁶⁹ Ibid.

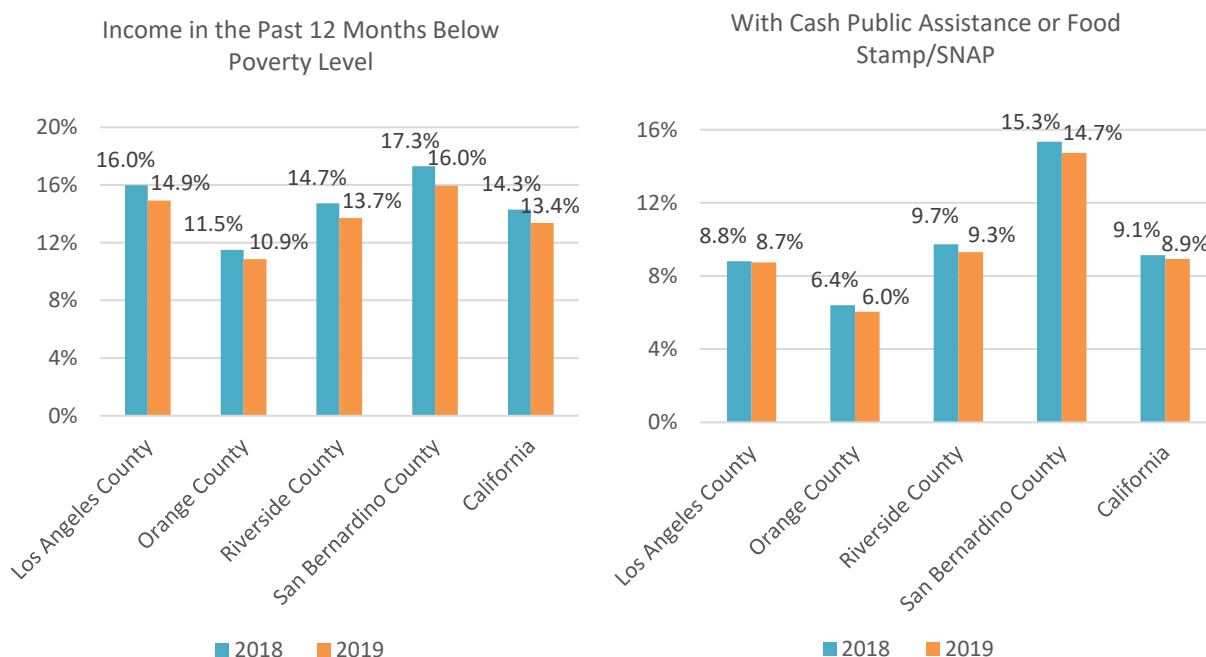
⁷⁰ National Low Income Housing Coalition, The Gap, March 2021; available from: <https://reports.nlihc.org/gap>.

⁷¹ Ibid.

⁷² Ibid.

There were higher rates of households living below the poverty level in Los Angeles, Riverside, and San Bernardino counties compared to Orange County and in California overall. Orange County had a lower rate of households with incomes below the poverty line compared to the statewide rate. The percentages of households receiving public assistance of food stamp/SNAP benefits in Los Angeles and Orange counties were lower than in the state of California. However, San Bernardino and Riverside counties had higher percentages of households receiving public assistance or food stamp/SNAP benefits than in the state. Overall, both the rate of households living below the poverty level and the rate of households receiving public assistance or food stamp/SNAP benefits slightly decreased during the review period.

Exhibit 8
Poverty and Food Stamp Usage Rates⁷³
2018-2019



Credit and Community Development Needs

The economic data described above and feedback from community contacts indicate that credit and community development needs persist in the area. As previously discussed, small business lending levels remained steady during the review period before increasing in 2020 as PPP loans were distributed to meet the credit needs of small businesses enduring the impacts of COVID-19. According to the U.S. Census Bureau’s Weekly Small Business Pulse Survey, 43 percent of small business respondents in California received PPP loans within the preceding four months as of April 18, 2021.⁷⁴ At that time, 20 percent of respondent small businesses projected a need to obtain financial assistance in the next six months.⁷⁵ However,

⁷³ Poverty and Food Stamp Usage Rates, U.S. Census Bureau, American Community Survey, 5-Year Estimates; available from: <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>.

⁷⁴ U.S. Census Bureau, Weekly Small Business Pulse Survey, April 12, 2021 to April 18, 2021; available from: <https://portal.census.gov/pulse/data/#data>.

⁷⁵ Ibid.

41 percent of small businesses in California reported it would take more than six months before the business returned to normal levels of operation relative to one year ago.⁷⁶ Based on the survey results, some small businesses in California appeared to still hold a need for financing to recover from the economic pressures of the pandemic.

The Small Business Credit Survey was conducted in September and October 2020, which was approximately six months after the onset of the COVID-19 pandemic and shortly after the close of the first window of PPP lending. The nationwide point-in-time survey highlighted the pandemic's impact on small businesses and their credit needs. The survey results found that of the small business survey respondents that applied for credit in the prior 12 month period, 37 percent received all the financing they sought.⁷⁷ This share of applicants was a decrease from the prior year's survey, which found that 51 percent of applicant firms received all of the financing they sought.⁷⁸ Small business applicants most often sought loans or lines of credit.⁷⁹ A majority of applicant firms, 58 percent, cited that their reason for applying for credit was to meet operating expenses.⁸⁰ Only 48 percent of firms applied for less than \$100,000, a decrease since the prior year.⁸¹ Despite the increase in small business lending during the pandemic, the survey results further indicate an unmet credit need for small businesses. According to one community contact, small business owners are most in need of loans in the amount of \$25,000.

In addition to the small business credit needs, a community contact indicated that more investment in financial education and small business technical assistance and advising is needed. The contact noted that financial institutions could be providing these services to educate individuals and business owners on credit, budgeting, and other small business-related topics. Two community contacts also noted that there is a need for more education to increase awareness on predatory lenders. Some microloan borrowers looking to pay off debt or access a "fast deal" for cash may be unaware of the higher interest rates charged by predatory lenders, according to a contact. Furthermore, the contact stated that it would be helpful if financial institutions provided more financial education to help borrowers to understand the costs of a loan.

According to a community contact there are multiple opportunities where financial institutions could provide more services that help to address credit needs in the area. In addition to financial education and small business technical assistance described above, the contact noted a need for more foreclosure prevention counseling and assistance as well as participation in homebuyer education workshops. The contact indicated that financial institutions could provide these services in partnership with nonprofit organizations.

Overall, credit and community development needs persist in the area. As described above, small business lending as well as community services including financial education, homebuyer counseling and small business development are some of the most impactful activities banks could participate in to help meet the area's credit needs.

⁷⁶ Ibid.

⁷⁷ Small Business Credit Survey, Report on Employer Firms 2021; available from: <https://www.fedsmallbusiness.org/survey/2021/report-on-employer-firms>.

⁷⁸ Ibid.

⁷⁹ Ibid.

⁸⁰ Ibid.

⁸¹ Ibid.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN GREATER LOS ANGELES

Lending Test

PPB's performance under the lending test in the Greater LA assessment area is outstanding. This assessment is attributable to excellent responsiveness to the credit needs of very small businesses, excellent geographic lending distributions, and good penetration among borrowers of different incomes and revenue sizes. In addition, the bank is a leader in making community development loans and makes extensive use of flexible lending practices in serving area credit needs.

Lending Activity

Lending levels in the Greater LA assessment area are excellent and include a significant volume of community development loans as seen in Table 1 in Appendix E. Overall lending levels were reasonably similar to deposits.

In addition to the small business and multifamily loans extended in the assessment area, PPB made use of flexible lending products and programs to address the unique credit needs of small businesses that could not otherwise be met. During the review period, the bank extended 376 Quickscore loans totaling \$23.4 million, 38 SBA 7(a) loans totaling \$47.3 million, and 515 Small Business Overdraft Loans totaling \$515,000, demonstrating the bank's significant impact in addressing small business credit needs.

Lending Distribution by Geography

Overall lending distributions by geography are excellent. While lending volume varied by product type, PPB extended loans within each of the income categories with very strong performance in low- and moderate-income areas. Lending patterns followed the locations of PPB branches, and business or housing unit concentration and did not exhibit unusual or conspicuous gaps.

Small Business Lending

Lending distribution by geography within the assessment area is excellent. The bank's small business lending represents excellent dispersion throughout census tracts of all income levels. Performance was particularly strong in low- and moderate-income areas with lending levels exceeding the performance of other lenders in the market as well as the percentage of businesses in the area. Table 2 in Appendix E contains data assessed to reach this conclusion.

Home Mortgage Lending

Geographic distributions of home mortgage products are excellent. Lending was distributed throughout the assessment area with no conspicuous lending gaps, and loans were made within each of the income categories. The geographic distribution of multifamily lending is excellent with substantially high percentages of lending in low- and moderate-income areas. Lending exceeded the percentage of multifamily units and the performance of aggregate lenders. The bank's multifamily lending is particularly responsive to the stated need for affordable housing units among low-income households within the Greater LA assessment area. Mortgage lending distributions and comparative data used in this assessment are presented in Table 7 in Appendix E.

Lending Distribution by Business Revenue

The distribution of small business loans indicates good penetration to businesses with gross annual revenues of \$1 million or less. While overall lending levels were below the representation of small businesses and lower than that of aggregate lenders, the bank extended a very high number of small dollar loans as seen in Table 8 in Appendix E. Notably, PPB demonstrated excellent responsiveness to the credit needs of very small businesses. In 2018, the bank recognized a need to enhance lending penetration among businesses of different sizes, and consequently developed the flexible Quickscore Access microloan program and Small Business Overdraft Line of Credit program. These programs helped address an identified credit need for smaller dollar loans, greatly improved the bank's 2019 distribution of borrowers, and resulted in the bank's performance aligning with aggregate lenders.

In 2020, the volume of small business lending substantially increased due to the bank's participation in the SBA's PPP. In the Greater LA assessment area, the bank extended 1,640 PPP loans totaling \$561.3 million. In 2020, 59.3 percent of the small business loans extended by the bank did not include revenue information, as reflected on the following page in Exhibit 9. Limited borrower information was collected due to the nature of the PPP requirements, and therefore reported revenue was not available for most PPP loans. Although the 2020 distribution of borrowers appears unfavorable to small businesses, the percentage of smaller dollar loans are generally consistent with 2019 data, indicating that the bank continued to serve and respond to the needs of small businesses in the assessment area.

EXHIBIT 9 DISTRIBUTION OF SMALL BUSINESS LOANS BY GROSS ANNUAL REVENUE CATEGORY GREATER LOS ANGELES ASSESSMENT AREA					
Gross Revenue Level	Percent of Businesses	Count	Percent	Dollars (000s)	Percent
<= \$1,000,000					
2018	91.4	300	30.0	48,527	17.0
2019	91.7	769	48.6	49,413	15.4
2020	91.9	491	18.4	33,012	5.8
> \$1,000,000					
2018	7.9	601	60.2	207,651	72.5
2019	7.8	745	47.1	253,532	79.1
2020	7.6	596	22.3	197,028	34.6
Revenue Not Available					
2018	0.7	98	9.8	30,050	10.5
2019	0.5	67	4.2	17,391	5.4
2020	0.5	1,585	59.3	339,842	59.6
Totals					
2018	100.0	999	100.0	286,228	100.0
2019	100.0	1,581	100.0	320,336	100.0
2020	100.0	2,672	100.0	569,882	100.0
Source: 2018-2020 D&B Data; PPB Bank Data 1/1/2018 – 12/31/2020					

Community Development Lending

PPB is a leader in making community development loans in the Greater LA assessment area. As seen in Table 1 in Appendix E, the bank made 802 loans totaling \$1.9 billion during the review period. These loans financed 6,047 units of affordable housing and helped create or retain 18,523 jobs. PPB was responsive to a variety of community credit needs with a majority of the loans supporting affordable housing for low- and moderate-income individuals, followed by loans that promoted economic development by financing small businesses that created or retained jobs in the assessment area. The remaining loans helped stabilize low- and moderate-income areas and supported organizations that provide community services for low- and moderate-income individuals. Many of these loans were particularly impactful in helping to stabilize these areas during the economic disruptions caused by COVID-19. Notable community development loans include the following:

- A \$41 million line of credit for a nonprofit organization that provides services and support to approximately 15,000 individuals with developmental disabilities, many of whom are low- and moderate-income individuals. The intellectual and developmental disabilities population is a community that is typically underserved and overlooked by communities, and are often reliant on Social Security Income and grants as basic sources of income. The organization provides various community services, including workshops for employment preparation, support for living options including accessing affordable housing, and programs for those who are not able to be employed.
- A \$16.1 million loan to refinance 18 multifamily properties that provide housing to low- and moderate-income individuals and families. These properties are located in a

moderate-income census tract in Los Angeles and support 145 units of affordable housing.

- A \$14.7 million loan to a manufacturer that supports economic development as well as the revitalization and stabilization of a moderate-income census tract. The loan will enable the borrower to finance an equipment purchase and retain 112 low- and moderate-income employees in the owner-occupied manufacturing plant and office headquarters.
- A \$12 million working capital line of credit to a hospital located in a rural area of Riverside County that serves a low- and moderate-income population. The hospital is considered a “rural hospital” due to the care it provides to a medically underserved area undergoing a health professional shortage. As part of this designation, the hospital participates in a government program to help supplement the costs associated with providing medical services to individuals covered under Medicaid and Medi-Cal programs. This loan supports the hospital’s growth and cash flow, enabling the hospital to sustain its operations and address health disparities for low- and moderate-income communities.
- A \$9.8 million loan for the purchase of a commercial property that supports economic development. The loan is for a three-unit retail and restaurant property that will create and retain permanent jobs for low- and moderate-income individuals. This property is part of a larger residential, commercial, and entertainment district plan in Anaheim, California, that is projected to generate more than 3,000 permanent jobs and will dedicate 15 percent of its residential property to affordable housing. This loan helps enable this larger project, which will generate significant economic impacts to the community.
- A \$5.4 million SBA PPP loan to a nonprofit organization to stabilize a moderate-income census tract and support economic development by preserving 434 jobs. This loan is to an organization that services 80 Southern California hospitals and medical facilities.
- A \$2.5 million revolving line of credit to support an affordable housing development company. The organization helps construct and manage affordable housing for low- and moderate-income individuals with a focus on long-term community engagement. Loan proceeds were used to support working capital needs, specifically to finance pre-development project expenses related to the construction of affordable housing projects for low- and moderate-income families in Orange County.
- A \$500,000 revolving line of credit to support affordable housing and community services for low-income individuals in Los Angeles, Orange, and San Bernardino Counties. This loan supports an organization that provides a range of housing and services to assist homeless and low-income individuals and families secure a stable home, be an active part of their community, and to achieve a self-sustaining way of life. The line of credit supports working capital needs and funds the initial deposit needed to secure new real estate acquisitions.

Investment Test

PPB's performance under the investment test in the Greater LA assessment area is outstanding. The bank provided an excellent level of investments and grants that are not routinely provided by private investors, and often in a leadership position. PPB makes extensive use of innovative and complex investments to support community development initiatives that have demonstrated excellent responsiveness to credit and community development needs. As seen on Table 13 in Appendix E, \$131.3 million was invested in the Greater LA assessment area. This total includes \$88 million in new investments and grants, \$43.3 million in prior period investments that remained on the bank's books, along with \$108,000 in prior period unfunded commitments. During the review period, investments were made in LIHTCs, MBS, CDFIs, and minority-owned financial institutions. These investments directly benefit the assessment area by developing or maintaining over 3,300 housing units of affordable housing for low- and moderate-income individuals. Grants and donations were also provided to numerous organizations involved in a variety of community development activities, particularly in affordable housing, services for low- and moderate-income individuals, and support for economic development. The following are examples of notable investments:

- A \$30 million investment in a fund that supports affordable housing, and the revitalization and stabilization of low- and moderate-income geographies. The primary purpose of the fund is to invest and build affordable housing and mixed-use projects exclusively near Opportunity Zones in Black and Brown communities. Additionally, this innovative and complex project plan includes modernizing hundreds of buildings and constructing energy efficient, higher density housing around mass transit, which will support essential infrastructure and facility needs that will benefit these communities. The total fund amount is \$250 million with the anticipated construction of 3,500 affordable housing units for low- and moderate-income individuals and families.
- A \$15 million equity investment in a real estate impact fund that will support 230 affordable housing units in four properties in Los Angeles. This innovative and complex impact fund is part of a larger \$250 million fund that is expected to fund housing for up to 1,800 homeless and Housing and Urban Development (HUD) Section 8 voucher-holder tenants. A majority of the projects are on church properties owned by local African-American churches that will be able to leverage underutilized land without having to sell property while generating revenue. This model will help empower local communities, provide greater financial sustainability, and provide additional capital to be reinvested in the community. Additionally, some projects will have mixed-use space which will help revitalize and stabilize low- and moderate-income neighborhoods.
- A \$5 million LIHTC investment that supports affordable housing for the homeless and very low-income individuals and families. This highly impactful investment will support 69 units of affordable housing in Orange County that will help address an acute shortage of rental homes available for extremely low-income households.

- Seven certificates of deposit totaling over \$1.7 million in minority-owned financial institutions that help promote economic development of underserved areas within the bank's assessment area.
- A \$760,000 investment to purchase 16 notes secured by single family mortgage loans from an organization that supports affordable housing in low- and moderate-income geographies. The organization builds and sells homes for low-income households. PPB took a leadership position when the organization sought investment assistance from the bank in order to avoid land recapture by the city for two proposed housing projects.
- Over \$560,000 in grants to an organization that promotes services to youth from low- and moderate-income families. The nonprofit provides financial literacy and entrepreneurship programs to students, and promotes financial responsibility, leadership, teamwork, and entrepreneurship. Additionally, the bank demonstrated leadership by providing donations to support the organization's COVID-19 relief program that provided emergency financial assistance to low-income families impacted by the pandemic.
- Grants totaling \$140,000 to an organization that enables economic development and services for low- and moderate-income individuals by providing career development services to unemployed and underemployed individuals, many of whom face significant barriers to employment such as homelessness, incarceration, and substance abuse. The grants include a \$30,000 donation to support the organization when a fire destroyed its offices, which included its donation, wardrobe, and career centers. Additionally, the bank provided support by hosting a clothing drive to help collect donated items to replace those that were destroyed in the fire.
- Grants totaling \$110,000 to an organization that provides community services to low- and moderate-income individuals by providing mentoring programs and access to quality education. The bank took a leadership role by increasing its support of the organization, which expanded the program's mentorship capacity to an additional 100-150 youth from low-income families.
- Grants totaling \$90,000 to an organization that supports affordable housing and services to low- and moderate-income individuals. The nonprofit is responsive to critical affordable housing needs by increasing access to homeownership and wealth building opportunities by providing financial education, counseling, and homeownership workshops. This amount includes a \$50,000 donation that enabled the organization to remain responsive as a result of the COVID-19 pandemic and to sustain their day-to-day operations.

Service Test

PPB's performance under the service test in the Greater LA assessment area is high satisfactory. Changes in branch locations have not adversely affected access to delivery systems, and branch hours and services do not vary in a way that inconveniences portions of

the assessment areas. Additionally, the bank is a leader in providing community development services.

Retail Banking Services

Retail banking delivery systems are reasonably accessible throughout the assessment area, and business hours and services do not vary in a way that inconveniences any portion of the area. A full array of personal and business banking products and services are offered at all locations in the Greater LA assessment area. Delivery systems include ATMs at most branches as well as eight off-site ATMs. The ATMs, combined with online and mobile banking, and remote deposit capture, are available to provide customers with access to banking services after normal business hours.

As seen in Table 14 in Appendix E, PPB operates 31 branches in this assessment area with 25 co-located ATMs. During the review period, the bank acquired and/or opened 29 branches, closed 16, and relocated one. The closures were largely attributable to the consolidation of existing PPB branches with branches gained from the acquisition of Opus and Grandpoint that were in close proximity to other PPB branches. The branch closures primarily occurred in middle- and upper-income census tracts with only one branch closure occurring in a low-income census tract. These changes did not adversely affect availability of banking services to consumers given the close proximity of the closing branches to existing PPB branches, along with accessibility to the acquired branches. Two of the branch acquisitions occurred in moderate-income census tracts. Additionally, one relocated branch occurred within the same moderate-income census tract. Although the percentage of PPB's branches in low- and moderate-income areas is below the percentage of the population residing in those areas, banking services remain reasonably accessible. PPB maintains 22.6 percent of its branches located within low- and moderate-income census tracts, in contrast to the 36.4 percent of the population that resides in those areas.

Community Development Services

PPB continues to be a leader in providing significant and impactful community development services in the Greater LA assessment area. A total of 515 bank employees provided 2,823 services to 175 organizations amounting to more than 10,900 qualified service hours. These services met the community development needs by providing services to low- and moderate-income individuals, promoting economic development, and facilitating access to affordable housing. The bank addressed identified community needs by dedicating a significant number of service hours towards financial literacy education to over 10,000 low- and moderate-income individuals, providing targeted small business technical assistance, and partnering with nonprofit organizations to present homebuyer education workshops. Nearly half of the services provided by bank employees were in organizational leadership positions as board and committee members. Lastly, significant numbers of service hours were dedicated towards fundraising activities for a variety of non-profit organizations and providing free income tax preparation services for low- and moderate-income individuals. The following are notable examples of community development services:

- PPB employees served in leadership positions as board or committee members in organizations involved in providing services to low- and moderate-income individuals

and small businesses. These organizations address such concerns as affordable housing, homelessness, and access to credit for small businesses. During the review period, 179 employees acting in the capacity of board or committee members provided 1,422 services totaling 4,350 community development service hours.

- Bank employees continued to participate in the Volunteer Income Tax Assistance Preparation Program (VITA) by providing free income tax preparation for low- and moderate-income individuals in partnership with various nonprofit organizations. Employees helped identify available tax credits, such as the Earned Income Tax Credit, that provided thousands of dollars in federal refunds to low- and moderate-income families. In 2020 alone, the bank assisted in over \$30 million in total refunds. During the review period, 19 employees provided over 1,154 hours of community development services to assist 1,661 low- and moderate-income individuals.
- In partnership with a nonprofit organization, the bank provided technical assistance, financial literacy education, and workforce development training programs for youth from low- and moderate-income families. During the review period, 133 employees provided 326 services totaling over 660 hours of community development services. Many of these employees served in leadership positions as committee members.
- In response to the COVID-19 pandemic, PPB assumed a leadership position by assisting a nonprofit organization in making a high volume of calls to low- and moderate-income seniors and families in need of provisions of food supplies and services. The organization lacked the bandwidth and resources to handle the increased demand and the bank was able to quickly coordinate support. A total of 33 employees provided over 1,000 wellness calls in 210 hours of community development services.
- PPB employees developed and hosted an interactive financial literacy education workshop targeted to low- and moderate-income youth. The bank created a unique four-week long program that involved a total of 13 employees who provided 175 hours of services to 25 low- and moderate-income individuals.
- Bank employees provided services that supported economic development by partnering with a small business development corporation. Employees provided technical expertise to this nonprofit organization that enables small businesses to gain access to capital through state loan guarantees and other business development programs. Community development services included participation in loan committee sessions and providing technical assistance on lending options to local small business owners. A total of five employees provided 106 service hours that benefited over 68 small business owners.

Limited-Scope Assessment Area Conclusions

**For each assessment area where a limited-scope review was performed using the examination procedures.*

PPB’s performance in the assessment areas receiving a limited review is generally consistent with the performance in the areas receiving full-scope reviews. Due to the bank’s relatively smaller presence in these markets and lower percentages of loans and deposits, the limited scope assessment areas received less weight than the full-scope areas. Consequently, performance in these areas did not materially affect the bank’s overall lending, investment, and service test performance assessments. PPB operates nine branches in San Luis Obispo, six branches in San Diego, and two branches in Santa Barbara. Facts and data reviewed, including performance and demographic information, can be found in the tables accompanying this report.

EXHIBIT 10 LIMITED-SCOPE ASSESSMENT AREA CONCLUSIONS			
ASSESSMENT AREAS	LENDING TEST	INVESTMENT TEST	SERVICE TEST
San Luis Obispo	Consistent	Consistent	Consistent
San Diego	Consistent	Consistent	Consistent
Santa Barbara	Consistent	Consistent	Exceeds

Lending test performance in these markets was generally consistent with the performance in the full-scope assessment areas. San Luis Obispo, San Diego, and Santa Barbara benefitted from investments that cover assessment areas as well as broader statewide and regional areas that include these assessment areas. Service test performance was generally consistent in San Luis Obispo and San Diego, given the resources available at these locations. However, the Santa Barbara assessment area exceeded the service test performance in the full-scope assessment area with 352 community development services totaling 821 hours.

STATE OF WASHINGTON

CRA Rating for Washington

Performance in Washington is rated “Satisfactory”

The lending test is rated: High Satisfactory

The investment test is rated: Outstanding

The service test is rated: High Satisfactory

The major factors supporting the institution’s rating include:

- Good lending levels despite the bank’s limited duration in the area.
- Excellent geographic distributions of loans by income levels.
- Adequate distributions of loans to businesses of different revenue size, with extensive use of flexible loan products.
- Adequate levels of community development loans that were particularly responsive to affordable housing and economic development needs.
- Significant levels of qualified investments and grants that demonstrated excellent responsiveness to a variety of community development needs.
- Accessible delivery systems of banking services with an adequate level of community development services that were responsive to the needs of small business owners and low- and moderate-income individuals.

Scope of Examination

The scope of the examination for Washington is generally consistent with the overall scope of the CRA examination. The bank has one assessment area in the state of Washington, referred to as the Washington assessment area. Although the bank’s overall presence and loan activity in this area is limited, a full-scope review was conducted to determine the overall state rating. The lending test assessment was limited to the origination of small business, multifamily, and community development loans. The limited number of home purchase loans in the area did not allow for a meaningful analysis, and it therefore did not influence the overall assessment.

Description of Operations in Washington

The Washington assessment area consists of King, Pierce, Snohomish, and Skagit counties and forms the Seattle-Tacoma-Bellevue, Washington MSA and the Mount Vernon-Anacortes, Washington MSA. The area is bordered by Whatcom County to the north; Okanogan, Chelan, Kittitas, and Yakima counties to the east; Lewis and Thurston counties to the south; and to the west by Kitsap, Island, and San Juan counties. The area had a total population of 4.1 million people as of 2020.⁸²

⁸² U.S. Census Bureau, Annual Resident Population Estimates for States and Counties, July 1, 2020; available from <https://www.census.gov/programs-surveys/popest/technical-documentation/research/evaluation-estimates/2020-evaluation-estimates/2010s-counties-total.html>.

As of June 30, 2021, there were 51 FDIC-insured depository institutions operating 838 offices with combined deposits of \$157 billion in the assessment area.⁸³ PPB's 11 branches in the area held \$692 million in deposits, which represented 0.44 percent of the deposit market share.⁸⁴

Exhibit 11 on the following page presents key demographic and business information used to help develop a performance context for the assessment area.

⁸³ Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2021; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

⁸⁴ Ibid.

EXHIBIT 11 ASSESSMENT AREA DEMOGRAPHICS WASHINGTON ASSESSMENT AREA 2020 FFIEC CENSUS AND 2020 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	41	5.5	42,722	4.7	11,263	26.4	192,950	21.2
Moderate-income	168	22.4	190,203	20.9	24,266	12.8	160,246	17.6
Middle-income	324	43.1	403,115	44.3	24,165	6.0	188,935	20.8
Upper-income	211	28.1	272,610	30.0	8,653	3.2	366,833	40.4
Unknown-income	7	0.9	314	0.0	50	15.9	0	0.0
Total AA	751	100.0	908,964	100.0	68,397	7.5	908,964	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	85,631	22,677	2.6	26.5	56,218	65.7	6,736	7.9
Moderate-income	343,195	152,342	17.6	44.4	164,884	48.0	25,969	7.6
Middle-income	669,535	402,298	46.4	60.1	222,463	33.2	44,774	6.7
Upper-income	448,805	290,253	33.5	64.7	130,821	29.1	27,731	6.2
Unknown-income	2,060	88	0.0	4.3	1,800	87.4	172	8.3
Total AA	1,549,226	867,658	100.0	56.0	576,186	37.2	105,382	6.8
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	11,923	5.6	10,617	5.3	1,221	9.2	85	5.1
Moderate-income	41,249	19.2	38,309	19.2	2,693	20.2	247	14.8
Middle-income	86,164	40.1	80,584	40.3	4,959	37.2	621	37.2
Upper-income	74,693	34.8	69,603	34.8	4,380	32.9	710	42.6
Unknown-income	722	0.3	648	0.3	69	0.5	5	0.3
Total AA	214,751	100.0	199,761	100.0	13,322	100.0	1,668	100.0
% of Total Businesses				93.0		6.2		0.8
2021 Adjusted Median Family Income ⁸⁵								
King County			\$115,700					
Pierce County			\$91,100					
Skagit County			\$83,200					
Snohomish County			\$115,700					

⁸⁵ FFIEC Adjusted Median Family Income; available from: <https://www.ffiec.gov/Medianincome.htm>.

Economic Conditions

During the review period, the area economy expanded prior to the economic downturn in 2020. The primary economic drivers in the area were the manufacturing, high tech, and logistics industries.⁸⁶ In addition, the economy was rounded out by strong agriculture and timber industries as well as healthcare.⁸⁷ The area's economic growth was marked in 2019 as the City of Seattle entered its 10th year of economic expansion, characterized by growth in total employment, wages and output.⁸⁸ However, economic activity declined across the country at the onset of the pandemic, as discussed earlier for the other assessment areas. Technology was the source of the area's economic strength anchored by two of the area's top employers, Amazon and Microsoft.⁸⁹ The area's pool of skilled tech workers and abundant access to venture capital made the area a premier global technology hub.⁹⁰ Technology was a stabilizing force during the economic downturn in 2020, with payrolls that held steady and were on the rise late in the year.⁹¹ The area's diverse manufacturing industry was one of the area's top strengths.⁹² Early in the review period, oilfield production was strong and helped expand payrolls by more than 10 percent between 2017 and 2018.⁹³ In the manufacturing sector, Boeing remained the area's top employer.⁹⁴ However, trade and tariff uncertainty during the review period reduced production at one of Boeing's plants and impacted local suppliers.⁹⁵ Boeing continued to struggle through 2020 and cut nearly 10,000 local jobs as it grappled with the extended slump in travel due to the pandemic.⁹⁶ The area's large port with connections to emerging Asian markets was another top strength of the area.⁹⁷ In the housing market, house and apartment prices rose at a double-digit rate while wage gains had yet to maintain an upward trend.⁹⁸ Later in the review period, house price appreciation no longer outpaced incomes.⁹⁹ Overall, the area economy expanded early in the review period prior to contracting at the onset of the COVID-19 pandemic, despite steady performance in the tech industry.

As depicted in Exhibit 12 on the following page, the number of loans to small businesses from banks subject to the CRA had a slight drop in 2017 before increasing during the review period. In 2019, 92,788 loans were made totaling \$3.2 billion. Lending to small businesses played a critical role in the economy given that small businesses accounted for 93 percent of all businesses in the assessment area, as noted in Exhibit 11. As described previously, lending to small businesses nationwide increased in the first half of 2020 as a result of the federal PPP.¹⁰⁰ In the assessment area, over 60,000 PPP loans in the amount of less than \$1 million were made and approximately 380,000 jobs were self-reported to benefit from the loans made between

⁸⁶ Moody's Precis Report, Seattle-Bellevue-Everett WA, November 2020.

⁸⁷ Moody's Precis Report, Mount Vernon-Anacortes WA, March 2021.

⁸⁸ Moody's Precis Report, Seattle-Bellevue-Everett WA, February 2020.

⁸⁹ Moody's Precis Report, Seattle-Bellevue-Everett WA, November 2019.

⁹⁰ Moody's Precis Report, Seattle-Bellevue-Everett WA, November 2018.

⁹¹ Moody's Precis Report, Seattle-Bellevue-Everett WA, November 2020.

⁹² Moody's Precis Report, Mount Vernon-Anacortes WA, July 2018.

⁹³ Ibid.

⁹⁴ Moody's Precis Report, Seattle-Bellevue-Everett WA, November 2019.

⁹⁵ Ibid.

⁹⁶ Moody's Precis Report, Seattle-Bellevue-Everett WA, November 2020.

⁹⁷ Moody's Precis Report, Seattle-Bellevue-Everett WA, November 2019.

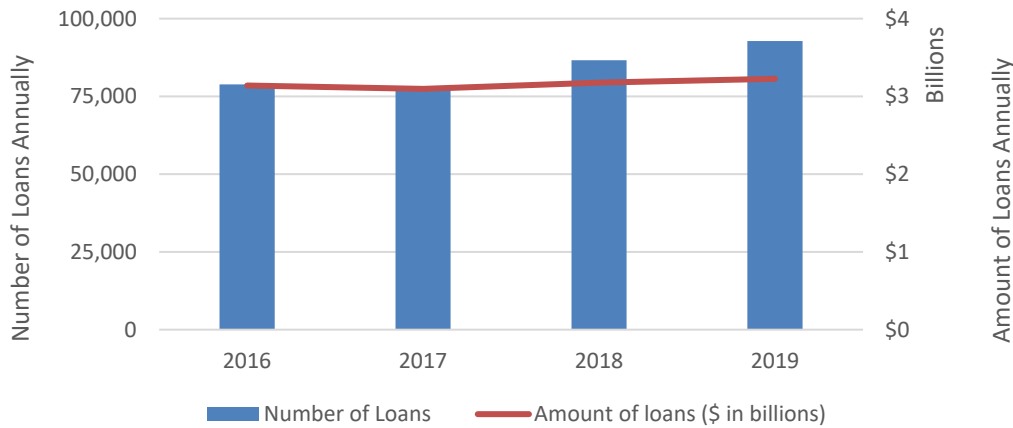
⁹⁸ Ibid.

⁹⁹ Moody's Precis Report, Seattle-Bellevue-Everett WA, November 2019.

¹⁰⁰ 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/economic-letter/2020/november/small-business-lending-during-covid-19/>.

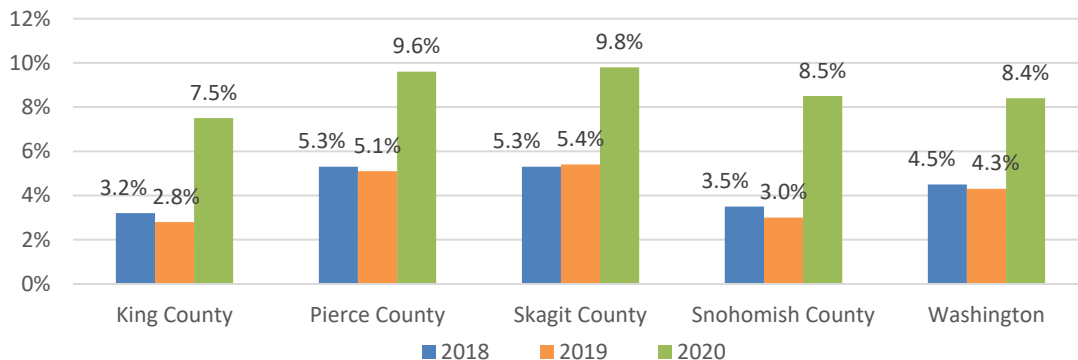
April 3, 2020 and August 8, 2020.¹⁰¹ According to the borrower firms that elected to report their business’s industry, most loans under \$1 million were made to businesses in the Professional, Scientific, and Technical Services sector, followed by the Health Care and Social Assistance sector.¹⁰²

Exhibit 12
Loans to Small Businesses in Assessment Area¹⁰³
2016-2019



Unemployment rates in the assessment area decreased early in the review period prior to steep increases in 2020 after the onset of the pandemic, as shown in Exhibit 13 below. Although, the unemployment rate in Skagit County slightly increased between 2018 and 2019. The unemployment rates in Pierce and Skagit counties were higher compared to the other counties in the area as well as the state of Washington. King County had the lowest unemployment rate in the area throughout the review period.

Exhibit 13
Unemployment Rate¹⁰⁴
2018-2020



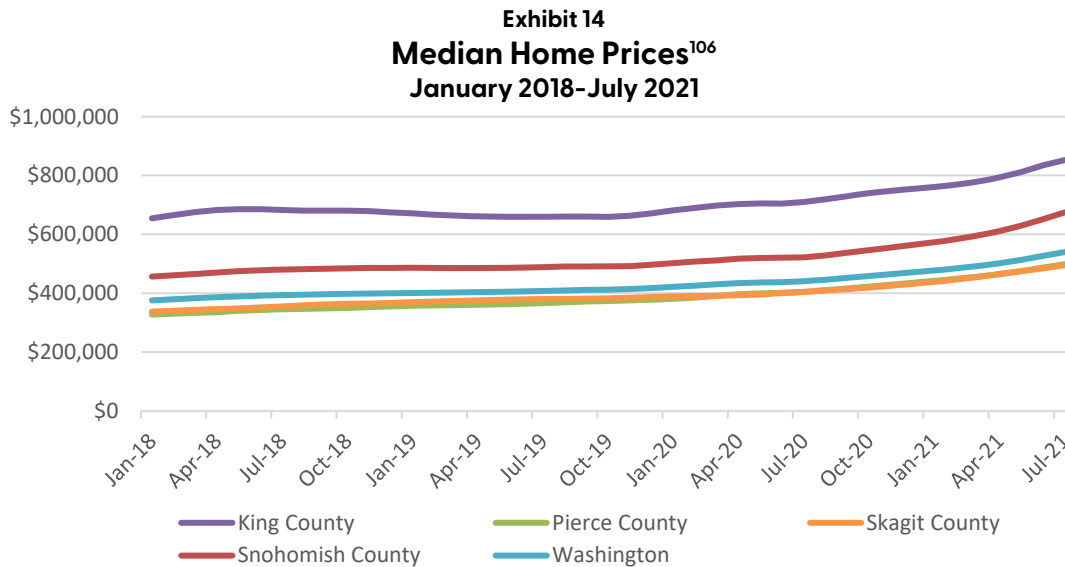
¹⁰¹ Small Business Administration, Paycheck Protection Program Loan Data; available from: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>. [Borrower firms self-reported data and had the option to abstain from reporting certain details of the loan application, therefore data may not capture some details of each loan made.]

¹⁰² Ibid.

¹⁰³ Aggregate CRA Small Business data reports available from: <https://www.ffiec.gov/craadweb/aggregate.aspx>.

¹⁰⁴ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: <https://www.bls.gov/lau/>.

As shown below in Exhibit 14, median home prices in the assessment area increased overall during the review period. King County had the highest median home prices compared to the other counties in the area as well as the state. King County’s median home price leveled off early in the review period before increasing in 2021 and peaking in July 2021 to \$852,750. The median home prices in the other counties in the area also peaked in July 2021 to \$674,696 in Snohomish County, \$498,766 in Pierce County, and \$495,412 in Skagit County. The share of homeowners who were cost burdened in the area was 30 percent, and higher than the share of cost burdened homeowners nationwide at 28 percent.¹⁰⁵



Rent prices also increased in the area early in the review period. The median rent for a 1-bedroom unit increased between 2018 and 2019 from \$1,301 to \$1,420 in King County, from \$891 to \$962 in Pierce County, from \$785 to \$810 in Skagit County, and from \$1,081 to \$1,152 in Snohomish County.¹⁰⁷ The share of cost burdened renters in the area was above 46 percent in all counties.¹⁰⁸ However, there were higher shares of cost burdened renters in Pierce and Skagit counties, at 51.9 percent and 54.6 percent, respectively.¹⁰⁹ The share of cost burdened renters in Pierce and Skagit counties was also higher than the U.S. average.¹¹⁰

As depicted on the following page in Exhibit 15, the poverty and public assistance or food stamp/SNAP benefit usage rates in the area decreased during the review period. King and Snohomish counties had lower rates of poverty and cash assistance or food stamp/SNAP benefits usage compared to Pierce and Skagit counties and the state of Washington.

¹⁰⁵ Prosperity Now Scorecard, Washington; available from: <https://scorecard.prosperitynow.org>.

¹⁰⁶ Zillow Research, Zillow Home Value Index, Single-Family Homes Time Series; available from: <https://www.zillow.com/research/data/>.

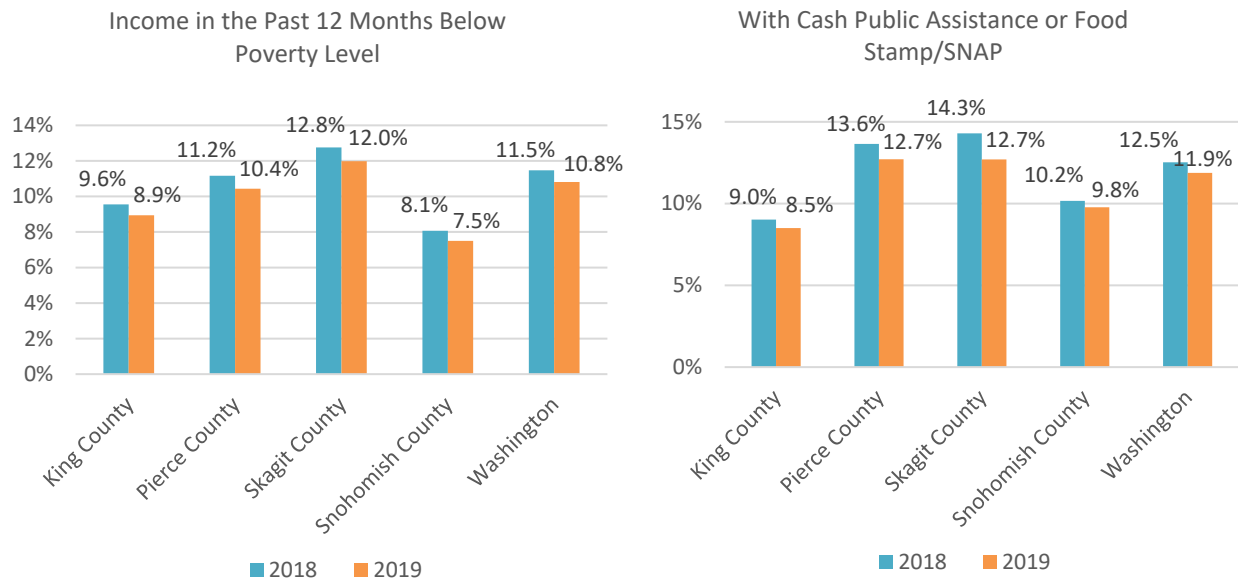
¹⁰⁷ U.S. Census Bureau, Median Gross Rent, 1-Bedroom, American Community Survey, 5-year estimate; available from: <https://www.census.gov/data>.

¹⁰⁸ Prosperity Now Scorecard, Washington; available from: <https://scorecard.prosperitynow.org>.

¹⁰⁹ Ibid.

¹¹⁰ Ibid.

Exhibit 15
Poverty and Food Stamp Usage Rates¹¹¹
2018-2019



Credit and Community Development Needs

In addition to the credit needs highlighted in the deployment of PPP loans and in the findings from the Small Business Credit Survey described previously for the other assessment areas, a community contact also noted a number of credit needs for small businesses. The contact stated small businesses need flexible credit products that are offered along with technical assistance. According to a community contact, the pandemic exposed and exacerbated the disparities in financial access opportunities for women and minority business owners and the importance of financial institutions considering flexible or alternative lending options to meet these credit needs.

According to community contacts, there is a need for more technical assistance for small business owners and entrepreneurs. Some business owners are challenged by financial illiteracy, and would benefit from technical assistance such as education on negotiating a lease or managing cash flow. Technical assistance is the most impactful service banks could provide to help meet the credit needs in the area, according to a community contact.

In addition, a community contact stated that other small businesses in some areas of King County need commercial real estate loans in the amount of \$1 million to \$2 million to secure operating space and avoid displacement. Entrepreneurs looking to start a business are also in need of credit. A contact indicated entrepreneurs in areas without a bank branch presence are most challenged in obtaining long-term fixed rate loans. To further support entrepreneurial and small business credit needs, a contact suggested that banks could offer lower costs or fees on processing credit card transactions which are often an entry barrier for many entrepreneurs and small businesses.

¹¹¹ Poverty and Food Stamp Usage Rates, U.S. Census Bureau, American Community Survey, 5-Year Estimates; available from: <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>.

Another contact stated that the largest need in the area is a shortage of housing inventory. Specifically, there is an identified need for assistance from banks to help increase housing development, such as supporting land trusts with the construction of units, financing manufactured housing, and providing down payment assistance. Or, if banks cannot directly provide their own capital as down payment assistance, the contact noted an opportunity for banks to partner with organizations such as the State Housing Finance Commission on their financing programs to assist homebuyers. There is an opportunity for banks to provide loans, investments, or donations to help address the shortage of housing inventory that the community contact noted.

There are also opportunities for banks to contribute through community service activities to help meet the housing needs in the area. A community contact indicated one community service from banks needed in the community is homebuyer education classes to prepare local residents on the path to homeownership.

Overall, according to the information shared by the contacts described above, banks could help address the credit needs of affordable housing development and small businesses as well as the community development needs of homebuyers and other nonprofit organizations in the community through investments, loans, donations, and community service activities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WASHINGTON

Lending Test

Lending test performance in Washington is high satisfactory. Lending levels are good considering the limited time PPB has operated in this market. The geographic distribution of lending is excellent, and the level of lending to businesses of different sizes is adequate. Similar to its other markets, PPB introduced extensive use of flexible loan products to the area that demonstrated the bank's excellent responsiveness to the credit needs of small businesses. Additionally, the bank provided an adequate level of community development loans within the assessment area and a broader statewide area that includes the assessment area.

Lending Activity

Lending levels in the Washington assessment area are good and include adequate levels of community development loans. Due to the impacts of COVID-19 and the bank's increased focus on PPP lending, the volume of multifamily loans declined in 2020 compared to prior years. However, as shown in Table 15 in Appendix E, the increase in small business lending during the same period evidenced a reasonable effort by the bank to extend credit in the assessment area. The bank provided 15 PPP loans totaling \$7.6 million in the assessment area.

Lending Distribution by Geography

Overall lending distributions by geography are excellent. Tables 16 and 18 in Appendix E display the bank's geographic distribution of small business and multifamily loans, with overall strong performance when compared to aggregate lenders and lending opportunities.

Small Business Lending

The dispersion of small business loans by the income level of geographies is excellent. The bank far exceeded the performance of aggregate lenders and lending opportunities in low- income census tracts, as shown in Table 16 in Appendix E. Lending in moderate-income census tracts was generally comparable to aggregate lending and the percentage of businesses in these areas. Although the bank's performance in moderate-income census tracts in 2019 showed lower performance, it was improved in 2020 after PPB completed its acquisition of Opus. Overall, the bank's lending in these geographies were excellent given the bank's limited presence and market share.

Home Mortgage Lending

The dispersion of multifamily loans within the assessment area is excellent with substantially high percentages of lending in low- and moderate-income geographies, particularly in 2018 and 2020, as shown in Table 18 in Appendix E. During the review period, lending greatly exceeded the percentage of multifamily units and generally exceeded the performance of aggregate lenders. Although the volume of loans declined in 2020, lending in low- and moderate-income geographies remained strong with notable penetration in moderate-income geographies.

Lending Distribution by Business Revenue

The distribution of loans to businesses of different revenue sizes is adequate. The percentage of loans made to businesses with gross annual revenues less than or equal to \$1 million is below the percentage of small businesses in the area, as well as below overall aggregate lending levels. However, upon the acquisition of this market in June 2020, the bank developed a strategy to improve lending to small business through retail branch small business lending training and Small Business Overdraft Loan product outreach activities. This resulted in improved 2020 lending levels and as seen in Table 19 in Appendix E, the bank's performance exceeded that of aggregate lenders. While the overall distribution of loans to businesses of different sizes is adequate, the bank extended a high number of small dollar loans. This, along with the bank's innovative loan programs, helped address the identified credit need for smaller dollar loans and flexible credit products.

Additionally, the bank's participation in the SBA's PPP in 2020 resulted in PPB extending 35.6 percent of its small business loans that did not include revenue information, as reflected in the following page in Exhibit 16. Reported revenue was not available for most PPP loans given the program requirements. Despite the high percentage of loans without revenue information, the bank's borrower distribution in the Washington assessment area improved in 2020, further demonstrating that the bank continued to serve the needs of small businesses.

EXHIBIT 16 DISTRIBUTION OF SMALL BUSINESS LOANS BY GROSS ANNUAL REVENUE CATEGORY WASHINGTON ASSESSMENT AREA					
Gross Revenue Level	Percent of Businesses	Count	Percent	Dollars (000s)	Percent
<= \$1,000,000					
2018	92.0	8	32.0	1,869	23.9
2019	92.3	8	38.1	1,586	22.7
2020	93.0	20	44.4	1,158	11.4
> \$1,000,000					
2018	7.2	16	64.0	5,517	70.6
2019	7.1	10	47.6	4,480	64.1
2020	6.2	9	20.0	3,942	38.7
Revenue Not Available					
2018	0.8	1	4.0	432	5.5
2019	0.6	3	14.3	925	13.2
2020	0.8	16	35.6	5,074	49.9
Totals					
2018	100.0	25	100.0	7,818	100.0
2019	100.0	21	100.0	6,991	100.0
2020	100.0	45	100.0	10,174	100.0

Source: 2018-2020 D&B Data; PPB Bank Data 1/1/2018 – 12/31/2020

Community Development Lending

The bank made an adequate level of community development loans considering the credit needs and opportunities within the Washington assessment area, and the bank’s addition of the assessment area during the review period. As shown in Table 15 in Appendix E, the bank made a total of 45 community development loans totaling \$168.5 million. The vast majority of these loans were responsive to addressing the need for affordable housing. During the review period, PPB extended 40 loans totaling \$155.2 million that helped develop or preserve 1,362 units of affordable housing mainly in moderate-income areas. Loans also contributed to economic development by financing small businesses. The following examples below highlight notable community development loans made within the Washington assessment area:

- A \$12.5 million loan to refinance affordable housing. The loan refinanced a multifamily property located in a moderate-income census tract that supports 136 units of affordable housing for low- and moderate-income families.
- A \$4 million loan to refinance a multifamily apartment complex that provides affordable housing for low- and moderate-income individuals. The property is located in a moderate-income census tract and supports 46 units of affordable housing. Additionally, four of the units are supported by HUD-Section 8 rental assistance vouchers that help ensure housing costs are affordable for tenants.
- A \$3 million PPP loan that supports economic development and revitalization and stabilization of a small business in a low-income census tract. The business provides

employment to 190 individuals as a manufacturing and fabricating company within the aerospace sector. The SBA PPP helped retain jobs during the COVID-19 pandemic.

- A \$2.8 million loan for the acquisition of a multifamily apartment complex to support affordable housing in a moderate-income census tract. All 24 units of the complex provide affordable housing rents for low- and moderate-income individuals and families.

Investment Test

PPB's performance in the Washington assessment area is outstanding. The bank made a significant level of qualified community development investments and grants, occasionally in a leadership position. The bank made extensive use of innovative and complex investments to support community development initiatives. PPB exhibited excellent responsiveness to credit and community needs, particularly the need for affordable housing for low- and moderate-income individuals and families. Additionally, grants were provided to numerous organizations serving the needs of low- and moderate-income individuals in the assessment area. As seen in Table 21 in Appendix E, PPB made 42 qualified investments and grants totaling \$25.8 million, composed of \$1.2 million in new investments and \$24.6 million in prior period investments that remain on the bank's books. There were also eight unfunded commitments totaling \$3 million. Notable examples of qualified investments that directly benefited the assessment area include the following:

- Five prior period investments totaling \$16.9 million in LIHTCs that support a total of 994 affordable housing units for low- and moderate-income individuals and families in the assessment area. This investment is particularly impactful given the stated need for affordable housing.
- A \$5 million investment in a community impact bond fund, of which \$1 million will go towards the Washington assessment area. The fund's principal investment strategy is to invest in CRA specific instruments that support affordable housing, economic development, services for low- and moderate-income individuals, and neighborhood revitalization.
- A total of \$55,000 in grants to a nonprofit CDFI to support economic development. This includes a \$50,000 grant for an innovative three-year pilot program that focuses on reducing the cost of borrowing loan capital through lower fees and interest rates, strengthening business services support, and developing and testing alternative underwriting criteria. The organization serves a majority of low- and moderate-income individuals and businesses.
- A \$25,000 grant to a nonprofit organization that supports affordable housing, stabilization of an area, and services for low- and moderate-income individuals and families. The organization plans to construct a project that includes 300-units of affordable housing, community gathering space, and retail space for local small businesses and nonprofits. This grant provides funding for pre-development expenses, which is historically a challenging phase for fundraising.

Service Test

PPB's performance under the service test in the Washington assessment area is high satisfactory based on the accessible delivery systems and the adequate level of community development services provided.

Retail Banking Services

Retail banking delivery systems are accessible throughout the assessment area, and business hours and services do not vary in a way that inconveniences any portion of the area. A full array of personal and business banking products and services are offered at all locations in the Washington assessment area. Delivery systems include ATMs located at all 11 branches. ATMs, online and mobile banking, and remote deposit capture, are available to provide customers with access to banking services after normal business hours.

As a result of the Opus purchase, PPB gained 16 branches in this assessment area, closed five, and relocated one. PPB currently operates 11 branches in the Washington assessment area. As seen in Table 22 in Appendix E, one branch is in a low-income census tract, five are in moderate-income census tracts, three are in middle-income census tracts, and two are in upper-income census tracts. One branch was relocated from a moderate-income census tract to a neighboring moderate-income census tract. Branch optimization activities resulted in the closure of one branch each in low-, moderate-, and upper-income census tracts, with two branch closures in middle-income census tracts. These closures did not adversely affect the accessibility of banking systems to consumers given their close proximity to alternative branches. In particular, the two branches located in low- and moderate-income census tracts were located within one mile of multiple branches for other financial institutions and ATMs. Additionally, the percentage of PPB's branches in low- and moderate-income areas is favorable compared to the population demographics in those areas. PPB maintains 54.5 percent of its branches within low- and moderate-income census tracts, in contrast to the 28.1 percent of the population that resides in those areas.

Community Development Services

PPB provided an adequate level of services in the Washington assessment area that were responsive to community development needs, given the bank's recent acquisition of Opus and subsequent entry to the area. A total of 19 employees engaged in 78 services and provided 273 service hours to 11 organizations. In four of the organizations, employees held leadership positions as board or committee members. These qualified services met a variety of community development needs, including those identified by community contact interviews such as technical assistance for small business owners, support for affordable housing needs, and financial literacy for low- and moderate-income individuals and small business owners. The following are notable examples of community development services:

- One employee served 147 hours on the board and finance committee of a nonprofit organization that works with multiple schools and the broader community to reduce dropout rates and increase achievement for students from low- and moderate-income families. On average, 74 percent of enrolled students in the schools received free or reduced-priced lunch.

- Employees promoted economic development by providing technical expertise for a career training program that targets homeless and low-income individuals. A total of seven employees provided 29 hours of services to 21 low- and moderate-income individuals in partnership with a nonprofit organization that provides job training and experience for individuals living in local affordable housing programs. Bank employees participated in developing and conducting mock interviews.
- One employee served 14 hours on the board of an association with a mission to meet Washington's affordable housing and economic development needs through public and private partnerships. The association offers lending and bond products, including affordable housing and real estate-based economic development projects.
- One employee provided over 6 service hours that benefited over 100 small business owners by partnering with a nonprofit organization that serves as an economic development organization and chamber of commerce. Community development services included providing technical assistance and training on small business loan programs and small business financial literacy.

STATE OF ARIZONA

CRA Rating for Arizona

Performance in Arizona is rated “Satisfactory”

The lending test is rated: Outstanding
The investment test is rated: Low Satisfactory
The service test is rated: High Satisfactory

The major factors supporting the institution’s rating include:

- An excellent level of lending activity, despite the bank’s limited presence.
- Excellent geographic distributions of lending to all income levels in the assessment area.
- Good borrower distributions with extensive use of innovative and flexible lending practices.
- A relatively high level of community development lending that addressed community needs and helped stabilize areas in response to economic needs created by the COVID-19 pandemic.
- A significant level of investments and grants that demonstrated adequate responsiveness to credit and community development needs in the area.
- Reasonably accessible delivery systems and a leader in providing community development services, particularly in addressing the needs for affordable housing, small business assistance, and services for low- and moderate-income individuals.

Scope of Examination

The scope of the examination for Arizona is generally consistent with the overall scope of the CRA examination. The bank has two assessment areas in Arizona – Tucson and Phoenix. Although the bank’s overall presence and loan activity in this area is limited, the Tucson assessment area received a full-scope review to determine the overall state rating. The Phoenix assessment area received a limited-scope review due to its limited presence and lower level of activity in the area. The Tucson assessment area carried the greatest weight because of its greater branch presence, larger share of deposits, and higher loan volumes. The lending test assessment was limited to the origination of small business and community development loans. The limited number of multifamily loans in the area did not allow for a meaningful analysis, and therefore did not influence the overall assessment.

Description of Operations in Arizona

PPB operated three branches in the state.¹¹² There were 64 FDIC-insured depository institutions operating 1,063 branches with combined deposits of \$204 billion as of

¹¹² Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2021; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?bartem=2>.

June 30, 2021.¹¹³ The bank ranked 23rd out of the 64 institutions with deposits totaling \$640 million, which represented a market share of 0.31 percent.¹¹⁴

The economy in Arizona expanded prior to the economic downturn late in the review period in 2020. The primary economic drivers in the state were tourism, finance, and its attraction as a retirement destination.¹¹⁵ Early in the review period, Arizona had the second fastest rate of job growth in the nation, at 2.7 percent.¹¹⁶ The highlights of the growing economy were the finance, healthcare, and construction industries along with the increased business investment from corporate expansions and relocations to Arizona.¹¹⁷ Regarding the economic drivers in the area, the retail, leisure, and hospitality industries made up 22 percent of jobs and 11 percent of output in the state as of 2019.¹¹⁸ However, the larger share of both metrics compared to nationwide, correlated to a larger impact from the pandemic-related restrictions to nonessential business operations.¹¹⁹ As of early 2021, the leisure and hospitality industry alone accounted for approximately half of Arizona's net job losses since the pandemic began, and remained 18 percent lower than at the start of the pandemic.¹²⁰ Despite the economic downturn, indicators in housing showed sustained expansion. Housing price gains in 2020 were among the country's fastest and homebuilding increased.¹²¹ In 2020, total housing permits increased by 23 percent to 57,281, primarily driven by single-family homebuilding.¹²² In the third quarter of 2020, home price appreciation in Arizona increased by 7.9 percent over the year, compared to 4.7 percent nationally.¹²³

Based on the data referenced above, as well as input from community contacts discussed below, the economic downturn in 2020 was marked by a significant loss in employment and presented a number of credit needs for small businesses, as discussed further in the assessment area analysis to follow.

Conclusions with Respect to Performance Tests in Arizona

Conclusions regarding PPB's performance in Arizona with respect to the lending, investment, and service tests are driven by the overall conclusions for Tucson. Approximately seven percent of PPB's deposits and eight percent of the bank's loan originations occurred within Arizona. Within Arizona, approximately 71 percent of deposits and 67 percent of loans occurred within the Tucson assessment area.

In addition to assessment area specific activity, PPB also engaged in community development lending and investment activities within Arizona that were outside of its designated assessment areas. These activities were considered in the bank's overall performance

¹¹³ Ibid.

¹¹⁴ Ibid.

¹¹⁵ Moody's Precis Report, Arizona, March 2020.

¹¹⁶ Ibid.

¹¹⁷ Ibid.

¹¹⁸ Ibid.

¹¹⁹ Ibid.

¹²⁰ Moody's Precis Report, Arizona, March 2021.

¹²¹ Ibid.

¹²² The University of Arizona Eller College of Management, Arizona's Economy, Arizona's Recovery: Light at the End of the Tunnel; Spring 2021; available from: <https://www.azeeconomy.org/wp-content/uploads/2021/03/AZESpring2021.pdf>.

¹²³ Ibid.

assessment because the bank adequately engaged in qualified activities addressing the needs within its assessment areas.

With regard to community development lending, over \$30 million in community development loans benefitted a broader statewide or regional area including one of the Arizona assessment areas or were accorded consideration because the bank had adequately met the needs of its assessment areas. Notable examples include the following:

- A \$7.7 million loan that supports economic development. The loan financed the purchase of a 130-unit hotel by a small business that will retain 52 jobs for low- and moderate-income individuals.
- A \$1.5 million loan that promotes economic development and the revitalization and stabilization of a moderate-income census tract. The loan allowed the small business owner of a 64-room hotel to retain the existing business and preserve eight low-income jobs in an underserved rural area.
- A \$1.3 million loan to support affordable housing. The loan refinanced a 17-unit multifamily apartment complex, with 16 units offering affordable housing rents for low- and moderate-income individuals.

Investments benefitting a broader statewide or regional area that include one of the bank's Arizona assessment areas, along with specific activities benefiting only individual assessment areas, are addressed under their respective portions of the evaluation.

Tucson Assessment Area Conclusions

**For each assessment area where a full-scope review was performed using the examination procedures.*

DESCRIPTION OF OPERATIONS IN TUCSON

The Tucson assessment area consists of Pima County in its entirety and forms the Tucson, AZ MSA. The area is bordered by Maricopa and Pinal counties to the north, Cochise County to the east, Santa Cruz County and the U.S.-Mexico border to the south, and Yuma County to the west. The area had a total population of 1.1 million people as of 2020.¹²⁴

As of June 30, 2021, there were 20 FDIC-insured depository institutions operating 150 offices with combined deposits of \$21 billion in the assessment area.¹²⁵ PPB's two branches in the area held \$387 million in deposits, which represented 1.88 percent of the deposit market share.¹²⁶

Exhibit 17 on the following page presents key demographic and business information used to help develop a performance context for the assessment area.

¹²⁴ U.S. Census Bureau, Annual Resident Population Estimates for States and Counties, July 1, 2020; available from <https://www.census.gov/programs-surveys/popest/technical-documentation/research/evaluation-estimates/2020-evaluation-estimates/2010s-counties-total.html>.

¹²⁵ Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2021; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

¹²⁶ Ibid.

EXHIBIT 17 ASSESSMENT AREA DEMOGRAPHICS TUCSON ASSESSMENT AREA 2020 FFIEC CENSUS AND 2020 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	19	7.9	18,616	7.8	7,539	40.5	53,265	22.2
Moderate-income	67	27.8	59,276	24.7	13,808	23.3	41,587	17.3
Middle-income	77	32.0	73,222	30.5	7,178	9.8	45,854	19.1
Upper-income	76	31.5	88,759	37.0	3,429	3.9	99,266	41.4
Unknown-income	2	0.8	99	0.0	4	4.0	0	0.0
Total AA	241	100.0	239,972	100.0	31,958	13.3	239,972	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	39,469	11,275	4.7	28.6	22,503	57.0	5,691	14.4
Moderate-income	120,907	51,052	21.4	42.2	53,612	44.3	16,243	13.4
Middle-income	140,975	78,342	32.9	55.6	44,291	31.4	18,342	13.0
Upper-income	144,909	97,618	41.0	67.4	30,516	21.1	16,775	11.6
Unknown-income	509	42	0.0	8.3	407	80.0	60	11.8
Total AA	446,769	238,329	100.0	53.3	151,329	33.9	57,111	12.8
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	3,046	6.8	2,767	6.5	261	10.7	18	5.7
Moderate-income	10,991	24.4	9,970	23.5	965	39.5	56	17.8
Middle-income	13,107	29.1	12,389	29.3	635	26.0	83	26.3
Upper-income	17,509	38.8	16,833	39.8	525	21.5	151	47.9
Unknown-income	448	1.0	383	0.9	58	2.4	7	2.2
Total AA	45,101	100.0	42,342	100.0	2,444	100.0	315	100.0
% of Total Businesses				93.9		5.4		0.7
2021 Adjusted Median Family Income ¹²⁷			\$68,600					

¹²⁷ FFIEC Adjusted Median Family Income; available from: <https://www.ffiec.gov/Medianincome.htm>.

Economic Conditions

During the review period, the area economy expanded prior to a downturn in 2020 and a subsequent stage of recovery. The economic drivers in the area were defense and its attraction as a retirement haven. In recent years, jobs in aerospace accounted for 12 percent of net job creation since 2015, compared to 3.5 percent of total jobs.¹²⁸ As the home to the headquarters and factory of Raytheon's Missile Systems Division, the metro area is nearly 10 times more reliant on jobs in aerospace parts manufacturing than the U.S.¹²⁹ In late 2019, there were five percent more manufacturing jobs in the aerospace sector than the year prior.¹³⁰ The large healthcare and hospitality industries benefited from robust tourist and retiree inflow.¹³¹ Seniors or retirement-aged groups were an important demographic, given over 20 percent of the population in the area was over the age of 65, a higher share than in the state and the U.S.¹³² In the housing market, indicators were mixed early in the review period before improving. House price gains exceeded national rates in 2019, although, single-family homebuilding was flat.¹³³ By early 2021, home building was surging, and home price appreciation still exceeded those of the nation.¹³⁴

As depicted in Exhibit 18 on the following page, loans to small businesses from banks subject to the CRA slightly decreased in 2017 before increasing during the review period. Although there was a slight increase in the number of loans made in 2019, the total amount of loans made was flat. In 2019, 18,175 loans were made totaling \$480 million. Lending to small businesses played a critical role in the economy given that small businesses accounted for 93.9 percent of all businesses in the assessment area, as noted in Exhibit 17. As described previously, lending to small businesses nationwide increased in the first half of 2020 as a result of the federal PPP.¹³⁵ In the assessment area, 10,000 PPP loans in the amount of less than \$1 million were made and approximately 80,000 jobs were self-reported to benefit from the loans made between April 3, 2020 and August 8, 2020.¹³⁶ According to the borrower firms that elected to report their business's industry, most loans under \$1 million were made to businesses in the Professional, Scientific, and Technical Services sector, followed by the Other Services (except Administration) sector, and as well as the Health Care and Social Assistance sector.¹³⁷

¹²⁸ Moody's Precis Report, Tucson AZ, November 2019.

¹²⁹ Moody's Precis Report, Tucson AZ, November 2019.

¹³⁰ Ibid.

¹³¹ Ibid.

¹³² Moody's Precis Report, Tucson AZ, March 2021.

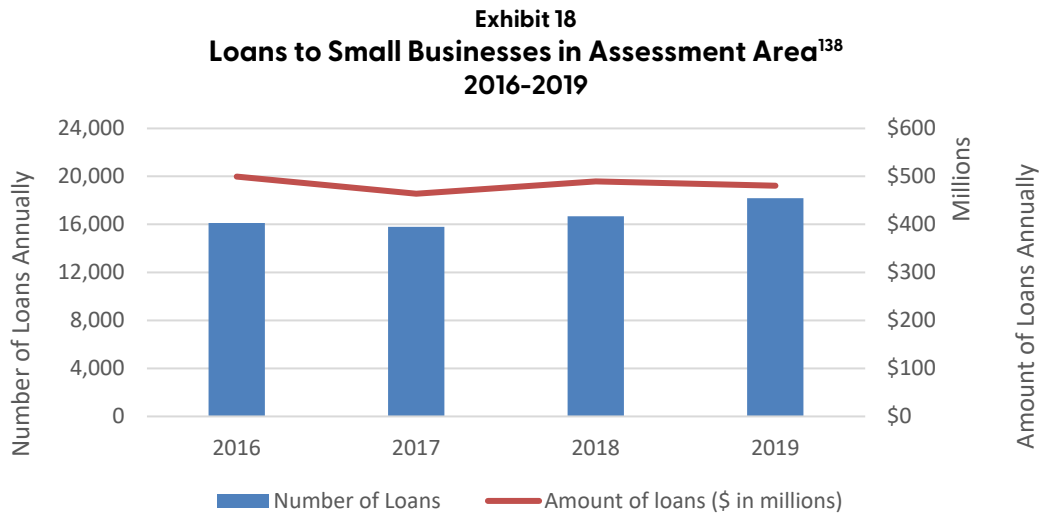
¹³³ Moody's Precis Report, Tucson AZ, November 2019.

¹³⁴ Moody's Precis Report, Tucson AZ, March 2021.

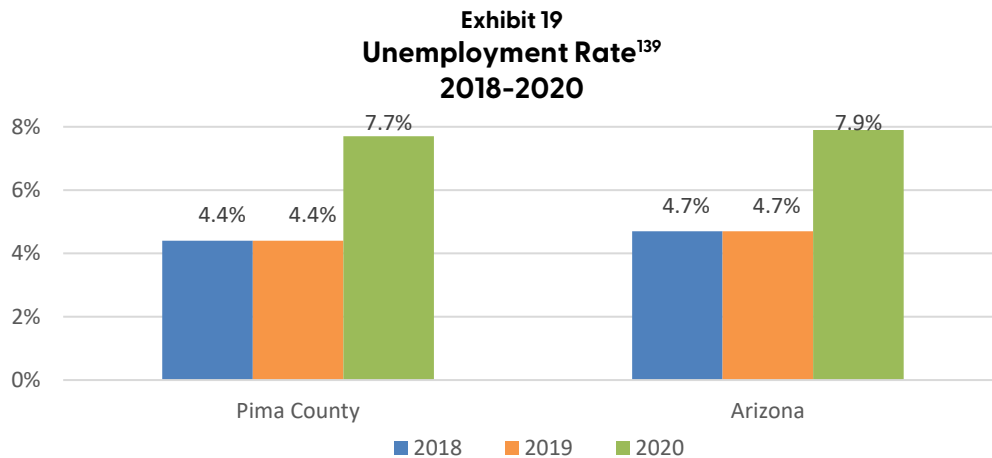
¹³⁵ Federal Reserve Bank of San Francisco, Economic Letter, Small Business Lending during COVID-19, November 23, 2020; available from: <https://www.frbsf.org/economic-research/publications/economic-letter/2020/november/small-business-lending-during-covid-19/>.

¹³⁶ Small Business Administration, Paycheck Protection Program Loan Data; available from: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>. [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.]

¹³⁷ Ibid.



The unemployment rate in the assessment area was unchanged early in the review period prior to an increase in 2020 after the onset of the pandemic, as shown below in Exhibit 19. The unemployment rate in the area was at a low for the review period in 2018 and 2019 and was slightly lower than the statewide unemployment rate. However, as previously described, restrictions to business operations put into place to limit the pandemic along with other factors impacted employment and the unemployment rate increased to 7.7 percent in 2020.



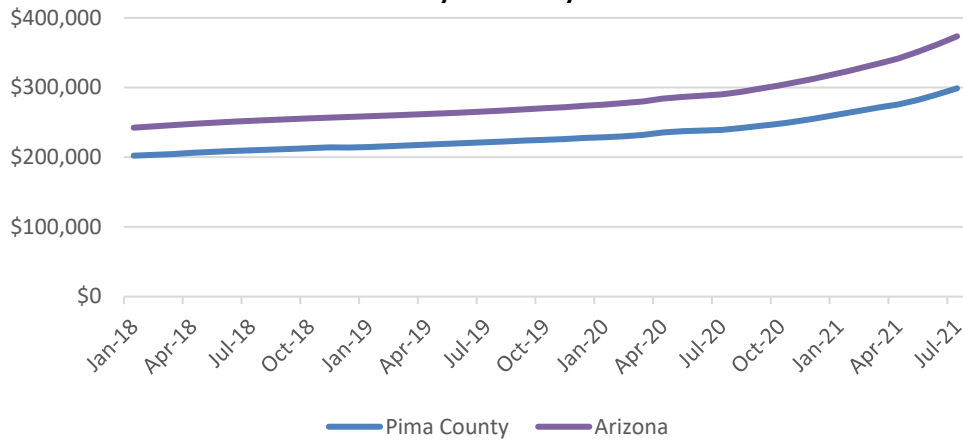
As shown in Exhibit 20 on the following page, the median home price in the assessment area increased during the review period. Although, the area had relatively lower median home prices compared to the statewide median home price. The median home price in the area peaked in July 2021 to \$298,892. The area had a higher percentage of homeowners who were cost burdened than the share of homeowners in Arizona and nationwide at 30 percent, 27 percent, and 28 percent, respectively.¹⁴⁰

¹³⁸ Aggregate CRA Small Business data reports available from: <https://www.ffiec.gov/craadweb/aggregate.aspx>.

¹³⁹ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: <https://www.bls.gov/lau/>.

¹⁴⁰ Prosperity Now Scorecard, Pima County, AZ; available from: <https://scorecard.prosperitynow.org>.

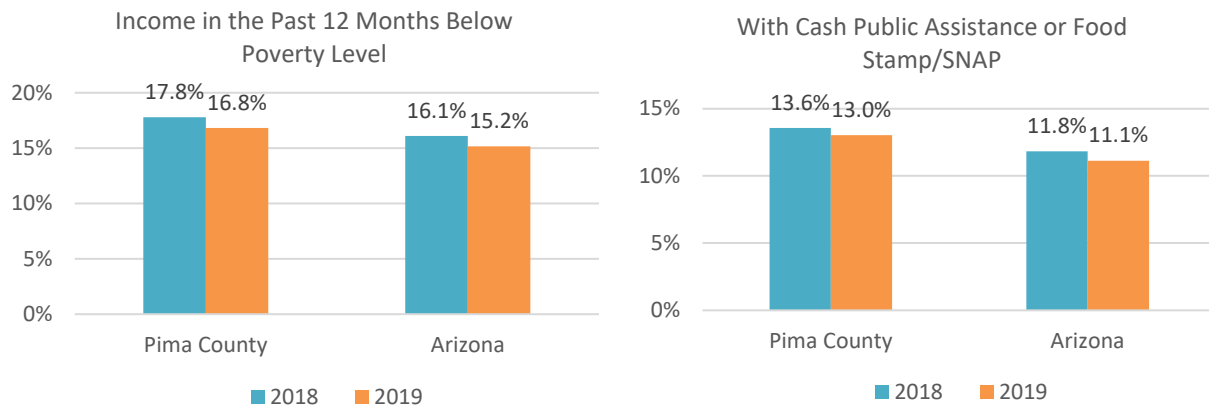
Exhibit 20
Median Home Prices¹⁴¹
January 2018–July 2021



Rent prices also increased in the area during the review period from \$671 in 2018, to \$697 in 2019 for a 1-bedroom unit.¹⁴² In Pima County, 53 percent of renters were cost burdened, which was a slightly higher share than the 47 percent of cost burdened renters statewide.¹⁴³

As depicted in Exhibit 21 below, the poverty and public assistance or food stamp/SNAP benefit usage rates decreased during the review period. The assessment area had slightly higher rates of both poverty and public assistance or food stamp/SNAP benefits usage than in the state overall. By another measure, 40 percent of households lived in liquid asset poverty, indicating a higher level of poverty persists in the area than the data in the exhibit below suggests.¹⁴⁴

Exhibit 21
Poverty and Food Stamp Usage Rates¹⁴⁵
2018–2019



¹⁴¹ Zillow Research, Zillow Home Value Index, Single-Family Homes Time Series; available from: <https://www.zillow.com/research/data/>.

¹⁴² U.S. Census Bureau, Median Gross Rent, 1-Bedroom, American Community Survey, 5-year estimate; available from: <https://www.census.gov/data>.

¹⁴³ Prosperity Now Scorecard, Pima County, AZ; available from: <https://scorecard.prosperitynow.org>.

¹⁴⁴ Ibid.

¹⁴⁵ Poverty and Food Stamp Usage Rates, U.S. Census Bureau, American Community Survey, 5-Year Estimates; available from: <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>.

Credit and Community Development Needs

Similar to the discussion for the credit needs of the previously discussed assessment areas, small business lending levels increased during the review period before PPP loans were distributed in 2020 to help meet the immediate credit needs of small businesses enduring the impacts of COVID-19. In addition to the small business lending needs highlighted by the Small Business Credit Survey results discussed previously, a community contact noted that small business loans in the amount of \$50,000 or less are needed. Additionally, the contact noted more flexible lending is needed, particularly for woman- and minority-owned businesses.

Regarding credit needs for housing, more loans and partnerships with down payment assistance programs are needed in the area. According to a community contact, it would be helpful if banks provided financing for the construction of Accessory Dwelling Units (ADU)s. The contact stated this would help to increase the supply of housing stock and there is interest for this type of financing. In addition, the City of Tucson is looking for additional opportunities to partner with banks using its down payment assistance program to assist homebuyers, particularly households with incomes between 80 and 120 percent of the area median income that tend to require assistance with the purchase of a home.

In addition to the credit needs noted above, a community contact stated there are opportunities for banks to engage with more community services. According to the contact, banks could help meet the needs of the community by providing more financial literacy, providing Spanish-speaking services, as well as engage in workshops to connect nonprofit community organizations with banks on CRA related opportunities for lending, donations, investments, and services. These services, in addition to the small business and housing credit needs previously discussed, would be the most impactful opportunities in the community where banks could help to meet the credit needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TUCSON

Lending Test

PPB's overall performance under the lending test in Tucson is outstanding. The bank's geographic distribution is excellent, and borrower distribution is good. The bank provided a relatively high level of community development loans within the assessment area and broader statewide area that includes the assessment area. Similar to its other markets, the bank's extensive use of flexible and innovative loan products helped demonstrate excellent responsiveness to the credit needs of small businesses within the assessment area.

Lending Activity

Lending levels in the Tucson assessment area are excellent and include a relatively high number of community development loans as seen on Table 23 in Appendix E. In addition to the small business and multifamily loans extended in the assessment area, PPB made use of flexible lending products and programs to address the unique credit needs of small businesses that could not otherwise be met. During the review period, the bank extended 23 Quickscore loans totaling \$1 million and 91 Small Business Overdraft Loans totaling \$91,000, demonstrating

the bank's impact in addressing small business credit needs. Additionally, the bank extended 169 PPP loans totaling \$35.1 million.

Lending Distribution by Geography

Overall lending distribution by geography is excellent. The bank's small business lending represents excellent dispersion throughout the census tracts of all income levels in the assessment area. The bank's lending patterns exceed the distribution of businesses within the low- and moderate-income categories as well as aggregate lending levels. Table 24 in Appendix E contains data used to assess this performance criterion.

Lending Distribution by Business Revenue

The distribution of loans to businesses of different revenue sizes is good. While overall lending levels were below the representation of small businesses and lower than that of aggregate lenders, the bank extended a very high number of smaller dollar loans for each year of the review period, as seen in Table 26 in Appendix E. In 2018, the bank recognized an opportunity to increase lending penetration among businesses of different sizes, and consequently developed the Quickscore Access and Small Business Overdraft Line of Credit products. These products helped address an identified credit need for smaller dollar loans, greatly improved the bank's 2019 distribution of borrowers, and resulted in the bank's performance significantly exceeding that of aggregate lenders.

Additionally, the bank's participation in the SBA's PPP in 2020 resulted in 58.1 percent of small business loans extended by the bank that did not include revenue information, as seen in Exhibit 22 on the following page. Limited borrower information was collected due to the nature of the PPP loan requirements, and therefore reported revenue was not available for most PPP loans. Although the 2020 distribution of borrowers appears unfavorable to small businesses, the percentage of smaller dollar loans remained very high, indicating that the bank continued to help serve the credit needs of very small businesses in the assessment area.

EXHIBIT 22					
DISTRIBUTION OF SMALL BUSINESS LOANS BY GROSS ANNUAL REVENUE CATEGORY					
TUCSON ASSESSMENT AREA					
Gross Revenue Level	Percent of Businesses	Count	Percent	Dollars (000s)	Percent
<= \$1,000,000					
2018	93.1	41	36.0	4,592	19.4
2019	93.5	123	65.8	9,024	40.5
2020	93.9	83	30.0	4,439	11.2
> \$1,000,000					
2018	6.1	48	42.1	14,332	60.4
2019	6.0	53	28.3	12,228	54.9
2020	5.4	33	11.9	8,256	20.8
Revenue Not Available					
2018	0.8	25	21.9	4,804	20.2
2019	0.6	11	5.9	1,006	4.5
2020	0.7	161	58.1	27,086	68.1
Totals					
2018	100.0	114	100.0	23,728	100.0
2019	100.0	187	100.0	22,258	100.0
2020	100.0	277	100.0	39,781	100.0
Source: 2018-2020 D&B Data; PPB Bank Data 1/1/2018 – 12/31/2020					

Community Development Lending

The bank made a relatively high level of community development loans that were responsive to community credit needs. As seen in Table 23 in Appendix E, the bank made 22 community development loans totaling \$37.8 million within the Tucson assessment area. The loans addressed each of the community development needs, with the majority of activities supporting affordable housing and economic development. Additionally, the bank provided PPP loans that helped retain jobs and stabilize moderate-income areas. Notable examples of community development loans include:

- A \$7.7 million loan that provides affordable housing to low- and moderate-income individuals. The loan refinanced a 328-unit apartment complex located in a moderate-income census tract with 316 units that are affordable to low- and moderate-income families.
- A \$1.6 million SBA PPP loan that supports economic development by sustaining a business operation adversely impacted by COVID-19. The loan helped preserve the jobs of 409 low- and moderate-income employees in the food service industry.
- A \$500,000 line of credit to a nonprofit organization that supports affordable housing. The organization’s mission is to improve the lives of community members by investing in and revitalizing neighborhoods through the development of quality affordable housing. Since its inception, the organization has evaluated over 1,000 properties, and has acquired and rehabilitated approximately 120 homes for affordable housing. This facility helped to finance the purchase, rehabilitation, and sale of residential real

estate while providing funds for the construction of new residential real estate for affordable housing in the assessment area.

- A \$300,000 line of credit for a nonprofit organization that supports community services for youth from low- and moderate-income and underserved families. The organization helps prepare individuals for college and careers by offering a Corporate Work Study Program that encompasses a full college preparatory course load, and professional internships that help students earn back nearly 35 percent of their school tuition. The organization is located in a moderate-income census tract.
- A \$250,000 line of credit to a CDFI lender serving small businesses and low-income families throughout Southern Arizona. The nonprofit's microloan and business counseling programs have helped deploy over \$40 million to low-income communities, provided over 250,000 hours in technical assistance, and helped create or retain 2,150 jobs. The line of credit supports working capital needs and enables the organization to expand its service to the community and address needs of small businesses located in underserved communities in Pima County and Southern Arizona.

Investment Test

The bank's performance under the investment test in the Tucson assessment area is low satisfactory. The bank made a significant level of investments and grants, and made occasional use of innovative or complex investments to support community development initiatives. PPB exhibited adequate responsiveness to credit and community development needs in the assessment area. As seen in Table 27 in Appendix E, the bank made \$4.2 million in qualified investments and grants, of which \$1.7 million were in new investments and \$2.4 million were made during a prior period. The bank made a number of grants and donations to a variety of non-profit organizations serving the needs of low- and moderate-income individuals in Tucson. Notable investments include the following:

- A \$1.5 million investment in a community impact bond fund that will benefit the assessment area. The fund's principal investment strategy is to invest in CRA specific instruments that support affordable housing, economic development, services for low- and moderate-income individuals, and neighborhood revitalization. This is part of a larger \$5 million bank investment that benefits multiple assessment areas.
- A \$600,000 prior period investment in a SBA loan fund that supports economic development. The fund primarily invests in the federally guaranteed portion of SBA 7(a) loans. The bank's investment supports two businesses that provide a total of 44 low- and moderate-income jobs in the Tucson area. One of those businesses is also located in a moderate-income census tract. This investment is part of a larger \$12.5 million PPB investment that benefits the bank's multiple assessment areas in different states.
- Grants totaling \$30,000 to a CDFI that supports economic development by providing financial and technical assistance programs. The organization also provides accessible lending products to low- and moderate-income individuals and small businesses.

- Grants totaling \$22,500 to an organization that constructs affordable homes for low- and moderate-income individuals and families. The grant will also support the organization's programs to increase homebuyers' financial literacy and home maintenance skills.

Service Test

PPB's performance under the service test in Tucson is high satisfactory based on its activities as a leader in providing community development services with reasonably accessible delivery systems.

Retail Banking Services

Retail banking services are reasonably accessible to the bank's geographies and to individuals of different income levels within the Tucson assessment area, and do not vary in a way that inconveniences any portion of the area. As seen in Table 28 in Appendix E, PPB operates two branches in Tucson. A full array of personal and business banking products and services is offered at both locations in the assessment area. In addition, alternative delivery systems, including telephone, mobile, and online banking, as well as remote deposit capture provide customers access to banking services after normal business hours.

PPB's record of opening and closing branches has not adversely affected the accessibility of its delivery systems in the area. PPB acquired both branches, which are located in middle- and upper-income census tracts, through its purchase of Grandpoint. Although the bank has a limited physical presence in this assessment area, its alternative delivery systems provide reasonable access to surrounding low- and moderate-income areas, where 36.1 percent of the population resides. Additionally, the branch located in a middle-income census tract borders low- and moderate-income census tracts, providing reasonable accessibility to geographies and individuals of different income levels.

Community Development Services

PPB was a leader in providing community development services to the Tucson assessment area. During the review period, 32 employees provided 169 services to 16 organizations for a total of 762 service hours. Eight employees held leadership positions as board or committee members for 10 different organizations. The bank helped address articulated community development needs such as partnerships with down payment assistance programs for access to affordable housing for low- and moderate-income individuals, partnerships that provided flexible credit needs to small businesses, and services for low- and moderate-income individuals. The following are notable examples of community development services:

- Bank employees participated in the Volunteer Income Tax Assistance Preparation Program (VITA) by providing free income tax preparation for low-income individuals in partnership with a nonprofit organization. Employees helped identify available tax credits and file tax returns that provided thousands of dollars in federal refunds to low-income families. During the review period, four employees provided over 104 hours for this community development service.

- Bank employees provided technical assistance and served as board or committee members for a nonprofit organization that develops and preserves a permanent supply of affordable housing for low- and moderate-income individuals. This service included providing technical assistance for qualifying low- and moderate-income homebuyers as part of the Federal Home Loan Bank Workforce Initiative Subsidy for Homeownership (WISH). This program provides funds for down payment assistance. In total, three employees provided over 76 hours of community development services related to grant reimbursement and administration of various aspects of the program.
- Employees provided technical assistance and served as board or committee members for a certified CDFI that promotes economic development. The organization provides affordable and flexible loan financing, as well as financial education that benefits low- and moderate-income communities. A total of three employees provided 56 hours of community development service hours.

Limited-Scope Assessment Area Conclusions

**For each assessment area where a limited-scope review was performed using the examination procedures.*

PPB’s performance in the assessment areas receiving a limited review is generally consistent with the performance in the areas receiving full-scope reviews. Due to the bank’s smaller presence in these markets and lower percentages of loans and deposits, the limited scope assessment areas received less weight than the full-scope areas. Consequently, performance in these areas did not materially affect the bank’s overall lending, investment, and service test performance assessments. PPB operates one branch in Phoenix. Facts and data reviewed, including performance and demographic information, can be found in the tables accompanying this report.

EXHIBIT 23 LIMITED-SCOPE ASSESSMENT AREA CONCLUSIONS			
ASSESSMENT AREA	LENDING TEST	INVESTMENT TEST	SERVICE TEST
Phoenix	Exceeds	Consistent	Exceeds

Investment test performance in the Phoenix market was generally consistent with the performance in the full-scope assessment areas. Lending test performance exceeded performance in full-scope assessment areas particularly due to a relatively high level of community development lending of \$315.7 million. Additionally, service test performance in the Phoenix area exceeded performance in full-scope areas with 121 community development services totaling 489 hours.

VANCOUVER MULTISTATE MSA

CRA Rating for Vancouver

Performance in Vancouver is rated “Outstanding”

The lending test is rated: Outstanding
The investment test is rated: High Satisfactory
The service test is rated: High Satisfactory

The major factors supporting the institution’s rating include:

- Leader in making community development loans that were responsive to assessment area needs and for businesses and organizations affected by the COVID-19 pandemic.
- Good geographic and borrower distributions of loans primarily driven by small business lending and a high percentage of smaller dollar loans.
- Significant levels of community development investments that were responsive to the need for affordable housing for low- and moderate-income individuals.
- Accessible retail banking services and an adequate level of community development services.

Scope of Examination

The scope of the examination for the Vancouver multistate MSA is generally consistent with the overall scope of the CRA examination. The bank has one assessment area in this multistate MSA, referred to as the Vancouver assessment area. Although the bank’s overall presence and loan activity in this area is limited, a full-scope review was conducted to determine the overall multistate MSA rating. The lending test assessment was limited to the origination of small business, multifamily, and community development loans. The limited number of home refinance loans in the area did not allow for a meaningful analysis, and therefore did not influence the overall assessment.

Description of Operations in Vancouver

The Vancouver assessment area consists of Clark County, Washington and Multnomah County, Oregon and forms part of the Portland-Vancouver-Hillsboro, OR-WA MSA. The area is bordered by Cowlitz County, Washington to the north; Skamania County, Washington and Hood River County, Oregon to the east; Clackamas County, Oregon to the south; and to the west by Washington and Columbia counties, Oregon. The area had a combined population of 1.3 million people as of 2020.¹⁴⁶

¹⁴⁶ U.S. Census Bureau, Annual Resident Population Estimates for States and Counties, July 1, 2020; available from <https://www.census.gov/programs-surveys/popest/technical-documentation/research/evaluation-estimates/2020-evaluation-estimates/2010s-counties-total.html>.

As of June 30, 2021, the assessment area had 25 FDIC-insured depository institutions operating 209 offices with combined deposits of \$49.8 billion.¹⁴⁷ PPB's two branches in the area held \$242 million in deposits, representing 0.49 percent of the deposit market share.¹⁴⁸

Exhibit 24 on the following page presents key demographic and business information used to help develop a performance context for the assessment area.

¹⁴⁷ Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2021; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

¹⁴⁸ Ibid.

EXHIBIT 24 ASSESSMENT AREA DEMOGRAPHICS VANCOUVER ASSESSMENT AREA 2020 FFIEC CENSUS AND 2020 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	6	2.2	5,503	1.9	1,705	31.0	65,385	23.2
Moderate-income	79	28.7	84,663	30.0	15,362	18.1	51,434	18.2
Middle-income	122	44.4	129,842	46.0	9,877	7.6	57,100	20.2
Upper-income	66	24.0	62,084	22.0	2,270	3.7	108,347	38.4
Unknown-income	2	0.7	174	0.1	31	17.8	0	0.0
Total AA	275	100.0	282,266	100.0	29,245	10.4	282,266	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	9,595	2,675	1.0	27.9	6,393	66.6	527	5.5
Moderate-income	150,002	65,615	24.2	43.7	75,740	50.5	8,647	5.8
Middle-income	221,573	132,726	48.9	59.9	77,895	35.2	10,952	4.9
Upper-income	117,201	70,302	25.9	60.0	39,821	34.0	7,078	6.0
Unknown-income	2,070	175	0.1	8.5	1,768	85.4	127	6.1
Total AA	500,441	271,493	100.0	54.3	201,617	40.3	27,331	5.5
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	1,039	1.3	938	1.3	91	1.9	10	2.0
Moderate-income	19,419	24.8	17,972	24.7	1,325	27.0	122	24.0
Middle-income	32,788	41.9	30,926	42.4	1,683	34.3	179	35.2
Upper-income	21,902	28.0	20,406	28.0	1,327	27.1	169	33.2
Unknown-income	3,143	4.0	2,636	3.6	478	9.7	29	5.7
Total AA	78,291	100.0	72,878	100.0	4,904	100.0	509	100.0
% of Total Businesses				93.1		6.3		0.7
2021 Adjusted Median Family Income ¹⁴⁹								
Clark County, WA			\$96,900					
Multnomah County, OR			\$96,900					

Economic Conditions

The area economy expanded during the review period prior to the economic downturn in 2020. The primary economic drivers in the area were high tech, logistics and manufacturing.¹⁵⁰ The technology sector was a crucial piece of the state's economy, and accounted for more

¹⁴⁹ FFIEC Adjusted Median Family Income; available from: <https://www.ffiec.gov/Medianincome.htm>.

¹⁵⁰ Moody's Precip Report, Portland-Vancouver-Hillsboro, OR-WA, November 2020.

than 94,000 jobs in 2019 statewide.¹⁵¹ Although the area did not attract the same scale of investment as Silicon Valley and Seattle, Oregon-based start-ups captured \$90 million in venture capital dollars in the third quarter of 2019.¹⁵² Growth in some tech sectors grew rapidly, which helped attract companies that are otherwise priced out of larger West Coast markets.¹⁵³ The area is a regional logistics hub and a key position in the Pacific supply chains.¹⁵⁴ The area's deep-water port that is a major gateway for a number of products, had little disruption to cargo volumes during the economic downturn in 2020.¹⁵⁵ The manufacturing sector remained diverse in products that included shoes and clothing, semiconductors, and craft beer.¹⁵⁶ In Clark County alone, the manufacturing sector employed 14,200 people in 2019, with electronics as the largest segment employing 3,300.¹⁵⁷ Early in the review period, job growth in the industry was led by semiconductor, and electronic component, machinery, and food manufacturing. However, the industry shed about 11,000 jobs statewide in April 2020 as businesses adapted to the operation restrictions put in place to respond to COVID-19.¹⁵⁸ Overall, Clark County serves as a bedroom community to Multnomah County, with about one-third of the Clark County labor force commuting into Portland on a daily basis.¹⁵⁹ Furthermore, in the housing market the economic expansion was evident throughout the review period despite the pandemic, with prices up by 10 percent in 2020 and new home construction at a 15-year high.¹⁶⁰ Further details of the area economy, including trends in small business lending, unemployment, home prices, and poverty rates are discussed below.

As depicted in Exhibit 25 on the following page, loans to small businesses from banks subject to the CRA had a slight drop in 2017 before increasing during the review period. In 2019, 32,919 loans were made totaling \$1.1 billion. Lending to small businesses played a critical role in the economy given that small businesses accounted for 93.1 percent of all businesses in the assessment area, as noted in Exhibit 24. As described previously, lending to small businesses nationwide increased in the first half of 2020 as a result of the federal PPP.¹⁶¹ In the assessment area, over 20,000 PPP loans in the amount of less than \$1 million were made and approximately 160,000 jobs were self-reported to benefit from the loans made between April 3, 2020 and August 8, 2020.¹⁶² According to the borrower firms that elected to report their business's industry, most loans under \$1 million were made to businesses in the Professional,

¹⁵¹ State of Oregon Secretary of State, Oregon Blue Book: Oregon's Economy: Employment; available from: <https://sos.oregon.gov/blue-book/Pages/facts/economy-employment.aspx>.

¹⁵² Moody's Precip Report, Portland-Vancouver-Hillsboro OR-WA, November 2019.

¹⁵³ Ibid.

¹⁵⁴ Moody's Precip Report, Portland-Vancouver-Hillsboro OR-WA, February 2021.

¹⁵⁵ Ibid.

¹⁵⁶ State of Oregon Secretary of State, Oregon Blue Book: Oregon's Economy: Employment; available from: <https://sos.oregon.gov/blue-book/Pages/facts/economy-employment.aspx>.

¹⁵⁷ State of Washington, Employment Security Department, Clark County profile; available from: <https://esd.wa.gov/labormarketinfo/county-profiles/clark>.

¹⁵⁸ State of Oregon Secretary of State, Oregon Blue Book: Oregon's Economy: Employment; available from: <https://sos.oregon.gov/blue-book/Pages/facts/economy-employment.aspx>.

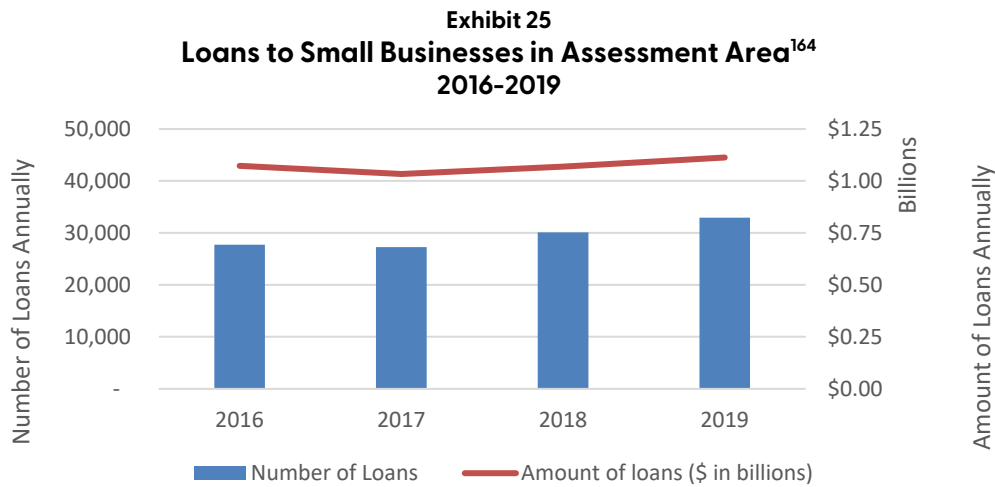
¹⁵⁹ State of Washington, Employment Security Department, Clark County profile; available from: <https://esd.wa.gov/labormarketinfo/county-profiles/clark>.

¹⁶⁰ Moody's Precip Report, Portland-Vancouver-Hillsboro OR-WA, February 2021.

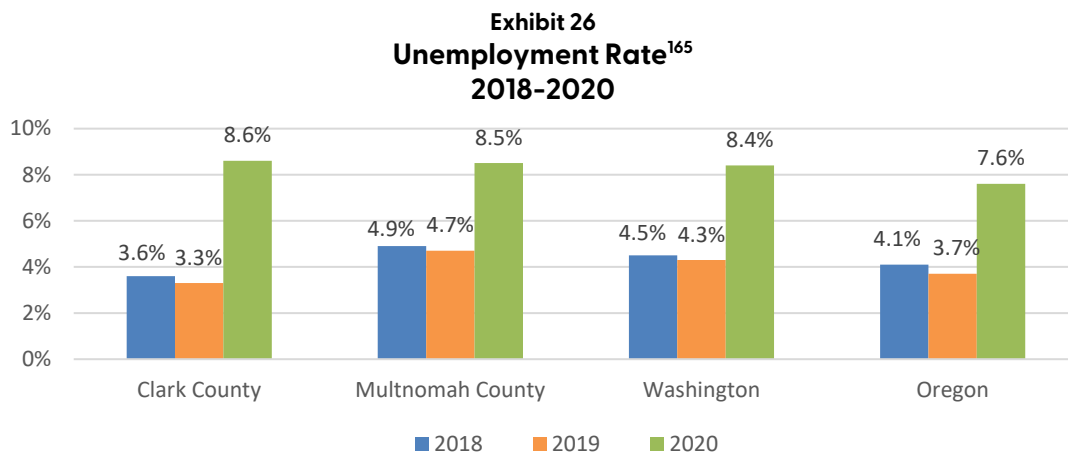
¹⁶¹ Federal Reserve Bank of San Francisco, Economic Letter, Small Business Lending during COVID-19, November 23, 2020; available from: <https://www.frbsf.org/economic-research/publications/economic-letter/2020/november/small-business-lending-during-covid-19/>.

¹⁶² Small Business Administration, Paycheck Protection Program Loan Data; available from: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>. [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.]

Scientific, and Technical Services sector, followed by the Health Care and Social Assistance sector.¹⁶³



Unemployment rates in the assessment area decreased early in the review period prior to steep increases in 2020 after the onset of the pandemic, as shown below in Exhibit 26. The unemployment rate in Clark County, Washington fell below the unemployment rate in the state of Washington from 2018 to 2019. However, Clark County’s unemployment rate exceeded the state of Washington’s unemployment rate in 2020. Multnomah County had a higher rate of unemployment compared to Clark County and the state of Oregon through 2019. However, while unemployment in Multnomah County remained above the Oregon unemployment rate in 2020, it fell slightly below the unemployment rate in Clark County.



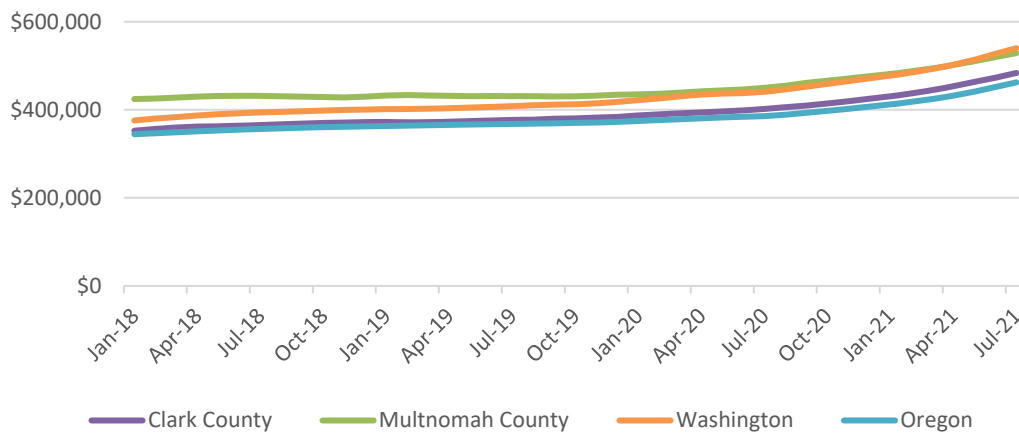
¹⁶³ Small Business Administration, Paycheck Protection Program Loan Data; available from: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>. [Borrower firms self-reported data and had the option to abstain from reporting certain details of the loan application, therefore data may not capture some details of each loan made.]

¹⁶⁴ Aggregate CRA Small Business data reports available from: <https://www.ffiec.gov/craadweb/aggregate.aspx>.

¹⁶⁵ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: <https://www.bls.gov/lau/>.

As shown in Exhibit 27, median home prices in the assessment area increased during the review period. Median home prices in Clark County, Washington were lower compared to Multnomah County and the state of Washington. The median home prices in the area peaked in July 2021 to \$528,679 in Multnomah County and \$483,675 in Clark County. There were higher shares of cost burdened homeowners in the area, with 29 percent in Clark County and 33 percent in Multnomah County, compared to 28 percent nationwide.¹⁶⁶

Exhibit 27
Median Home Prices¹⁶⁷
January 2018-July 2021



Rental prices for a 1-bedroom unit also increased in the area between 2018 and 2019 from \$908 to \$995 in Clark County and from \$1,025 to \$1,103 in Multnomah County.¹⁶⁸ In Clark County, 49 percent of renters were cost burdened, compared to the slightly higher share of cost burdened renters in Multnomah County of 54 percent.¹⁶⁹ Higher rental housing costs were exacerbated by a limited rental housing supply. The area had the fourth most severe shortages of rental homes affordable to households with extremely low incomes in the nation.¹⁷⁰ For every 100 renter households with extremely low income in the area, there were only 21 rental units available.¹⁷¹

As depicted in Exhibit 28 on the following page, the poverty and public assistance or food stamp/SNAP benefit usage rates decreased during the review period. Clark County had lower rates of households with income below the poverty level and using cash public assistance or food stamp/SNAP benefits compared to Multnomah County. Although Clark County had lower levels of poverty compared to the state of Washington, it had slightly higher rates of households using cash public assistance or food stamp/SNAP benefits.

¹⁶⁶ Prosperity Now Scorecard, Clark County, WA and Multnomah County, OR; available from: <https://scorecard.prosperitynow.org>.

¹⁶⁷ Zillow Research, Zillow Home Value Index, Single-Family Homes Time Series; available from: <https://www.zillow.com/research/data/>.

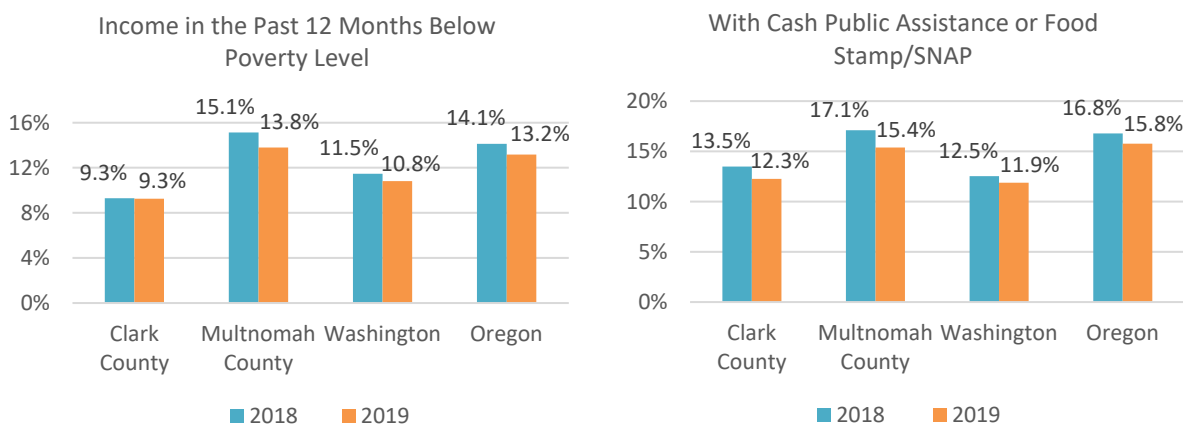
¹⁶⁸ U.S. Census Bureau, Median Gross Rent, 1-Bedroom, American Community Survey, 5-year estimate; available from: <https://www.census.gov/data>.

¹⁶⁹ Prosperity Now Scorecard, Clark County, WA and Multnomah County, OR; available from: <https://scorecard.prosperitynow.org>.

¹⁷⁰ National Low Income Housing Coalition, The Gap, March 2021; available from: <https://reports.nlihc.org/gap>.

¹⁷¹ Ibid.

Exhibit 28
Poverty and Food Stamp Usage Rates¹⁷²
2018-2019



Credit and Community Development Needs

Similar to the discussion for the credit needs of the previously discussed assessment areas, small business lending levels increased during the review period before PPP loans were distributed in 2020 to help meet the immediate credit needs of small businesses enduring the impacts of COVID-19. In addition to the small business lending needs highlighted by the Small Business Credit Survey results discussed previously, a community contact noted there is a need for more technical assistance for small businesses and entrepreneurs. According to the contact, many small business owners need education and training on accounting, finance, marketing, and general business operations.

Another contact stated that additional and more flexible financing is needed from banks to help meet current needs for development of affordable housing. According to a community contact, all types of financing such as acquisition, construction, and pre-development loans, as well as increased lines of credit to affordable housing lenders and developers is needed. There is also a need, according to the same contact, for financing of affordable housing across all geographies, including rural areas. In addition, more flexible financing is needed. A contact stated that affordable housing construction currently faces delays and longer timeframes due to supply chain challenges and other pandemic-related impacts on the economy. The contact stated it would be most helpful if the financing provided by financial institutions allowed for more flexible timelines of the loans or investment to address these challenges.

Based on the information shared by community contacts discussed above, opportunities remain for banks to provide small business loans, community services such as technical assistance, and financial products for affordable housing development. These activities would be the most impactful that a bank could participate in to help meet the credit needs in the area.

¹⁷² Poverty and Food Stamp Usage Rates, U.S. Census Bureau, American Community Survey, 5-Year Estimates; available from: <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN VANCOUVER

Lending Test

The bank's lending test performance in the Vancouver area is rated outstanding. PPB exhibited an excellent record of serving the needs of low-income geographies, particularly in 2018 and 2019, and serving the needs of very small businesses. Additionally, the bank is a leader in making community development loans. The geographic and borrower distribution of loans is good, and although the bank acquired this market during the current review period, the bank has made a relatively high number and amount of community development loans, enhancing the bank's overall rating.

Lending Activity

Lending levels in Vancouver are good and the bank is a leader in making community development loans, as seen in Table 29 in Appendix E. Although the volume of multifamily lending decreased in 2020 largely due to the impacts of COVID-19, the bank's focus on PPP lending during the same period is evidenced by significant levels of small business loan originations. The bank extended 77 PPP loans totaling \$34 million. Additionally, overall lending levels were proportional to deposits in the assessment area.

Lending Distribution by Geography

Overall lending distribution by geography is good. While small business lending was generally good, multifamily lending performance varied by year and census tract. Due to its larger volume, small business lending received greater weight than multifamily lending.

Small Business Lending

Lending distribution by geography within the assessment area is good. The bank's small business lending demonstrates good dispersion throughout the census tracts of all income levels. Performance was strong in 2018 and 2019, with lending levels in low- and moderate-income areas exceeding the percentage of businesses in the area and aggregate lenders, as seen in Table 30 in Appendix E. However, the bank's 2020 performance declined, particularly with less penetration in moderate-income geographies, with performance below the percentage of businesses in the area and aggregate lenders.

Home Mortgage Lending

The geographic distribution of multifamily lending is adequate. The bank's 2018 and 2019 lending activity exhibits strong dispersion in low-income tracts, with performance above the percentage of multifamily units and aggregate lenders in the area. However, as seen in Table 32 in Appendix E, the geographic distribution of loans reflects adequate penetration in moderate-income tracts during the same period, with performance below aggregate lenders. Although the bank's 2020 multifamily lending in moderate-income geographies demonstrated performance above the percentage of multifamily units, the bank's 2020 lending performance in low- and moderate-income tracts remained below aggregate lenders.

Lending Distribution by Business Revenue

The borrower distribution of small business loans is good. As shown in Table 33 in Appendix E, the 2018 and 2020 lending levels were below the percentage of small businesses and aggregate lending. However, the high percentage of very small dollar loan amounts, particularly in 2019 and 2020, met an identified credit need in the assessment area. Additionally, the 2019 introduction and extensive use of the Small Business Overdraft Line of Credit loan product helped meet the credit need for a flexible loan product to assist smaller businesses.

In 2020, 63.6 percent of the small business loans extended by the bank did not include revenue information, as seen in Exhibit 29 below. Limited borrower information was collected due to the nature of PPP loan requirements, and therefore reported revenue was not available for most PPP loans. Although the 2020 distribution of borrowers appears unfavorable to small businesses, the percentage of smaller dollar loans remained significant, indicating that the bank continued to serve and respond to the needs of small businesses in the assessment area.

EXHIBIT 29 DISTRIBUTION OF SMALL BUSINESS LOANS BY GROSS ANNUAL REVENUE CATEGORY VANCOUVER ASSESSMENT AREA					
Gross Revenue Level	Percent of Businesses	Count	Percent	Dollars (000s)	Percent
<= \$1,000,000					
2018	92.2	11	32.4	2,466	26.5
2019	92.6	19	51.4	817	11.0
2020	93.1	23	20.9	1,653	7.6
> \$1,000,000					
2018	7.0	19	55.9	5,383	57.9
2019	6.8	17	45.9	6,512	87.7
2020	6.3	17	15.5	6,325	29.0
Revenue Not Available					
2018	0.8	4	11.8	1,450	15.6
2019	0.6	1	2.7	100	1.3
2020	0.7	70	63.6	13,847	63.4
Totals					
2018	100.0	34	100.0	9,299	100.0
2019	100.0	37	100.0	7,429	100.0
2020	100.0	110	100.0	21,825	100.0
Source: 2018-2020 D&B Data; PPB Bank Data 1/1/2018 – 12/31/2020					

Community Development Lending

The bank is a leader in making community development loans that exhibit excellent responsiveness to the credit needs within the Vancouver assessment area. As seen in Table 29 in Appendix E, PPB extended 34 community development loans totaling \$99.4 million. Loans were responsive to a variety of community development needs including affordable housing, economic development, and helped to revitalize and stabilize moderate-income

geographies. Similar to other assessment areas during the review period, PPB was responsive to PPP loan needs created by the COVID-19 pandemic. Notable community development loans include the following:

- A \$17.3 million loan to support affordable housing. This loan enabled the acquisition of a 112-unit multifamily apartment complex, of which 82 units provide affordable housing to low- and moderate-income individuals and families.
- A \$7.3 SBA PPP loan that helped to stabilize a moderate-income community and promote economic development. The loan provided funding to an electrical contracting company that serves residential, commercial, and industrial clients. The credit facility promotes economic development by sustaining operations of a small business that supports 449 jobs for low- and moderate-income individuals.
- A \$4.4 million loan to support the revitalization and stabilization of a moderate-income census tract and opportunities for economic development. The loan refinanced a two-tenant industrial property that provides jobs for low- and moderate-income individuals.
- A \$1.7 million loan to the owner of a multifamily apartment complex that provides affordable housing for low- and moderate-income individuals. The loan refinanced a property in a low-income census tract and supports 16 units of affordable housing. Additionally, two of the units are supported by HUD-Section 8 rental assistance vouchers that help ensure housing costs are affordable for tenants.

Investment Test

Performance under the investment test in the Vancouver assessment area is high satisfactory. PPB made a significant level of qualified investments and grants, occasionally in a leadership position. The bank made significant use of innovative or complex investments and exhibited good responsiveness to the area's credit and community development needs. The bank primarily addressed the need for affordable housing for low- and moderate-income individuals. As seen in Table 35 in Appendix E, PPB made \$7.3 million in qualified investment and grants, of which \$1.5 million were new investments and \$5.8 million were made during a prior period. The bank also made a number of grants and donations to a variety of nonprofit organizations serving the needs of low- and moderate-income individuals and affordable housing in the assessment area. Notable investments include the following:

- A \$5.2 million prior period investment in a LIHTC that supports 43 units of affordable housing in the Vancouver assessment area. Each of the units are income restricted to low- and moderate-income individuals and seniors. This is part of a larger \$12.7 million investment by the bank that benefits multiple assessment areas.
- A \$245,000 investment in a local low-income credit union whose goal is to deliver affordable financial services and education to low- and moderate-income families in the assessment area.

- Grants totaling \$42,500 to an organization that supports affordable housing and services for low- and moderate-income individuals and families. The organization provides transitional and permanent housing support for chronically homeless and highly vulnerable populations, as well as eviction prevention programs.
- Grants totaling \$37,500 to an organization that works with at-risk youths and low- and moderate-income individuals. The organization provides educational enrichment programs that offer structure, guidance, and skill-building. In response to the COVID-19 pandemic, the bank provided a donation to support the organization's efforts in providing childcare, virtual opportunities, and food distributions to low- and moderate-income families.

Service Test

PPB's performance under the service test is high satisfactory. Retail banking services are accessible to the bank's geographies and individuals of different income levels in its assessment area and the bank provided an adequate level of community development services.

Retail Banking Services

Retail banking delivery systems are accessible throughout the assessment area, and business hours and services do not vary in a way that inconveniences any portion of the area. A full array of personal and business banking products and services are offered at both locations in the Vancouver assessment area. Delivery systems include an ATM, mobile and online banking, and remote deposit capture to provide customers with access to banking services after normal business hours.

As seen in Table 36 in Appendix E, PPB operates two branches in the Vancouver area. PPB acquired both branches during the review period, one each from Opus and Grandpoint. The bank did not experience any branch closures or consolidations during the same period, and the bank's branching activities did not adversely affect accessibility of its delivery systems to low- and moderate-income individuals and geographies. One branch is located in a moderate-income census tract, and one is in a census tract with unknown income. PPB maintains 50 percent of its branches within low- and moderate-income census tracts, which compares favorably to the 33.1 percent of the population that resides in those areas.

Community Development Services

PPB provided an adequate level of community development services to the Vancouver assessment area, considering it was acquired during the current review period. A total of 17 employees provided 52 services to 6 organizations amounting to 208 hours of service. Most of the service hours were devoted to financial literacy education for students from low- and moderate-income families and assisting in fundraising for organizations that provide services to low- and moderate-income individuals and families. Notable examples of qualified services include the following:

- An employee provided 36 hours of fundraising activities for a nonprofit organization that is dedicated to advancing childhood literacy within low-income communities. The employee served in a leadership role as a board member for the organization.
- Bank employees engaged in fundraising activities for a nonprofit organization whose mission is to lead the hungry and homeless to self-sufficiency by providing food, shelter, housing, education, advocacy, and compassion to low-income individuals. A total of three employees provided 22 hours of community development service hours to this organization.
- Employees promoted economic development by providing technical expertise for a career training program that targets low- and moderate-income individuals. The community development service was in partnership with a nonprofit organization that provides an eight-week job training curriculum that includes career training, placement assistance, and ongoing coaching for low- and moderate-income individuals. Bank employees prepared and hosted career presentations and participated in mock interviews. A total of four employees provided eight hours of services to 22 low- and moderate-income individuals.

STATE OF NEVADA

CRA Rating for Nevada

Performance in Nevada is rated “Outstanding”

The lending test is rated: Outstanding
The investment test is rated: High Satisfactory
The service test is rated: High Satisfactory

The major factors supporting the institution’s rating include:

- Excellent lending levels that addressed the needs of small businesses, particularly in response to the economic impacts of COVID-19.
- Good distributions of loans by businesses of different sizes, predominantly due to the extensive use of innovative and flexible lending products.
- Leader in making community development loans that address community credit needs, especially for affordable housing, economic development, and stabilizing low- and moderate-income geographies.
- Significant levels of qualified investments for affordable housing and services to low- and moderate-income individuals.
- Reasonably accessible delivery systems for banking services to geographies and individuals of different incomes, and a leader in providing community development services.

Scope of Examination

The scope for the examination for Nevada is generally consistent with the overall scope of the CRA examination. The bank has one assessment area in the state of Nevada, referred to as the Las Vegas assessment area. Although the bank’s overall presence and loan activity in this area is limited, a full-scope review was conducted to determine the overall state rating. Given the limited lending activity in the assessment area, the lending test assessment was limited to the origination of small business loans and community development loans. Multifamily loans were considered, but did not influence the overall assessment due to low volume activity.

Description of Operations in Las Vegas

The Las Vegas assessment area consists of Clark County in its entirety and forms the Las Vegas-Henderson-Paradise, Nevada MSA. The area is bordered by Lincoln County to the north, the state of Arizona to the east, and to the west by Nye County and the state of California. The area had a total population of 2.3 million people as of 2020.¹⁷³

¹⁷³ U.S. Census Bureau, Annual Resident Population Estimates for States and Counties, July 1, 2020; available from <https://www.census.gov/programs-surveys/popest/technical-documentation/research/evaluation-estimates/2020-evaluation-estimates/2010s-counties-total.html>.

As of June 30, 2021, the assessment area had 42 FDIC-insured depository institutions operating 300 offices with combined deposits of \$104 billion.¹⁷⁴ PPB's single branch held \$140 million in deposits, which represented 0.13 percent of the deposit market share.¹⁷⁵

Exhibit 30 on the following page presents key demographic and business information used to help develop a performance context for the assessment area.

¹⁷⁴ Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2021; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

¹⁷⁵ Ibid.

EXHIBIT 30 ASSESSMENT AREA DEMOGRAPHICS LAS VEGAS ASSESSMENT AREA 2020 FFIEC CENSUS AND 2020 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	28	5.7	19,625	4.2	7,662	39.0	96,196	20.7
Moderate-income	128	26.3	104,903	22.5	23,375	22.3	85,415	18.4
Middle-income	181	37.2	184,975	39.7	17,254	9.3	95,475	20.5
Upper-income	149	30.6	155,834	33.5	7,057	4.5	188,356	40.5
Unknown-income	1	0.2	105	0.0	37	35.2	0	0.0
Total AA	487	100.0	465,442	100.0	55,385	11.9	465,442	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	47,951	7,232	1.9	15.1	30,033	62.6	10,686	22.3
Moderate-income	213,646	64,256	16.9	30.1	113,530	53.1	35,860	16.8
Middle-income	331,753	158,649	41.7	47.8	126,932	38.3	46,172	13.9
Upper-income	262,157	150,241	39.5	57.3	72,752	27.8	39,164	14.9
Unknown-income	1,624	47	0.0	2.9	774	47.7	803	49.4
Total AA	857,131	380,425	100.0	44.4	344,021	40.1	132,685	15.5
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	3,062	3.8	2,781	3.7	243	4.4	38	5.7
Moderate-income	17,503	21.8	15,836	21.3	1,572	28.3	95	14.3
Middle-income	30,941	38.5	28,553	38.5	2,147	38.7	241	36.3
Upper-income	28,465	35.4	26,650	35.9	1,531	27.6	284	42.8
Unknown-income	435	0.5	377	0.5	52	0.9	6	0.9
Total AA	80,406	100.0	74,197	100.0	5,545	100.0	664	100.0
% of Total Businesses				92.3		6.9		0.8
2021 Adjusted Median Family Income ¹⁷⁶			\$72,400					

Economic Conditions

The assessment area economy expanded during the review period prior to the economic downturn in 2020. Key economic drivers included tourism as well as the leisure and hospitality industries that anchored the area as a retiree destination.¹⁷⁷ The area’s tourism-based

¹⁷⁶ FFIEC Adjusted Median Family Income; available from: <https://www.ffiec.gov/Medianincome.htm>.

¹⁷⁷ Moody’s Precip Report, Las Vegas-Henderson-Paradise NV, November 2019.

economy was significantly impacted by the pandemic-induced downturn, as evident in the unemployment rates described below. By the fourth quarter of 2020 the area's economic recovery showed some gains despite the 13.9 percent unemployment rate that was the fourth highest among U.S. metro areas.¹⁷⁸ Business operation restrictions to control the spread of the virus reduced casino, bar, and restaurant capacity down to 25 percent and the visitor slump required some casinos to implement mid-week closures.¹⁷⁹ Gaming revenue was down by 40 percent in 2020.¹⁸⁰ Prior to the pandemic, the area's low business costs and proximity to nearby markets in California and Arizona drew distributors and manufacturers to the area.¹⁸¹ This growth in the distribution sector helped diversify the tourism-driven economy.¹⁸² In addition, the broadened job base and increased hiring in mid- and high-paying industries caused average hourly earnings to rise in the area.¹⁸³ Construction employment also rose during the review period.¹⁸⁴ Although construction accounted for seven percent of employment, the industry was responsible for 60 percent of jobs created between 2018, and 2019.¹⁸⁵ Housing starts in the area decreased early in the review period and further strained the already lean housing supply.¹⁸⁶ Late in the review period, homebuilding increased and helped mitigate those supply constraints.¹⁸⁷ However, housing affordability remained a challenge in the area. Potential homebuyers were priced out of the market during the review period as home prices rose twice as fast as incomes.¹⁸⁸ After the onset of the pandemic, housing starts returned to pre-crisis levels and home prices rose although at a slower pace compared to the U.S. average.¹⁸⁹

As depicted in Exhibit 31 on the following page, lending to small businesses from banks subject to the CRA increased during the review period and peaked in 2019, reaching 49,647 loans totaling \$1.3 billion. Lending to small businesses played a critical role in the economy given that small businesses accounted for 92.3 percent of all businesses in the assessment area, as noted in Exhibit 30. As described previously, lending to small businesses nationwide increased in the first half of 2020 as a result of the federal PPP. In the assessment area, over 30,000 PPP loans in the amount of less than \$1 million were made and approximately 240,000 jobs were self-reported to benefit from the loans made between April 3, 2020 and August 8, 2020.¹⁹⁰ According to the borrower firms that elected to report their business's sector, most loans under \$1 million were made to businesses in the Professional, Scientific, and Technical Services sector, followed by the Health Care and Social Assistance sector and the Other Services (except Public Administration) sector.¹⁹¹

¹⁷⁸ Moody's Precis Report, Las Vegas-Henderson-Paradise NV, November 2020.

¹⁷⁹ Ibid.

¹⁸⁰ Ibid.

¹⁸¹ Moody's Precis Report, Las Vegas-Henderson-Paradise NV, July 2018.

¹⁸² Ibid.

¹⁸³ Ibid.

¹⁸⁴ Moody's Precis Report, Las Vegas-Henderson-Paradise NV, November 2019.

¹⁸⁵ Ibid.

¹⁸⁶ Moody's Precis Report, Las Vegas-Henderson-Paradise NV, July 2018.

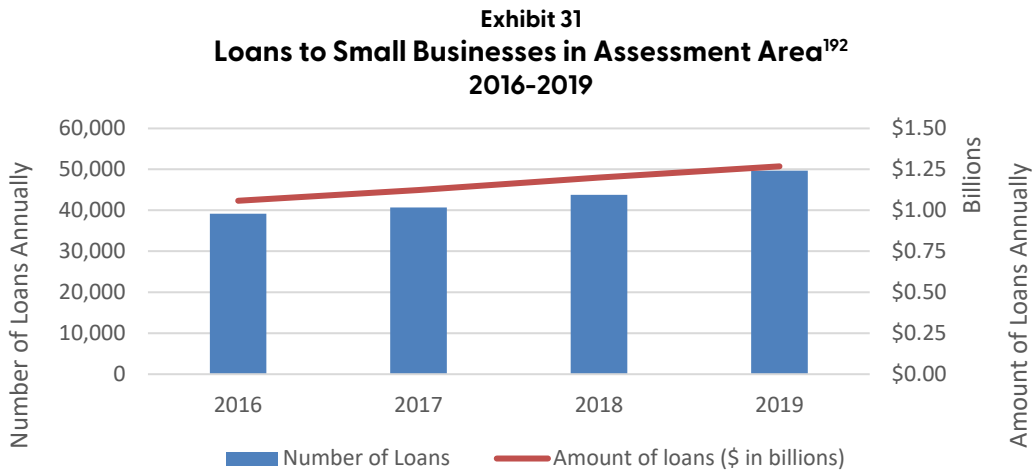
¹⁸⁷ Moody's Precis Report, Las Vegas-Henderson-Paradise NV, November 2019.

¹⁸⁸ Ibid.

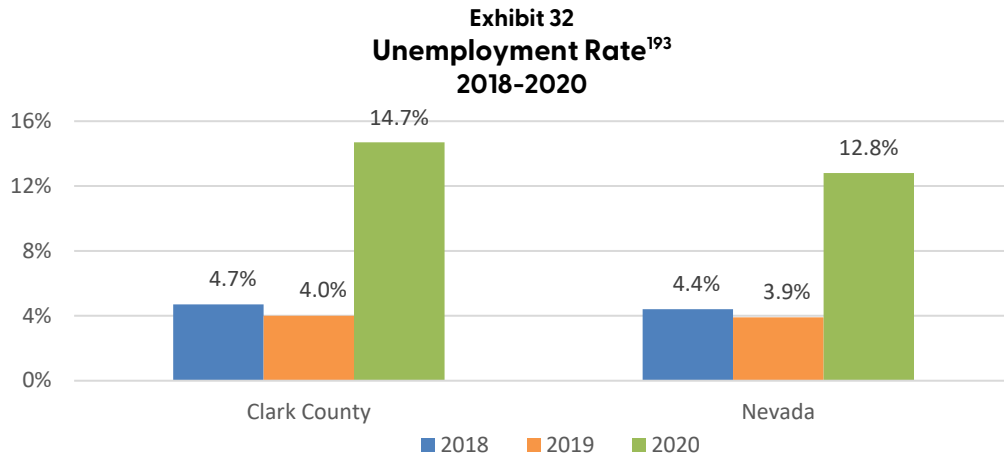
¹⁸⁹ Moody's Precis Report, Las Vegas-Henderson-Paradise NV, November 2020.

¹⁹⁰ Small Business Administration, Paycheck Protection Program Loan Data; available from: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>. [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.]

¹⁹¹ Ibid.



The unemployment rate in the assessment area decreased early in the review period prior to spiking in 2020 after the onset of the pandemic, as shown below in Exhibit 32. As of 2019, the unemployment rate in the area was at a low during the review period and was marginally higher than the statewide rate. However, the pandemic significantly impacted employment in 2020 when the unemployment rate more than tripled and remained elevated above the statewide rate.



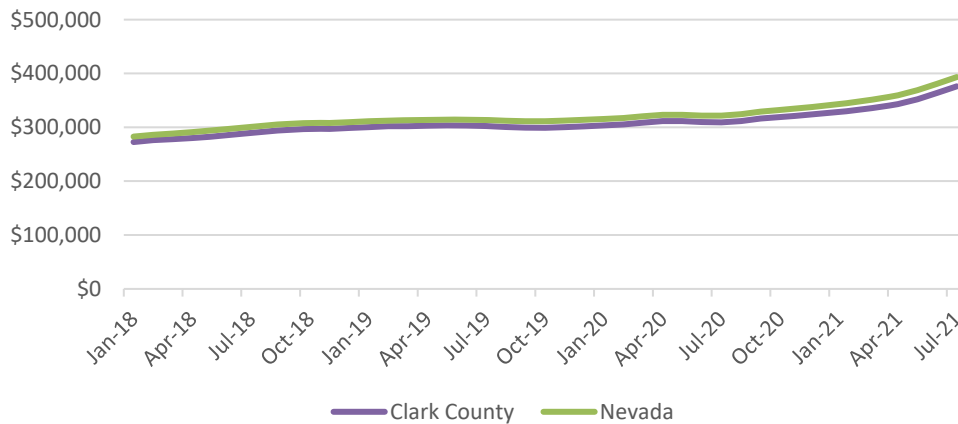
As shown in Exhibit 33 on the following page, median home prices in the assessment area tracked closely in-line with the median home price in the state overall during the review period. The median home price in the area peaked in July 2021 to \$376,030. The area had a higher percentage of homeowners who were cost burdened than the share of homeowners in Nevada and nationwide at 32 percent, 30 percent, and 28 percent, respectively.¹⁹⁴

¹⁹² Aggregate CRA Small Business data reports available from: <https://www.ffiec.gov/craadweb/aggregate.aspx>.

¹⁹³ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: <https://www.bls.gov/lau/>.

¹⁹⁴ Prosperity Now Scorecard, Clark County, NV; available from: <https://scorecard.prosperitynow.org>.

Exhibit 33
Median Home Prices¹⁹⁵
January 2018–July 2021



Rental prices for a 1-bedroom unit also increased in the assessment area during the review period from \$832 in 2018, to \$878 in 2019.¹⁹⁶ Half of all renters in the area were cost burdened.¹⁹⁷ Higher housing costs were exacerbated by a limited supply of rental housing. The area had the most severe shortage of rental homes affordable to households with extremely low incomes in the nation.¹⁹⁸ For every 100 renter households with extremely low income in the area, there were only 16 rental units available.¹⁹⁹

As depicted in Exhibit 34 on the following page, the poverty and public assistance or food stamp/SNAP benefit usage rates decreased during the review period. The assessment area had slightly higher rates of both poverty and public assistance or food stamp/SNAP benefits usage than the statewide average. By another measure, 43 percent of households lived in liquid asset poverty, indicating a higher level of poverty persists in the area than the data in the exhibit suggests.²⁰⁰

¹⁹⁵ Zillow Research, Zillow Home Value Index, Single-Family Homes Time Series; available from: <https://www.zillow.com/research/data/>.

¹⁹⁶ U.S. Census Bureau, Median Gross Rent, 1-Bedroom, American Community Survey, 5-year estimate; available from: <https://www.census.gov/data>.

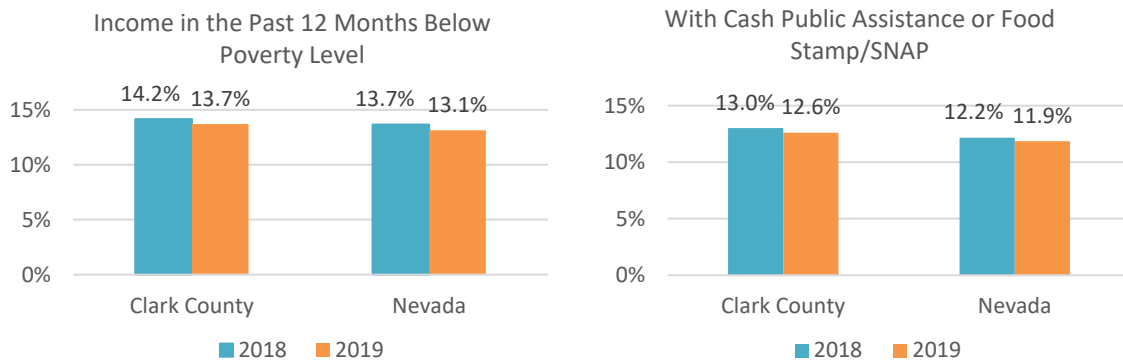
¹⁹⁷ Prosperity Now Scorecard, Clark County, NV; available from: <https://scorecard.prosperitynow.org>.

¹⁹⁸ National Low Income Housing Coalition, The Gap, March 2021; available from: <https://reports.nlihc.org/gap>.

¹⁹⁹ Ibid.

²⁰⁰ Prosperity Now Scorecard, Clark County, NV; available from: <https://scorecard.prosperitynow.org>.

Exhibit 34
Poverty and Food Stamp Usage Rates²⁰¹
2018-2019



Credit and Community Development Needs

Similar to the discussion for the credit needs of the of the previously discussed assessment areas, small business lending levels increased during the review period before PPP loans were distributed in 2020 to help meet the immediate credit needs of small businesses enduring the impacts of COVID-19. In addition to the small business lending needs highlighted by the Small Business Credit Survey results discussed previously, one community contact noted that there is a recent demand from small business owners for smaller-dollar loans. However, the contact noted that alternative underwriting or considerations are necessary because smaller start-up staged businesses often have insufficient collateral. The contact stated that financial institutions have an opportunity to allow for alternative collateral options or other flexibility to help meet this credit need.

In the housing market, there is a significant shortage of affordable rental housing, as described previously. A community contacted indicated that there is an opportunity for banks to support the development of more affordable rental housing with low-cost debt or equity financing of Low Income Housing Tax Credits (LIHTC) projects. The contact noted the need for rental housing is comparatively high in the area because there is a higher concentration of renter households in Clark County, 47 percent, compared to the 36 percent of nationwide renter households. In addition, the same contact discussed that given the disproportionate impacts the pandemic had on communities of color in the area, targeted assistance to support these populations is needed, such as with access to low-rate credit and other flexibility to mitigate the debt or poor credit history caused by the pandemic.

Overall, there are opportunities for banks to lend or invest to small businesses, support affordable housing development in order to help address the credit needs described above.

²⁰¹ Poverty and Food Stamp Usage Rates, U.S. Census Bureau, American Community Survey, 5-Year Estimates; available from: <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN LAS VEGAS

Lending Test

PPB's overall performance under the lending test in the Las Vegas assessment area is outstanding. Lending levels demonstrate excellent responsiveness to assessment area credit needs and have improved from when PPB first entered this market in November 2017. PPB is a leader in making community development loans within the assessment area and a broader statewide area that includes the assessment area. The geographic distribution of lending is adequate and the level of lending to businesses of different sizes is good. In addition, PPB made extensive use of flexible loan products in this market that helped meet the credit needs of small businesses.

Lending Activity

PPB extended an excellent number of loans in this assessment area, given the bank's limited presence in the market. As shown in Tables 37 and 39 in Appendix E, the bank originated a low volume of multifamily loans; however, this is offset by a high level of small business loan originations and PPB acting as a leader in making community development loans.

In addition to the small business and multifamily loans extended in the assessment area, PPB made extensive use of flexible lending products and programs to address the unique credit needs of small businesses that could not otherwise be met. During the review period, the bank extended 23 Quickscore loans totaling \$2.3 million and 49 Small Business Overdraft Loans totaling \$49,000, demonstrating the bank's impact in addressing these credit needs. Additionally, the bank extended 45 PPP loans totaling \$16.7 million.

Lending Distribution by Geography

Overall lending distribution by geography is adequate. PPB extended loans within each of the income categories, with strong performance in low-income areas and mixed adequate performance in moderate-income areas. The bank's performance in moderate-income geographies was particularly strong in 2019 due to the introduction of the Small Business Overdraft Line of Credit product, which successfully penetrated businesses of different sizes within the assessment area. However, the bank's lending to moderate-income geographies remained adequate for 2018 and 2020, with lending levels below the performance of aggregate lenders and the percentage of businesses in the area.

Lending Distribution by Business Revenue

As shown in Table 40 in Appendix E, the distribution of loans to businesses of different sizes is good. The 2018 and 2020 lending levels were significantly below the percentage of small businesses and aggregate lending. However, this was offset by the high percentage of very small dollar loan amounts, particularly in 2019, which helped meet an identified credit need in the assessment area. In addition, the 2019 introduction of Quickscore Access and Small Business Overdraft Line of Credit loan products helped meet the credit need for flexible loan products for smaller businesses.

In 2020, the bank’s participation in the SBA’s PPP resulted in 52.2 percent of small business loans extended by the bank that did not include revenue information, as seen in Exhibit 35 below. Reported revenue was not available for most PPP loans given the nature of the limited borrower information requirements. Although the 2020 distribution of borrowers appears unfavorable to small businesses, the percentage of smaller dollar loans remained significant, indicating that the bank continued to help serve and respond to the needs of small businesses in the assessment area.

EXHIBIT 35 DISTRIBUTION OF SMALL BUSINESS LOANS BY GROSS ANNUAL REVENUE CATEGORY LAS VEGAS ASSESSMENT AREA					
Gross Revenue Level	Percent of Businesses	Count	Percent	Dollars (000s)	Percent
<= \$1,000,000					
2018	91.3	10	27.0	1,260	10.1
2019	91.9	61	70.9	750	7.2
2020	92.3	20	29.0	2,076	16.2
> \$1,000,000					
2018	7.6	22	59.5	8,107	65.0
2019	7.3	22	25.6	7,596	73.4
2020	6.9	13	18.8	4,860	37.9
Revenue Not Available					
2018	1.1	5	13.5	3,100	24.9
2019	0.8	3	3.5	2,000	19.3
2020	0.8	36	52.2	5,896	45.9
Totals					
2018	100.0	37	100.0	12,467	100.0
2019	100.0	86	100.0	10,346	100.0
2020	100.0	69	100.0	12,832	100.0

Source: 2018-2020 D&B Data; PPB Bank Data 1/1/2018 – 12/31/2020

Community Development Lending

PPB is a leader in making community development loans and demonstrated excellent responsiveness to community credit needs, given the bank’s limited physical presence. As seen in Table 37 in Appendix E, PPB made 19 community development loans totaling \$43.9 million within the assessment area. The loans addressed a variety of community development needs including affordable housing, economic development, and stabilizing low- and moderate-income areas. In addition, the bank was responsive to the PPP loan needs of small businesses as a result of the COVID-19 pandemic. Notable community development loans in the Las Vegas assessment area include the following:

- A \$5.5 million loan that promotes affordable housing for low- and moderate-income individuals and families. The loan supports a 115-unit multifamily apartment complex located in a moderate-income census tract. Aside from two vacant units, the remaining 113 units provide housing for HUD assisted Section 8 tenants.

- A \$2 million revolving line of credit to support economic development of a small business that will help retain 25 jobs for low- and moderate-income individuals. The loan provides working capital needs for a food manufacturer located in a moderate-income census tract and whose customers include major retailers.
- A \$1.9 million SBA PPP loan that supports economic development and the revitalization and stabilization of a moderate-income census tract. The loan promoted economic development by preserving 134 jobs in the architecture industry during the COVID-19 pandemic.
- A \$500,000 revolving line of credit for working capital to a nonprofit organization that supports affordable housing and services to low- and moderate-income individuals. The organization's mission is to promote affordable housing, homeownership, education, and neighborhood revitalization in targeted areas for low- and moderate-income individuals and families. It accomplishes this by providing classes on homeownership, down payment assistance loans, low-income rentals, and the purchase, revitalization, and sale of homes to its target clientele.

Investment Test

PPB's community development investment performance within the Las Vegas assessment area is high satisfactory. The bank made a significant level of community development investments and grants, occasionally in a leadership position. PPB made occasional use of innovative or complex investments and demonstrated good responsiveness to credit and community development needs. As seen on Table 41 in Appendix E, the bank made 27 investments totaling \$7 million, consisting of \$5.9 million in investments from prior periods and \$1.1 million in new investments, including qualified donations to various organizations. The bank's activities primarily addressed affordable housing needs and services to low- and moderate-income individuals. Notable examples of qualified investments include the following:

- A \$3.9 million prior period investment in a SBA loan fund that supports economic development. The fund primarily invests in the federally guaranteed portion of SBA 7(a) loans. The bank's investment supports six local businesses that provide a total of 293 jobs for low- and moderate-income individuals in the Las Vegas area. Additionally, five of those businesses are located in a moderate-income census tract. This investment is part of a larger \$12.5 million PPB investment that benefits the bank's multiple assessment areas in different states.
- A \$1 million investment in a community impact bond fund that will go towards the Las Vegas assessment area. The fund's principal investment strategy is to invest in CRA specific instruments that support affordable housing, economic development, services for low- and moderate-income individuals, and neighborhood revitalization. This is part of a larger \$5 million bank investment that benefits multiple assessment areas.
- Grants totaling \$35,000 to a nonprofit organization that supports affordable housing and services to low- and moderate-income individuals. The organization's mission is to promote affordable housing, homeownership, education, and neighborhood

revitalization in targeted areas for low- and moderate-income individuals and families. The bank's grants support the organizations affordable housing initiatives, in which they own, manage, and build hundreds of affordable housing units in the assessment area .

- Grants totaling \$20,000 to an organization that supports at risk youth and students from low- and moderate-income families by addressing public education needs and drop-out prevention services in the area. This includes a \$10,000 donation to support the organization's COVID-19 relief efforts to provide access to digital programming and basic needs and supplies for students to continue learning despite the negative impacts of the pandemic.

Service Test

The bank's performance under the service test is high satisfactory based on the reasonable accessibility of delivery systems, and acting as a leader in community development services provided during the review period.

Retail Banking Services

PPB's banking services are reasonably accessible to geographies and individuals of different income levels, and business hours and services do not vary in a way that inconveniences any portion of the area. A full array of personal and business banking products and services are offered in the Las Vegas assessment area. In addition to operating one branch in Las Vegas, PPB offers telephone, online, and mobile banking that provides customers access to banking services after normal business hours.

The bank did not open or close any branches in the Las Vegas assessment area during the review period, which therefore did not adversely affect accessibility of services to low- and moderate-income individuals or geographies. As seen in Table 42 in Appendix E, PPB's single branch in this assessment area is located in an upper-income census tract. Although the bank has a limited physical presence in this assessment area, its alternative delivery systems provide reasonable access to surrounding low- and moderate-income areas and populations, where 30.3 percent of the population resides.

Community Development Services

PPB is a leader in providing impactful community development services in the Las Vegas assessment area despite its limited presence in the area. A total of 23 employees provided 90 services to 12 organizations totaling 454 service hours. These qualified services met a variety of community development needs. The majority of the service hours were for financial literacy presentations, fundraising for organizations serving low- and moderate-income individuals, and providing free income tax preparation for low- and moderate-income individuals. The following are notable examples of community development services:

- PPB employees conducted a series of financial literacy classes for students in grades K-12. For a majority of these schools, 100% of students received free or reduced-price lunch. The finance program covered topics such as earnings, employment, income,

budgeting, savings, credit, debt, consumer protection, smart shopping, risk management, and investing. A total of 11 employees provided 202 hours of service to 543 students from low- and moderate-income families.

- Employees engaged in fundraising activities for a nonprofit organization that serves low- and moderate-income individuals in Clark County with mental and/or physical disabilities. In total, 14 employees provided more than 106 hours of community development services to this organization.
- Three employees served over 88 hours in leadership positions and provided technical expertise as board and committee members for five organizations. These organizations address needs such as mental health services, workforce development training, and education services for low- and moderate-income individuals and families.
- One employee provided a 1.5 hour training session to 15 minority-owned small businesses in partnership with a local chamber of commerce. The focus of the workshop was to provide financial education for the community on documentation requirements from banks for lending and relationship needs.

APPENDIX A

SCOPE OF EXAMINATION

Please refer to page 4 of this report for a discussion of the examination scope. The following chart is a supplement to that discussion and serves to illustrate the scope of the various states and assessment areas.

SCOPE OF EXAMINATION	
TIME PERIOD REVIEWED	January 1, 2018 – December 31, 2020 (Retail Lending) May 8, 2018 – July 12, 2021 (Community Development)
FINANCIAL INSTITUTION	PRODUCTS REVIEWED
Pacific Premier Bank Irvine, California	<ul style="list-style-type: none"> – Home Mortgage (Purchase, Refinance, Home Improvement, Multifamily) – Small Business – Small Farm – Community Development Loans

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
Assessment Area	Type of Examination	Branches Visited	Other Information
California <ul style="list-style-type: none"> • Greater Los Angeles • San Luis Obispo • San Diego • Santa Barbara 	Full Limited Limited Limited	0 0 0 0	
Washington <ul style="list-style-type: none"> • Washington 	Full	0	
Arizona <ul style="list-style-type: none"> • Tucson • Phoenix 	Full Limited	0 0	
Multistate MSA <ul style="list-style-type: none"> • Vancouver 	Full	0	
Nevada <ul style="list-style-type: none"> • Las Vegas 	Full	0	

APPENDIX B

SUMMARY OF RATINGS

SUMMARY OF RATINGS				
STATE/ MULTISTATE MSA	LENDING TEST RATING	INVESTMENT TEST RATING	SERVICE TEST RATING	OVERALL RATING
California	Outstanding	Outstanding	High Satisfactory	Outstanding
Washington	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
Arizona	Outstanding	Low Satisfactory	High Satisfactory	Satisfactory
Vancouver Multistate MSA	Outstanding	High Satisfactory	High Satisfactory	Outstanding
Nevada	Outstanding	High Satisfactory	High Satisfactory	Outstanding

APPENDIX C

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 Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

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

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 D

LIMITED-SCOPE ASSESSMENT AREA

MARKET PROFILES

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

- U.S. Census Bureau, Annual Resident Population Estimates for States and Counties, July 1, 2020; available from <https://www.census.gov/programs-surveys/popest/technical-documentation/research/evaluation-estimates/2020-evaluation-estimates/2010s-counties-total.html>.
- Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2021; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.
- FFIEC Adjusted Median Family Income; available from: <https://www.ffiec.gov/MedianIncome.htm>.

San Luis Obispo

The San Luis Obispo assessment area consists of San Luis Obispo County, which forms the San Luis Obispo-Paso Robles, CA MSA. The area is bordered by Monterey County to the north, Kern County to the east, Santa Barbara County to the south, and the Pacific Ocean to the west. As of 2020, the assessment area had a population of 282,249 people.

There were 16 FDIC-insured institutions operating 65 offices with total deposits of \$8.9 billion in the area as of June 30, 2021. Pacific Premier Bank (PPB) operated nine branches in the area and held \$1.4 billion in deposits, which accounted for 16.10 percent of the deposit market share. In 2019, there were 93 lenders reporting small business loans pursuant to the reporting requirements of the CRA. These lenders, which represent only a portion of the overall commercial lending market, extended 9,004 small business loans totaling \$311 million. PPB ranked 9th and extended 465 small business loans totaling \$53 million.

Exhibit 36 on the following page present key demographic and business information concerning the assessment area.

EXHIBIT 36 ASSESSMENT AREA DEMOGRAPHICS SAN LUIS OBISPO ASSESSMENT AREA 2020 FFIEC CENSUS AND 2020 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	13,777	21.0
Moderate-income	7	13.0	9,046	13.8	1,297	14.3	11,923	18.2
Middle-income	34	63.0	45,895	70.1	3,177	6.9	13,219	20.2
Upper-income	8	14.8	10,242	15.6	434	4.2	26,589	40.6
Unknown-income	5	9.3	325	0.5	42	12.9	0	0.0
Total AA	54	100.0	65,508	100.0	4,950	7.6	65,508	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	16,822	5,532	9.3	32.9	9,489	56.4	1,801	10.7
Middle-income	81,472	42,840	71.7	52.6	27,804	34.1	10,828	13.3
Upper-income	18,962	11,055	18.5	58.3	5,533	29.2	2,374	12.5
Unknown-income	1,550	287	0.5	18.5	1,036	66.8	227	14.6
Total AA	118,806	59,714	100.0	50.3	43,862	36.9	15,230	12.8
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	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	3,802	21.3	3,572	21.3	207	19.9	23	32.9
Middle-income	10,637	59.5	10,006	59.6	598	57.4	33	47.1
Upper-income	3,343	18.7	3,105	18.5	224	21.5	14	20.0
Unknown-income	107	0.6	95	0.6	12	1.2	0	0.0
Total AA	17,889	100.0	16,778	100.0	1,041	100.0	70	100.0
% of Total Businesses				93.8		5.8		0.4
2021 Adjusted Median Family Income			\$97,800					

Data regarding PPB's deposits, loans, investments, and branches may be found in the Core Tables.

San Diego

The San Diego assessment area consists of San Diego County, which forms the San Diego-Chula Vista-Carlsbad, California MSA. The area is bordered by Orange and Riverside counties to the north, Imperial County to the east, the U.S.-Mexico border to the south, and the Pacific Ocean to the west. As of 2020, the assessment area had a population of 3.3 million people.

There were 48 FDIC-insured institutions operating 520 offices with total deposits of \$137 billion in the area as of June 30, 2021. PPB operated six branches in the area and held \$971 million in deposits, which accounted for 0.71 percent of the deposit market share. In 2019, there were 161 lenders reporting small business loans pursuant to the reporting requirements of the CRA. These lenders, which represent only a portion of the overall commercial lending market, extended 100,874 small business loans totaling \$2.8 billion. In 2019, PPB ranked 24th and extended 221 small business loans totaling \$42 million.

Exhibit 37 on the following page presents key demographic and business information concerning the assessment area.

EXHIBIT 37 ASSESSMENT AREA DEMOGRAPHICS SAN DIEGO ASSESSMENT AREA 2020 FFIEC CENSUS AND 2020 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	61	9.7	57,401	7.8	18,951	33.0	172,423	23.6
Moderate-income	142	22.6	158,623	21.7	25,027	15.8	123,833	16.9
Middle-income	204	32.5	236,551	32.3	20,679	8.7	130,363	17.8
Upper-income	214	34.1	278,708	38.1	13,088	4.7	304,709	41.7
Unknown-income	7	1.1	45	0.0	0	0.0	0	0.0
Total AA	628	100.0	731,328	100.0	77,745	10.6	731,328	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	90,459	16,148	2.8	17.9	67,684	74.8	6,627	7.3
Moderate-income	255,834	87,646	15.1	34.3	148,426	58.0	19,762	7.7
Middle-income	403,508	205,291	35.5	50.9	168,950	41.9	29,267	7.3
Upper-income	430,949	269,968	46.6	62.6	129,999	30.2	30,982	7.2
Unknown-income	56	26	0.0	46.4	19	33.9	11	19.6
Total AA	1,180,806	579,079	100.0	49.0	515,078	43.6	86,649	7.3
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	10,142	5.7	9,361	5.7	730	6.1	51	5.9
Moderate-income	27,821	15.6	25,929	15.7	1,772	14.7	120	14.0
Middle-income	62,744	35.3	58,004	35.2	4,516	37.5	224	26.0
Upper-income	76,962	43.3	71,499	43.4	4,999	41.5	464	54.0
Unknown-income	145	0.1	128	0.1	16	0.1	1	0.1
Total AA	177,814	100.0	164,921	100.0	12,033	100.0	860	100.0
% of Total Businesses				92.7		6.8		0.5
2021 Adjusted Median Family Income			\$95,100					

Data regarding PPB's deposits, loans, investments, and branches may be found in the Core Tables.

Santa Barbara

The Santa Barbara assessment area consists of Santa Barbara County, which forms the Santa Maria-Santa Barbara, California MSA. The area is bordered by San Luis Obispo County to the north, Ventura County to the east, and the Pacific Ocean to the south and west. As of 2020, the assessment area had a population of 444,766 people.

There were 20 FDIC-insured institutions operating 90 offices with total deposits of \$17 billion in the area as of June 30, 2021. PPB operated two branches in the area and held \$664 million in deposits, which accounted for 3.92 percent of the deposit market share. In 2019, there were 102 lenders reporting small business loans pursuant to the reporting requirements of the CRA. These lenders, which represent only a portion of the overall commercial lending market, extended 10,981 small business loans totaling \$335 million. PPB ranked 9th and extended 222 small business loans totaling \$34 million.

Exhibit 38 on the following page present key demographic and business information concerning the assessment area.

EXHIBIT 38 ASSESSMENT AREA DEMOGRAPHICS SANTA BARBARA ASSESSMENT AREA 2020 FFIEC CENSUS AND 2020 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	8	8.9	8,221	8.8	2,339	28.5	21,869	23.4
Moderate-income	23	25.6	22,949	24.6	4,197	18.3	15,701	16.8
Middle-income	23	25.6	27,423	29.3	1,606	5.9	17,013	18.2
Upper-income	32	35.6	34,850	37.3	1,240	3.6	38,890	41.6
Unknown-income	4	4.4	30	0.0	0	0.0	0	0.0
Total AA	90	100.0	93,473	100.0	9,382	10.0	93,473	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	14,466	2,286	3.1	15.8	11,378	78.7	802	5.5
Moderate-income	36,611	11,539	15.6	31.5	22,384	61.1	2,688	7.3
Middle-income	44,310	25,270	34.1	57.0	16,525	37.3	2,515	5.7
Upper-income	58,678	34,988	47.2	59.6	18,307	31.2	5,383	9.2
Unknown-income	70	0	0.0	0.0	36	51.4	34	48.6
Total AA	154,135	74,083	100.0	48.1	68,630	44.5	11,422	7.4
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	1,139	5.0	1,066	5.1	66	3.9	7	6.6
Moderate-income	6,852	30.2	6,165	29.5	661	39.1	26	24.5
Middle-income	5,772	25.5	5,279	25.3	468	27.7	25	23.6
Upper-income	8,790	38.8	8,283	39.7	459	27.1	48	45.3
Unknown-income	121	0.5	84	0.4	37	2.2	0	0.0
Total AA	22,674	100.0	20,877	100.0	1,691	100.0	106	100.0
% of Total Businesses				92.1		7.5		0.5
2021 Adjusted Median Family Income			\$90,100					

Data regarding PPB's deposits, loans, investments, and branches may be found in the Core Tables.

Phoenix

The Phoenix assessment area consists of Maricopa County, which forms a part of the Phoenix-Mesa-Chandler, AZ MSA. The area is bordered by Yavapai County to the north, Gila and Pinal counties to the east, Pima County to the south, and La Paz and Yuma counties to the west. As of 2020, the assessment area had a population of 4.6 million people.

There were 58 FDIC-insured institutions operating 693 offices with total deposits of \$154 billion in the area as of June 30, 2021. PPB operated one branch in the area and held \$253 million in deposits, which accounted for 0.16 percent of the deposit market share. In 2019, there were 212 lenders reporting small business loans pursuant to the reporting requirements of the CRA. These lenders, which represent only a portion of the overall commercial lending market, extended 107,488 small business loans totaling \$3.2 million. PPB ranked 13th and extended 187 small business loans totaling \$22 million.

Exhibit 39 on the following page present key demographic and business information concerning the assessment area.

EXHIBIT 39 ASSESSMENT AREA DEMOGRAPHICS PHOENIX ASSESSMENT AREA 2020 FFIEC CENSUS AND 2020 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	105	11.5	85,067	9.0	36,258	42.6	205,737	21.8
Moderate-income	206	22.5	196,635	20.8	40,849	20.8	159,469	16.9
Middle-income	286	31.2	304,008	32.2	26,996	8.9	181,287	19.2
Upper-income	306	33.4	359,132	38.0	14,476	4.0	398,622	42.2
Unknown-income	13	1.4	273	0.0	66	24.2	0	0.0
Total AA	916	100.0	945,115	100.0	118,645	12.6	945,115	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	163,664	39,860	4.6	24.4	97,211	59.4	26,593	16.2
Moderate-income	389,700	164,966	18.8	42.3	166,953	42.8	57,781	14.8
Middle-income	555,842	303,545	34.7	54.6	177,191	31.9	75,106	13.5
Upper-income	557,288	366,734	41.9	65.8	124,339	22.3	66,215	11.9
Unknown-income	2,061	222	0.0	10.8	1,497	72.6	342	16.6
Total AA	1,668,555	875,327	100.0	52.5	567,191	34.0	226,037	13.5
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	16,059	6.6	13,961	6.2	1,880	13.8	218	7.6
Moderate-income	40,654	16.7	37,226	16.4	3,107	22.7	321	11.2
Middle-income	69,132	28.4	65,016	28.7	3,447	25.2	669	23.3
Upper-income	116,007	47.7	109,352	48.2	5,005	36.6	1,650	57.6
Unknown-income	1,351	0.6	1,114	0.5	228	1.7	9	0.3
Total AA	243,203	100.0	226,669	100.0	13,667	100.0	2,867	100.0
% of Total Businesses				93.2		5.6		1.2
2021 Adjusted Median Family Income			\$79,000					

Data regarding PPB's deposits, loans, investments, and branches may be found in the Core Tables.

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CRA CORE TABLES

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PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of California

Table 1 - Lending Volume of Reported Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	% of Rated Area Loans	Small Business Loans		Small Farm Loans		All HMDA Loans		Community Development Loans		Total Reported Loans		% of Rated Area Deposits
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<i>Full Scope</i>												
Greater Los Angeles	66.2	5,252	1,176,446	4	800	740	1,957,059	802	1,874,781	6,798	5,009,086	73.7
Broader Statewide/Regional Area	N/A	0	0	0	0	0	0	149	348,213	149	348,213	N/A
<i>Limited Scope</i>												
San Luis Obispo	15.8	1,490	229,365	50	9,138	11	21,051	70	156,909	1,621	416,463	14.0
San Diego	10.3	732	166,045	0	0	184	336,576	138	304,179	1,054	806,800	6.5
Santa Barbara	7.7	711	131,325	23	6,725	10	14,445	49	96,964	793	249,459	5.8

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of California

Table 2 - Geographic Distribution of Small Business Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Loans from Bank		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Business Entities (%)	Bank Loans (%)	Business Entities (%)	Bank Loans (%)	Business Entities (%)	Bank Loans (%)	Business Entities (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
<i>Full Scope</i>																			
Greater Los Angeles 2018	979	66.1	6.8	5.0	26.9	21.2	32.3	27.8	34.0	46.0	4.4	20.3	27.4	47.9	0.2	0.2	0.2	0.2	0.1
Greater Los Angeles 2019	1,553	63.0	7.5	5.0	26.9	21.3	31.2	27.8	34.4	45.9	4.7	20.5	27.3	47.5	0.2	0.4	0.3	0.3	0.2
Greater Los Angeles 2020	2,626	63.7	6.8	5.0	27.8	21.2	31.4	27.7	34.0	46.1	5.0	20.7	27.1	47.2	0.4	0.6	0.6	0.5	0.3
<i>Limited Scope</i>																			
San Luis Obispo 2018	247	16.7	0.0	0.0	20.6	21.3	59.1	60.2	20.2	18.5	0.0	18.5	61.0	20.4	2.8	0.0	3.1	2.7	2.8
San Luis Obispo 2019	464	18.8	0.0	0.0	19.6	21.2	63.1	60.2	17.2	18.6	0.0	18.6	61.9	19.5	5.0	0.0	5.2	5.1	4.4
San Luis Obispo 2020	771	18.7	0.0	0.0	21.9	21.4	57.3	59.8	20.8	18.8	0.0	20.1	59.3	20.6	7.8	0.0	8.5	7.5	7.8
San Diego 2018	128	8.6	3.9	5.7	12.5	15.7	39.1	35.4	44.5	43.3	4.7	14.0	34.5	46.9	0.1	0.1	0.1	0.1	0.1
San Diego 2019	227	9.2	11.5	5.7	10.1	15.7	29.5	35.3	48.9	43.3	4.9	14.1	34.5	46.4	0.2	0.5	0.1	0.2	0.2
San Diego 2020	363	8.8	7.4	5.7	9.9	15.7	39.1	35.3	43.5	43.3	5.2	14.1	34.8	45.9	0.3	0.5	0.2	0.4	0.3
Santa Barbara 2018	126	8.5	3.2	5.1	47.6	29.9	28.6	25.5	20.6	39.5	4.3	30.1	25.7	39.9	1.1	0.8	1.8	1.3	0.6
Santa Barbara 2019	221	9.0	5.0	5.2	39.8	30.1	30.3	25.6	24.9	39.1	4.1	30.3	25.6	40.0	1.9	2.3	2.5	2.3	1.2
Santa Barbara 2020	361	8.8	6.4	5.1	43.2	30.4	31.3	25.6	19.1	39.0	3.7	31.3	25.2	39.8	2.7	4.6	3.7	3.4	1.3

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of California

Table 3 - Geographic Distribution of Small Farm Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Loans from Bank		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Farm Entities (%)	Bank Loans (%)	Farm Entities (%)	Bank Loans (%)	Farm Entities (%)	Bank Loans (%)	Farm Entities (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
<i>Full Scope</i>																			
Greater Los Angeles 2018	1	4.3	0.0	3.4	0.0	16.7	100.0	29.0	0.0	50.9	3.9	17.6	28.5	50.0	0.1	0.0	0.0	0.4	0.0
Greater Los Angeles 2019	2	6.7	0.0	3.3	0.0	17.4	50.0	28.3	50.0	51.0	2.9	17.0	29.9	50.2	0.2	0.0	0.0	0.4	0.2
Greater Los Angeles 2020	1	4.2	0.0	3.5	0.0	17.4	0.0	27.9	100.0	51.1	3.7	17.2	26.2	52.9	0.1	0.0	0.0	0.0	0.2
<i>Limited Scope</i>																			
San Luis Obispo 2018	13	56.5	0.0	0.0	30.8	7.4	69.2	76.2	0.0	16.4	0.0	8.8	71.6	19.6	6.4	0.0	22.2	6.2	0.0
San Luis Obispo 2019	18	60.0	0.0	0.0	22.2	7.3	72.2	76.0	5.6	16.7	0.0	7.4	74.5	18.1	8.8	0.0	26.7	8.6	2.7
San Luis Obispo 2020	19	79.2	0.0	0.0	5.3	6.7	84.2	75.2	10.5	18.1	0.0	4.9	80.2	14.8	10.4	0.0	11.1	11.0	7.4
San Diego 2018	0	0.0	0.0	1.4	0.0	12.6	0.0	37.2	0.0	48.8	1.0	13.9	39.4	45.6	0.0	0.0	0.0	0.0	0.0
San Diego 2019	0	0.0	0.0	1.3	0.0	13.2	0.0	36.1	0.0	49.4	1.9	9.7	37.4	51.1	0.0	0.0	0.0	0.0	0.0
San Diego 2020	0	0.0	0.0	1.2	0.0	13.5	0.0	35.9	0.0	49.4	2.2	11.5	38.0	48.3	0.0	0.0	0.0	0.0	0.0
Santa Barbara 2018	9	39.1	0.0	4.5	44.4	15.1	33.3	23.2	22.2	57.2	5.5	16.6	29.1	48.7	4.5	0.0	12.1	5.2	2.1
Santa Barbara 2019	10	33.3	0.0	4.0	40.0	14.5	40.0	23.3	20.0	58.3	5.2	12.7	36.2	46.0	4.7	0.0	14.8	5.2	2.0
Santa Barbara 2020	4	16.7	0.0	4.1	25.0	14.6	50.0	22.9	25.0	58.4	7.6	14.6	36.8	40.9	2.3	0.0	4.0	3.2	1.4

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of California

Table 4 - Geographic Distribution of Home Purchase Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Loans from Bank		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Owner Occ Units (%)	Bank Loans (%)	Owner Occ Units (%)	Bank Loans (%)	Owner Occ Units (%)	Bank Loans (%)	Owner Occ Units (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
<i>Full Scope</i>																			
Greater Los Angeles 2018	5	41.7	0.0	2.6	40.0	18.6	20.0	30.3	40.0	48.5	3.1	19.7	32.0	45.2	0.0	0.0	0.0	0.0	0.0
Greater Los Angeles 2019	1	50.0	100.0	2.6	0.0	18.6	0.0	30.3	0.0	48.5	2.8	19.4	32.1	45.8	0.0	0.0	0.0	0.0	0.0
Greater Los Angeles 2020	5	100.0	0.0	2.6	0.0	18.6	20.0	30.3	80.0	48.5	2.5	17.8	31.8	47.9	0.0	0.0	0.0	0.0	0.0
<i>Limited Scope</i>																			
San Luis Obispo 2018	3	25.0	0.0	0.0	100.0	9.3	0.0	72.1	0.0	18.6	0.0	11.0	76.1	12.9	0.0	0.0	0.0	0.0	0.0
San Luis Obispo 2019	0	0.0	0.0	0.0	0.0	9.3	0.0	72.1	0.0	18.6	0.0	10.7	73.2	16.1	0.0	0.0	0.0	0.0	0.0
San Luis Obispo 2020	0	0.0	0.0	0.0	0.0	9.3	0.0	72.1	0.0	18.6	0.0	10.8	73.2	16.0	0.0	0.0	0.0	0.0	0.0
San Diego 2018	2	16.7	0.0	2.8	0.0	15.1	50.0	35.5	50.0	46.6	3.5	16.8	34.5	45.3	0.0	0.0	0.0	0.0	0.0
San Diego 2019	1	50.0	0.0	2.8	0.0	15.1	100.0	35.5	0.0	46.6	3.1	16.7	34.1	46.1	0.0	0.0	0.0	0.0	0.0
San Diego 2020	0	0.0	0.0	2.8	0.0	15.1	0.0	35.5	0.0	46.6	3.2	16.0	34.8	45.9	0.0	0.0	0.0	0.0	0.0
Santa Barbara 2018	2	16.7	50.0	3.1	0.0	15.6	50.0	34.1	0.0	47.2	4.5	22.0	38.6	34.9	0.0	0.0	0.0	0.0	0.0
Santa Barbara 2019	0	0.0	0.0	3.1	0.0	15.6	0.0	34.1	0.0	47.2	4.2	21.3	36.7	37.9	0.0	0.0	0.0	0.0	0.0
Santa Barbara 2020	0	0.0	0.0	3.1	0.0	15.6	0.0	34.1	0.0	47.2	3.2	20.1	35.2	41.5	0.0	0.0	0.0	0.0	0.0

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of California

Table 5 - Geographic Distribution of Home Mortgage Refinance Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Loans from Bank		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Owner Occ Units (%)	Bank Loans (%)	Owner Occ Units (%)	Bank Loans (%)	Owner Occ Units (%)	Bank Loans (%)	Owner Occ Units (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
<i>Full Scope</i>																			
Greater Los Angeles 2018	11	22.4	18.2	2.6	18.2	18.6	9.1	30.3	54.5	48.5	2.8	18.9	31.1	47.3	0.0	0.0	0.0	0.0	0.0
Greater Los Angeles 2019	8	66.7	12.5	2.6	12.5	18.6	0.0	30.3	75.0	48.5	2.2	16.3	30.2	51.3	0.0	0.0	0.0	0.0	0.0
Greater Los Angeles 2020	2	66.7	0.0	2.6	0.0	18.6	50.0	30.3	50.0	48.5	1.8	14.2	29.2	54.9	0.0	0.0	0.0	0.0	0.0
<i>Limited Scope</i>																			
San Luis Obispo 2018	2	4.1	0.0	0.0	0.0	9.3	50.0	72.1	50.0	18.6	0.0	10.8	73.0	16.2	0.0	0.0	0.0	0.0	0.0
San Luis Obispo 2019	0	0.0	0.0	0.0	0.0	9.3	0.0	72.1	0.0	18.6	0.0	10.2	72.6	17.2	0.0	0.0	0.0	0.0	0.0
San Luis Obispo 2020	0	0.0	0.0	0.0	0.0	9.3	0.0	72.1	0.0	18.6	0.0	9.5	73.3	17.1	0.0	0.0	0.0	0.0	0.0
San Diego 2018	36	73.5	11.1	2.8	27.8	15.1	52.8	35.5	8.3	46.6	3.5	16.4	35.2	44.9	0.0	0.0	0.0	0.0	0.0
San Diego 2019	4	33.3	0.0	2.8	0.0	15.1	75.0	35.5	25.0	46.6	2.6	14.1	35.5	47.7	0.0	0.0	0.0	0.0	0.0
San Diego 2020	1	33.3	0.0	2.8	0.0	15.1	100.0	35.5	0.0	46.6	2.1	12.4	34.0	51.4	0.0	0.0	0.0	0.0	0.0
Santa Barbara 2018	0	0.0	0.0	3.1	0.0	15.6	0.0	34.1	0.0	47.2	4.6	17.9	34.7	42.9	0.0	0.0	0.0	0.0	0.0
Santa Barbara 2019	0	0.0	0.0	3.1	0.0	15.6	0.0	34.1	0.0	47.2	3.1	17.0	36.4	43.5	0.0	0.0	0.0	0.0	0.0
Santa Barbara 2020	0	0.0	0.0	3.1	0.0	15.6	0.0	34.1	0.0	47.2	2.7	16.2	36.3	44.9	0.0	0.0	0.0	0.0	0.0

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of California

Table 6 - Geographic Distribution of Home Improvement Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Loans from Bank		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Owner Occ Units (%)	Bank Loans (%)	Owner Occ Units (%)	Bank Loans (%)	Owner Occ Units (%)	Bank Loans (%)	Owner Occ Units (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
<i>Full Scope</i>																			
Greater Los Angeles 2018	0	0.0	0.0	2.6	0.0	18.6	0.0	30.3	0.0	48.5	1.8	13.6	27.1	57.4	0.0	0.0	0.0	0.0	0.0
Greater Los Angeles 2019	1	100.0	0.0	2.6	0.0	18.6	0.0	30.3	100.0	48.5	1.6	13.0	27.0	58.4	0.0	0.0	0.0	0.0	0.0
Greater Los Angeles 2020	0	0.0	0.0	2.6	0.0	18.6	0.0	30.3	0.0	48.5	1.3	11.8	25.2	61.7	0.0	0.0	0.0	0.0	0.0
<i>Limited Scope</i>																			
San Luis Obispo 2018	0	0.0	0.0	0.0	0.0	9.3	0.0	72.1	0.0	18.6	0.0	8.3	69.4	22.3	0.0	0.0	0.0	0.0	0.0
San Luis Obispo 2019	0	0.0	0.0	0.0	0.0	9.3	0.0	72.1	0.0	18.6	0.0	6.5	72.4	21.0	0.0	0.0	0.0	0.0	0.0
San Luis Obispo 2020	0	0.0	0.0	0.0	0.0	9.3	0.0	72.1	0.0	18.6	0.0	5.9	71.1	23.0	0.0	0.0	0.0	0.0	0.0
San Diego 2018	0	0.0	0.0	2.8	0.0	15.1	0.0	35.5	0.0	46.6	1.9	11.9	34.3	51.9	0.0	0.0	0.0	0.0	0.0
San Diego 2019	0	0.0	0.0	2.8	0.0	15.1	0.0	35.5	0.0	46.6	2.2	10.8	34.0	52.9	0.0	0.0	0.0	0.0	0.0
San Diego 2020	1	100.0	0.0	2.8	0.0	15.1	100.0	35.5	0.0	46.6	2.0	10.2	31.2	56.6	0.0	0.0	0.0	0.0	0.0
Santa Barbara 2018	0	0.0	0.0	3.1	0.0	15.6	0.0	34.1	0.0	47.2	1.3	11.7	29.7	57.4	0.0	0.0	0.0	0.0	0.0
Santa Barbara 2019	0	0.0	0.0	3.1	0.0	15.6	0.0	34.1	0.0	47.2	1.4	13.5	30.7	54.3	0.0	0.0	0.0	0.0	0.0
Santa Barbara 2020	0	0.0	0.0	3.1	0.0	15.6	0.0	34.1	0.0	47.2	0.8	11.3	25.2	62.7	0.0	0.0	0.0	0.0	0.0

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of California

Table 7 - Geographic Distribution of Multifamily Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Loans from Bank		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Multifamily Units (%)	Bank Loans (%)	Multifamily Units (%)	Bank Loans (%)	Multifamily Units (%)	Bank Loans (%)	Multifamily Units (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
<i>Full Scope</i>																			
Greater Los Angeles 2018	206	82.1	20.9	2.6	43.2	18.6	22.8	30.3	13.1	48.5	15.3	39.3	23.4	22.0	0.0	0.0	0.0	0.0	0.0
Greater Los Angeles 2019	296	80.0	20.9	2.6	42.2	18.6	18.9	30.3	17.9	48.5	15.0	38.0	22.6	24.4	0.0	0.0	0.0	0.0	0.0
Greater Los Angeles 2020	202	84.5	28.7	2.6	37.6	18.6	20.8	30.3	12.9	48.5	16.0	37.1	23.2	23.7	0.0	0.0	0.0	0.0	0.0
<i>Limited Scope</i>																			
San Luis Obispo 2018	0	0.0	0.0	0.0	0.0	9.3	0.0	72.1	0.0	18.6	0.0	21.1	55.3	23.7	0.0	0.0	0.0	0.0	0.0
San Luis Obispo 2019	1	0.3	0.0	0.0	100.0	9.3	0.0	72.1	0.0	18.6	0.0	35.3	41.2	23.5	0.0	0.0	0.0	0.0	0.0
San Luis Obispo 2020	3	1.3	0.0	0.0	0.0	9.3	100.0	72.1	0.0	18.6	0.0	31.3	59.4	9.4	0.0	0.0	0.0	0.0	0.0
San Diego 2018	41	16.3	36.6	2.8	31.7	15.1	26.8	35.5	4.9	46.6	24.2	36.4	28.9	10.5	0.0	0.0	0.0	0.0	0.0
San Diego 2019	66	17.8	47.0	2.8	33.3	15.1	18.2	35.5	1.5	46.6	25.2	33.5	27.3	14.0	0.0	0.0	0.0	0.0	0.0
San Diego 2020	32	13.4	28.1	2.8	40.6	15.1	18.8	35.5	12.5	46.6	24.5	35.0	28.1	12.4	0.0	0.0	0.0	0.0	0.0
Santa Barbara 2018	2	0.8	0.0	3.1	50.0	15.6	50.0	34.1	0.0	47.2	22.2	44.4	12.7	20.6	0.0	0.0	0.0	0.0	0.0
Santa Barbara 2019	4	1.1	25.0	3.1	50.0	15.6	0.0	34.1	25.0	47.2	18.4	34.5	23.0	24.1	0.0	0.0	0.0	0.0	0.0
Santa Barbara 2020	2	0.8	50.0	3.1	0.0	15.6	50.0	34.1	0.0	47.2	22.5	35.0	27.5	15.0	0.0	0.0	0.0	0.0	0.0

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of California

Table 8 - Borrower Distribution of Small Business Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Small Business Loans		Businesses with Revenue <= \$1 Million		Originations Regardless of Revenue Size			Aggregate Lending (%)		Market Share (%)	
	Bank Loans (#)	% Rated Area Total	Bank Loans (%)	All Businesses (%)	<= \$100K	> \$100K and <= \$250K	> \$250K and <= \$1 Million	All Loans	Loans to Revenue <= \$1 Million (%)	All Loans	Loans to Revenue <= \$1 Million (%)
<i>Full Scope</i>											
Greater Los Angeles 2018	999	66.4	30.0	91.4	41.5	22.1	36.3	566,373	47.0	0.2	0.1
Greater Los Angeles 2019	1,581	63.3	48.6	91.7	57.1	16.5	26.4	607,650	50.6	0.2	0.2
Greater Los Angeles 2020	2,672	63.9	18.4	91.9	48.7	22.6	28.7	634,814	41.3	0.4	0.2
<i>Limited Scope</i>											
San Luis Obispo 2018	249	16.5	35.3	93.4	47.0	24.5	28.5	8,824	41.7	2.8	2.4
San Luis Obispo 2019	465	18.6	66.0	93.7	72.7	13.3	14.0	9,384	46.7	5.0	7.0
San Luis Obispo 2020	776	18.6	19.6	93.8	62.2	18.8	18.9	9,930	32.2	7.8	4.8
San Diego 2018	131	8.7	34.4	92.2	38.9	23.7	37.4	98,589	45.5	0.1	0.1
San Diego 2019	231	9.2	50.2	92.5	55.4	17.3	27.3	105,095	49.2	0.2	0.2
San Diego 2020	370	8.8	18.6	92.7	46.2	25.7	28.1	108,032	41.1	0.3	0.2
Santa Barbara 2018	126	8.4	40.5	91.6	44.4	20.6	34.9	11,059	40.4	1.1	1.1
Santa Barbara 2019	222	8.9	60.4	92.0	70.7	10.4	18.9	11,514	44.5	1.9	2.6
Santa Barbara 2020	363	8.7	19.8	92.1	54.5	23.1	22.3	13,471	32.3	2.7	1.7

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of California

Table 9 - Borrower Distribution of Small Farm Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Small Farm Loans		Farms with Revenue <= \$1 Million		Originations Regardless of Revenue Size			Aggregate Lending (%)		Market Share (%)	
	Bank Loans (#)	% Rated Area Total	Bank Loans (%)	All Farms (%)	<= \$100K	> \$100K and <= \$250K	> \$250K and <= \$1 Million	All Loans	Loans to Revenue <= \$1 Million (%)	All Loans	Loans to Revenue <= \$1 Million (%)
<i>Full Scope</i>											
Greater Los Angeles 2018	1	4.3	0.0	94.9	0.0	0.0	100.0	847	47.0	0.1	0.0
Greater Los Angeles 2019	2	6.7	50.0	95.3	50.0	0.0	50.0	926	54.0	0.2	0.2
Greater Los Angeles 2020	1	4.2	100.0	95.5	100.0	0.0	0.0	925	47.6	0.1	0.2
<i>Limited Scope</i>											
San Luis Obispo 2018	13	56.5	23.1	94.5	30.8	30.8	38.5	206	50.0	6.3	2.9
San Luis Obispo 2019	18	60.0	27.8	94.5	38.9	38.9	22.2	205	51.2	8.8	4.8
San Luis Obispo 2020	19	79.2	26.3	94.9	52.6	31.6	15.8	187	48.7	10.2	5.5
San Diego 2018	0	0.0	0.0	95.5	0.0	0.0	0.0	288	54.5	0.0	0.0
San Diego 2019	0	0.0	0.0	95.7	0.0	0.0	0.0	324	62.0	0.0	0.0
San Diego 2020	0	0.0	0.0	95.8	0.0	0.0	0.0	360	55.0	0.0	0.0
Santa Barbara 2018	9	39.1	0.0	87.7	0.0	44.4	55.6	200	40.0	4.5	0.0
Santa Barbara 2019	10	33.3	10.0	88.3	10.0	30.0	60.0	213	39.9	4.7	1.2
Santa Barbara 2020	4	16.7	75.0	89.1	25.0	25.0	50.0	172	40.1	2.3	4.3

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of California

Table 10 - Borrower Distribution of Home Purchase Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Loans from Bank		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Families (%)	Bank Loans (%)	Families (%)	Bank Loans (%)	Families (%)	Bank Loans (%)	Families (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
<i>Full Scope</i>																			
Greater Los Angeles 2018	2	66.7	0.0	24.0	0.0	16.4	0.0	17.5	100.0	42.1	3.1	7.0	19.1	70.8	0.0	0.0	0.0	0.0	0.0
Greater Los Angeles 2019	0	0.0	0.0	24.0	0.0	16.4	0.0	17.5	0.0	42.1	2.0	7.6	21.0	69.3	0.0	0.0	0.0	0.0	0.0
Greater Los Angeles 2020	0	0.0	0.0	24.0	0.0	16.4	0.0	17.5	0.0	42.1	2.1	8.6	22.2	67.1	0.0	0.0	0.0	0.0	0.0
<i>Limited Scope</i>																			
San Luis Obispo 2018	1	33.3	0.0	21.0	0.0	18.2	0.0	20.2	100.0	40.6	2.2	5.9	19.4	72.4	0.0	0.0	0.0	0.0	0.0
San Luis Obispo 2019	0	0.0	0.0	21.0	0.0	18.2	0.0	20.2	0.0	40.6	1.9	8.8	22.3	67.0	0.0	0.0	0.0	0.0	0.0
San Luis Obispo 2020	0	0.0	0.0	21.0	0.0	18.2	0.0	20.2	0.0	40.6	2.0	11.4	25.1	61.5	0.0	0.0	0.0	0.0	0.0
San Diego 2018	0	0.0	0.0	23.6	0.0	16.9	0.0	17.8	0.0	41.7	2.2	6.7	21.9	69.2	0.0	0.0	0.0	0.0	0.0
San Diego 2019	0	0.0	0.0	23.6	0.0	16.9	0.0	17.8	0.0	41.7	1.9	8.0	23.5	66.6	0.0	0.0	0.0	0.0	0.0
San Diego 2020	0	0.0	0.0	23.6	0.0	16.9	0.0	17.8	0.0	41.7	1.6	9.6	25.5	63.3	0.0	0.0	0.0	0.0	0.0
Santa Barbara 2018	0	0.0	0.0	23.4	0.0	16.8	0.0	18.2	0.0	41.6	2.0	9.3	23.5	65.2	0.0	0.0	0.0	0.0	0.0
Santa Barbara 2019	0	0.0	0.0	23.4	0.0	16.8	0.0	18.2	0.0	41.6	1.0	8.3	24.5	66.2	0.0	0.0	0.0	0.0	0.0
Santa Barbara 2020	0	0.0	0.0	23.4	0.0	16.8	0.0	18.2	0.0	41.6	1.7	10.5	24.6	63.2	0.0	0.0	0.0	0.0	0.0

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of California

Table 11 - Borrower Distribution of Home Mortgage Refinance Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Loans from Bank		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Families (%)	Bank Loans (%)	Families (%)	Bank Loans (%)	Families (%)	Bank Loans (%)	Families (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
<i>Full Scope</i>																			
Greater Los Angeles 2018	1	100.0	0.0	24.0	0.0	16.4	0.0	17.5	100.0	42.1	6.9	11.5	20.8	60.8	0.0	0.0	0.0	0.0	0.0
Greater Los Angeles 2019	0	0.0	0.0	24.0	0.0	16.4	0.0	17.5	0.0	42.1	6.4	8.9	19.6	65.1	0.0	0.0	0.0	0.0	0.0
Greater Los Angeles 2020	0	0.0	0.0	24.0	0.0	16.4	0.0	17.5	0.0	42.1	4.7	9.9	21.7	63.8	0.0	0.0	0.0	0.0	0.0
<i>Limited Scope</i>																			
San Luis Obispo 2018	0	0.0	0.0	21.0	0.0	18.2	0.0	20.2	0.0	40.6	6.9	13.5	24.8	54.8	0.0	0.0	0.0	0.0	0.0
San Luis Obispo 2019	0	0.0	0.0	21.0	0.0	18.2	0.0	20.2	0.0	40.6	5.6	11.6	24.8	58.0	0.0	0.0	0.0	0.0	0.0
San Luis Obispo 2020	0	0.0	0.0	21.0	0.0	18.2	0.0	20.2	0.0	40.6	5.2	15.2	28.0	51.6	0.0	0.0	0.0	0.0	0.0
San Diego 2018	0	0.0	0.0	23.6	0.0	16.9	0.0	17.8	0.0	41.7	6.5	11.7	22.6	59.1	0.0	0.0	0.0	0.0	0.0
San Diego 2019	0	0.0	0.0	23.6	0.0	16.9	0.0	17.8	0.0	41.7	8.1	9.2	20.5	62.2	0.0	0.0	0.0	0.0	0.0
San Diego 2020	0	0.0	0.0	23.6	0.0	16.9	0.0	17.8	0.0	41.7	5.1	11.0	23.3	60.6	0.0	0.0	0.0	0.0	0.0
Santa Barbara 2018	0	0.0	0.0	23.4	0.0	16.8	0.0	18.2	0.0	41.6	7.7	14.8	21.8	55.8	0.0	0.0	0.0	0.0	0.0
Santa Barbara 2019	0	0.0	0.0	23.4	0.0	16.8	0.0	18.2	0.0	41.6	6.5	9.9	20.0	63.7	0.0	0.0	0.0	0.0	0.0
Santa Barbara 2020	0	0.0	0.0	23.4	0.0	16.8	0.0	18.2	0.0	41.6	4.9	12.1	23.9	59.1	0.0	0.0	0.0	0.0	0.0

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of California

Table 12 – Borrower Distribution of Home Improvement Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Loans from Bank		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Families (%)	Bank Loans (%)	Families (%)	Bank Loans (%)	Families (%)	Bank Loans (%)	Families (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
<i>Full Scope</i>																			
Greater Los Angeles 2018	0	0.0	0.0	24.0	0.0	16.4	0.0	17.5	0.0	42.1	3.2	7.0	15.9	73.9	0.0	0.0	0.0	0.0	0.0
Greater Los Angeles 2019	0	0.0	0.0	24.0	0.0	16.4	0.0	17.5	0.0	42.1	3.2	7.2	16.3	73.3	0.0	0.0	0.0	0.0	0.0
Greater Los Angeles 2020	0	0.0	0.0	24.0	0.0	16.4	0.0	17.5	0.0	42.1	3.1	7.8	17.2	71.9	0.0	0.0	0.0	0.0	0.0
<i>Limited Scope</i>																			
San Luis Obispo 2018	0	0.0	0.0	21.0	0.0	18.2	0.0	20.2	0.0	40.6	3.6	7.9	22.9	65.6	0.0	0.0	0.0	0.0	0.0
San Luis Obispo 2019	0	0.0	0.0	21.0	0.0	18.2	0.0	20.2	0.0	40.6	2.7	8.7	23.0	65.6	0.0	0.0	0.0	0.0	0.0
San Luis Obispo 2020	0	0.0	0.0	21.0	0.0	18.2	0.0	20.2	0.0	40.6	7.9	11.8	23.3	57.1	0.0	0.0	0.0	0.0	0.0
San Diego 2018	0	0.0	0.0	23.6	0.0	16.9	0.0	17.8	0.0	41.7	2.7	7.5	18.7	71.1	0.0	0.0	0.0	0.0	0.0
San Diego 2019	0	0.0	0.0	23.6	0.0	16.9	0.0	17.8	0.0	41.7	3.3	8.0	18.7	70.0	0.0	0.0	0.0	0.0	0.0
San Diego 2020	1	100.0	0.0	23.6	0.0	16.9	0.0	17.8	100.0	41.7	3.3	8.7	19.7	68.3	0.0	0.0	0.0	0.0	0.0
Santa Barbara 2018	0	0.0	0.0	23.4	0.0	16.8	0.0	18.2	0.0	41.6	2.7	9.7	19.0	68.6	0.0	0.0	0.0	0.0	0.0
Santa Barbara 2019	0	0.0	0.0	23.4	0.0	16.8	0.0	18.2	0.0	41.6	4.0	9.0	14.8	72.2	0.0	0.0	0.0	0.0	0.0
Santa Barbara 2020	0	0.0	0.0	23.4	0.0	16.8	0.0	18.2	0.0	41.6	2.5	12.0	16.7	68.9	0.0	0.0	0.0	0.0	0.0

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of California

Table 13 - Qualified Investments

Evaluation Period: May 8, 2018 to July 12, 2021

Assessment Areas	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total	#	\$ (000's)
<i>Full Scope</i>									
Greater Los Angeles	14	43,300	471	87,981	485	131,281	45.3	2	108
Broader Statewide/Regional Area	7	108,466	36	5,975	43	114,441	39.5	1	3,249
<i>Limited Scope</i>									
San Luis Obispo	2	11,398	102	16,723	104	28,121	9.7	1	832
San Diego	5	13,450	79	572	84	14,022	4.8	0	0
Santa Barbara	1	1,179	77	892	78	2,071	0.7	0	0

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of California

Table 14 - Distribution of Branch Delivery System and Branch Openings/Closings

Evaluation Period: May 8, 2018 to July 12, 2021

Assessment Areas	Deposits	Branches						Branch Openings / Closings				Population					
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income Level of Geography (%)				# of Branch Openings	# of Branch Closings	Net Change in Location of Branches (+ or -)				% of Population within each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<i>Full Scope</i>																	
Greater Los Angeles	73.7	31	64.6	3.2	19.4	22.6	51.6	29 ¹	16 ²	-1	2	0	12	7.8	28.6	29.0	34.0
<i>Limited Scope</i>																	
San Luis Obispo	14.0	9	18.8	0.0	33.3	55.6	11.1	0	0	0	0	0	0	0.0	13.8	65.8	14.8
San Diego	6.5	6	12.5	0.0	16.7	16.7	66.7	8	5	0	1	1	1	8.9	23.6	32.5	34.7
Santa Barbara	5.8	2	4.2	0.0	100.0	0.0	0.0	3	3	0	0	0	0	12.2	25.8	29.3	32.0

¹ Includes two branches in census tracts where income is unknown.

² Includes two branches in census tracts where income is unknown.

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of Washington

Table 15 - Lending Volume of Reported Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	% of Rated Area Loans	Small Business Loans		Small Farm Loans		All HMDA Loans		Community Development Loans		Total Reported Loans		% of Rated Area Deposits
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<i>Full Scope</i>												
Washington	100.0	91	24,983	0	0	79	391,367	45	168,460	215	584,810	100.0
Broader Statewide/Regional Area	N/A	0	0	0	0	0	0	5	22,791	5	22,791	N/A

Table 16 - Geographic Distribution of Small Business Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Loans from Bank		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Business Entities (%)	Bank Loans (%)	Business Entities (%)	Bank Loans (%)	Business Entities (%)	Bank Loans (%)	Business Entities (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
<i>Full Scope</i>																			
Washington 2018	25	100.0	16.0	5.6	16.0	19.4	40.0	40.4	28.0	34.7	5.5	18.2	40.1	36.1	0.0	0.0	0.0	0.0	0.0
Washington 2019	21	100.0	14.3	5.7	4.8	19.5	42.9	40.3	38.1	34.4	5.9	19.3	39.8	35.0	0.0	0.0	0.0	0.0	0.0
Washington 2020	45	100.0	13.3	5.6	17.8	19.3	37.8	40.3	31.1	34.9	6.1	19.5	40.0	34.3	0.0	0.1	0.0	0.0	0.0

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of Washington

Table 17 - Geographic Distribution of Home Purchase Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Loans from Bank		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Owner Occ Units (%)	Bank Loans (%)	Owner Occ Units (%)	Bank Loans (%)	Owner Occ Units (%)	Bank Loans (%)	Owner Occ Units (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
<i>Full Scope</i>																			
Washington 2018	0	0.0	0.0	2.6	0.0	17.6	0.0	46.4	0.0	33.5	3.1	19.2	47.5	30.2	0.0	0.0	0.0	0.0	0.0
Washington 2019	1	100.0	0.0	2.6	0.0	17.6	0.0	46.4	100.0	33.5	2.7	19.2	48.5	29.7	0.0	0.0	0.0	0.0	0.0
Washington 2020	0	0.0	0.0	2.6	0.0	17.6	0.0	46.4	0.0	33.5	2.7	19.3	48.8	29.2	0.0	0.0	0.0	0.0	0.0

Table 18 - Geographic Distribution of Multifamily Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Loans from Bank		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Multifamily Units (%)	Bank Loans (%)	Multifamily Units (%)	Bank Loans (%)	Multifamily Units (%)	Bank Loans (%)	Multifamily Units (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
<i>Full Scope</i>																			
Washington 2018	30	100.0	23.3	2.6	33.3	17.6	23.3	46.4	20.0	33.5	10.5	28.5	36.7	24.3	0.0	0.0	0.0	0.0	0.0
Washington 2019	37	100.0	10.8	2.6	24.3	17.6	32.4	46.4	32.4	33.5	9.5	27.7	38.5	24.3	0.0	0.0	0.0	0.0	0.0
Washington 2020	11	100.0	9.1	2.6	45.5	17.6	18.2	46.4	27.3	33.5	11.4	28.1	34.9	25.5	0.0	0.0	0.0	0.0	0.0

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of Washington

Table 19 - Borrower Distribution of Small Business Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Small Business Loans		Businesses with Revenue <= \$1 Million		Originations Regardless of Revenue Size			Aggregate Lending (%)		Market Share (%)	
	Bank Loans (#)	% Rated Area Total	Bank Loans (%)	All Businesses (%)	<= \$100K	> \$100K and <= \$250K	> \$250K and <= \$1 Million	All Loans	Loans to Revenue <= \$1 Million (%)	All Loans	Loans to Revenue <= \$1 Million (%)
<i>Full Scope</i>											
Washington 2018	25	100.0	32.0	92.0	24.0	32.0	44.0	90,231	45.2	0.0	0.0
Washington 2019	21	100.0	38.1	92.3	28.6	28.6	42.9	96,040	48.7	0.0	0.0
Washington 2020	45	100.0	44.4	93.0	53.3	11.1	35.6	102,233	40.5	0.0	0.0

Table 20 - Borrower Distribution of Home Purchase Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Loans from Bank		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Families (%)	Bank Loans (%)	Families (%)	Bank Loans (%)	Families (%)	Bank Loans (%)	Families (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
<i>Full Scope</i>																			
Washington 2018	0	0.0	0.0	21.2	0.0	17.6	0.0	20.8	0.0	40.4	3.4	16.0	27.9	52.7	0.0	0.0	0.0	0.0	0.0
Washington 2019	0	0.0	0.0	21.2	0.0	17.6	0.0	20.8	0.0	40.4	3.5	17.7	28.9	49.9	0.0	0.0	0.0	0.0	0.0
Washington 2020	0	0.0	0.0	21.2	0.0	17.6	0.0	20.8	0.0	40.4	4.4	18.4	27.3	49.9	0.0	0.0	0.0	0.0	0.0

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of Washington

Table 21 - Qualified Investments

Evaluation Period: May 8, 2018 to July 12, 2021

Assessment Areas	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total	#	\$ (000's)
<i>Full Scope</i>									
Washington	9	24,557	33	1,235	42	25,792	99.9	8	2,993
Broader Statewide/Regional Area	1	26	0	0	1	26	0.1	0	0

Table 22- Distribution of Branch Delivery System and Branch Openings/Closings

Evaluation Period: May 8, 2018 to July 12, 2021

Assessment Areas	Deposits	Branches						Branch Openings / Closings						Population			
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income Level of Geography (%)				# of Branch Openings	# of Branch Closings	Net Change in Location of Branches (+ or -)				% of Population within each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<i>Full Scope</i>																	
Washington	100.0	11	100.0	9.1	45.5	27.3	18.2	16	5	1	5	3	2	5.6	22.5	43.4	28.3

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of Arizona

Table 23 - Lending Volume of Reported Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	% of Rated Area Loans	Small Business Loans		Small Farm Loans		All HMDA Loans		Community Development Loans		Total Reported Loans		% of Rated Area Deposits
		#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	
<i>Full Scope</i>												
Tucson	67.0	578	85,767	0	0	18	25,424	22	37,756	618	148,947	70.6
Broader Statewide/Regional Area	N/A	0	0	0	0	0	0	9	29,544	9	29,544	N/A
<i>Limited Scope</i>												
Phoenix	33.0	133	35,087	0	0	98	373,908	74	315,693	305	724,688	29.4

Table 24 - Geographic Distribution of Small Business Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Loans from Bank		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Business Entities (%)	Bank Loans (%)	Business Entities (%)	Bank Loans (%)	Business Entities (%)	Bank Loans (%)	Business Entities (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
<i>Full Scope</i>																			
Tucson 2018	113	79.0	8.8	6.8	32.7	24.7	38.1	29.6	20.4	38.9	6.3	24.4	29.5	39.8	0.6	0.9	0.9	0.8	0.3
Tucson 2019	185	80.1	8.6	6.9	26.5	25.0	34.1	29.6	30.8	38.4	6.5	24.5	28.8	40.2	1.0	1.3	1.1	1.2	0.8
Tucson 2020	271	82.9	7.4	6.8	29.5	24.6	40.2	29.4	22.9	39.2	7.4	25.6	29.2	37.7	1.4	1.4	1.6	1.9	0.8
<i>Limited Scope</i>																			
Phoenix 2018	30	21.0	20.0	6.9	26.7	17.0	13.3	28.6	40.0	47.5	6.9	16.6	26.9	49.6	0.0	0.1	0.0	0.0	0.0
Phoenix 2019	46	19.9	17.4	6.9	15.2	17.1	15.2	28.7	52.2	47.3	6.8	16.6	27.1	49.5	0.0	0.1	0.0	0.0	0.0
Phoenix 2020	56	17.1	3.6	6.6	21.4	16.8	8.9	28.6	66.1	48.0	6.8	16.8	26.8	49.7	0.0	0.0	0.1	0.0	0.1

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of Arizona

Table 25 - Geographic Distribution of Multifamily Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Loans from Bank		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Multifamily Units (%)	Bank Loans (%)	Multifamily Units (%)	Bank Loans (%)	Multifamily Units (%)	Bank Loans (%)	Multifamily Units (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
<i>Full Scope</i>																			
Tucson 2018	6	14.6	16.7	4.7	33.3	21.4	50.0	32.9	0.0	41.0	32.0	35.0	19.0	14.0	0.0	0.0	0.0	0.0	0.0
Tucson 2019	6	13.3	50.0	4.7	50.0	21.4	0.0	32.9	0.0	41.0	44.4	27.8	17.5	10.3	0.0	0.0	0.0	0.0	0.0
Tucson 2020	6	20.0	50.0	4.7	50.0	21.4	0.0	32.9	0.0	41.0	27.2	37.7	25.8	9.3	0.0	0.0	0.0	0.0	0.0
<i>Limited Scope</i>																			
Phoenix 2018	35	85.4	31.4	4.6	37.1	18.9	25.7	34.7	5.7	41.9	29.1	34.9	20.8	15.2	0.0	0.0	0.0	0.0	0.0
Phoenix 2019	39	86.7	33.3	4.6	43.6	18.9	10.3	34.7	12.8	41.9	24.7	38.4	21.7	15.2	0.0	0.0	0.0	0.0	0.0
Phoenix 2020	24	80.0	16.7	4.6	41.7	18.9	29.2	34.7	12.5	41.9	27.8	35.3	23.4	13.5	0.0	0.0	0.0	0.0	0.0

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of Arizona

Table 26 - Borrower Distribution of Small Business Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Small Business Loans		Businesses with Revenue <= \$1 Million		Originations Regardless of Revenue Size			Aggregate Lending (%)		Market Share (%)	
	Bank Loans (#)	% Rated Area Total	Bank Loans (%)	All Businesses (%)	<= \$100K	> \$100K and <= \$250K	> \$250K and <= \$1 Million	All Loans	Loans to Revenue <= \$1 Million (%)	All Loans	Loans to Revenue <= \$1 Million (%)
<i>Full Scope</i>											
Tucson 2018	114	78.6	36.0	93.1	57.0	14.0	28.9	17,564	46.2	0.6	0.5
Tucson 2019	187	80.3	65.8	93.5	72.7	13.4	13.9	18,774	49.4	1.0	1.3
Tucson 2020	277	83.2	30.0	93.9	63.2	20.2	16.6	19,834	42.5	1.4	1.0
<i>Limited Scope</i>											
Phoenix 2018	31	21.4	35.5	92.2	32.3	32.3	35.5	104,551	46.2	0.0	0.0
Phoenix 2019	46	19.7	47.8	92.6	54.3	10.9	34.8	111,778	49.6	0.0	0.0
Phoenix 2020	56	16.8	14.3	93.2	37.5	32.1	30.4	119,532	40.1	0.0	0.0

Table 27 - Qualified Investments

Evaluation Period: May 8, 2018 to July 12, 2021

Assessment Areas	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<i>Full Scope</i>									
Tucson	4	2,430	45	1,724	49	4,154	64.5	0	0
Broader Statewide/Regional Area	0	0	0	0	0	0	0.0	0	0
<i>Limited Scope</i>									
Phoenix	3	1,824	39	464	42	2,288	35.5	0	0

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of Arizona

Table 28 - Distribution of Branch Delivery System and Branch Openings/Closings

Evaluation Period: May 8, 2018 to July 12, 2021

Assessment Areas	Deposits	Branches						Branch Openings / Closings				Population					
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income Level of Geography (%)				# of Branch Openings	# of Branch Closings	Net Change in Location of Branches (+ or -)				% of Population within each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<i>Full Scope</i>																	
Tucson	70.6	2	66.7	0.0	0.0	50.0	50.0	2	0	0	0	1	1	9.1	27.1	31.2	32.1
<i>Limited Scope</i>																	
Phoenix	29.4	1	33.3	0.0	0.0	0.0	100.0	2	1	0	0	0	1	11.1	22.9	31.3	34.4

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of Oregon and State of Washington

Table 29 - Lending Volume of Reported Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	% of Rated Area Loans	Small Business Loans		Small Farm Loans		All HMDA Loans		Community Development Loans		Total Reported Loans		% of Rated Area Deposits
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<i>Full Scope</i>												
Vancouver	100.0	181	38,553	0	0	51	123,277	34	99,431	266	261,261	100.0
Broader Statewide/Regional Area	N/A	0	0	0	0	0	0	0	0	0	0	N/A

Table 30 - Geographic Distribution of Small Business Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Loans from Bank		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Business Entities (%)	Bank Loans (%)	Business Entities (%)	Bank Loans (%)	Business Entities (%)	Bank Loans (%)	Business Entities (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
<i>Full Scope</i>																			
Vancouver 2018	33	100.0	3.0	1.4	27.3	25.5	45.5	43.5	24.2	29.6	1.6	25.5	43.8	29.0	0.1	0.2	0.1	0.1	0.1
Vancouver 2019	37	100.0	5.4	1.4	29.7	25.7	35.1	43.5	29.7	29.4	1.6	25.6	44.0	28.8	0.1	0.4	0.1	0.1	0.1
Vancouver 2020	110	100.0	1.8	1.4	20.9	25.8	37.3	43.6	40.0	29.1	1.6	25.1	43.1	30.2	0.3	0.4	0.3	0.3	0.4

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of Oregon and State of Washington

Table 31 - Geographic Distribution of Home Mortgage Refinance Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Loans from Bank		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Owner Occ Units (%)	Bank Loans (%)	Owner Occ Units (%)	Bank Loans (%)	Owner Occ Units (%)	Bank Loans (%)	Owner Occ Units (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
<i>Full Scope</i>																			
Vancouver 2018	2	100.0	0.0	1.0	100.0	24.2	0.0	48.9	0.0	25.9	1.0	26.6	50.1	22.3	0.0	0.0	0.0	0.0	0.0
Vancouver 2019	0	0.0	0.0	1.0	0.0	24.2	0.0	48.9	0.0	25.9	0.9	23.1	52.8	23.2	0.0	0.0	0.0	0.0	0.0
Vancouver 2020	0	0.0	0.0	1.0	0.0	24.2	0.0	48.9	0.0	25.9	0.8	21.3	51.2	26.7	0.0	0.0	0.0	0.0	0.0

Table 32 - Geographic Distribution of Multifamily Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Loans from Bank		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Multifamily Units (%)	Bank Loans (%)	Multifamily Units (%)	Bank Loans (%)	Multifamily Units (%)	Bank Loans (%)	Multifamily Units (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
<i>Full Scope</i>																			
Vancouver 2018	18	100.0 0	16.7	1.0	22.2	24.2	44.4	48.9	16.7	25.9	4.7	36.7	42.0	16.6	0.0	0.0	0.0	0.0	0.0
Vancouver 2019	21	100.0	4.8	1.0	28.6	24.2	38.1	48.9	28.6	25.9	4.0	41.1	36.9	18.0	0.0	0.0	0.0	0.0	0.0
Vancouver 2020	9	100.0	0.0	1.0	33.3	24.2	22.2	48.9	44.4	25.9	2.4	38.0	35.3	24.3	0.0	0.0	0.0	0.0	0.0

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of Oregon and State of Washington

Table 33 - Borrower Distribution of Small Business Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Small Business Loans		Businesses with Revenue <= \$1 Million		Originations Regardless of Revenue Size			Aggregate Lending (%)		Market Share (%)	
	Bank Loans (#)	% Rated Area Total	Bank Loans (%)	All Businesses (%)	<= \$100K	> \$100K and <= \$250K	> \$250K and <= \$1 Million	All Loans	Loans to Revenue <= \$1 Million (%)	All Loans	Loans to Revenue <= \$1 Million (%)
<i>Full Scope</i>											
Vancouver 2018	34	100.0	32.4	92.2	38.2	32.4	29.4	31,506	47.6	0.1	0.1
Vancouver 2019	37	100.0	51.4	92.6	56.8	21.6	21.6	33,915	51.1	0.1	0.1
Vancouver 2020	110	100.0	20.9	93.1	50.0	24.5	25.5	35,363	43.6	0.3	0.1

Table 34 - Borrower Distribution of Home Mortgage Refinance Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Loans from Bank		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Families (%)	Bank Loans (%)	Families (%)	Bank Loans (%)	Families (%)	Bank Loans (%)	Families (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
<i>Full Scope</i>																			
Vancouver 2018	0	0.0	0.0	23.2	0.0	18.2	0.0	20.2	0.0	38.4	8.8	23.2	27.7	40.3	0.0	0.0	0.0	0.0	0.0
Vancouver 2019	0	0.0	0.0	23.2	0.0	18.2	0.0	20.2	0.0	38.4	9.5	22.0	27.9	40.6	0.0	0.0	0.0	0.0	0.0
Vancouver 2020	0	0.0	0.0	23.2	0.0	18.2	0.0	20.2	0.0	38.4	7.3	19.8	29.7	43.2	0.0	0.0	0.0	0.0	0.0

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of Oregon and State of Washington

Table 35 - Qualified Investments

Evaluation Period: May 8, 2018 to July 12, 2021

Assessment Areas	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total	#	\$ (000's)
<i>Full Scope</i>									
Vancouver	2	5,832	32	1,454	34	7,286	100.0	0	0
Broader Statewide/Regional Area	0	0	0	0	0	0	0.0	0	0

Table 36 - Distribution of Branch Delivery System and Branch Openings/Closings

Evaluation Period: May 8, 2018 to July 12, 2021

Assessment Areas	Deposits	Branches						Branch Openings / Closings				Population					
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income Level of Geography (%)				# of Branch Openings	# of Branch Closings	Net Change in Location of Branches (+ or -)				% of Population within each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<i>Full Scope</i>																	
Vancouver	100.0	2	100.0	0.0	50.0	0.0	0.0	2 ³	0	0	1	0	0	2.0	31.1	45.0	21.6

³ Includes one branch in a census tract where income is unknown.

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of Nevada

Table 37 - Lending Volume of Reported Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	% of Rated Area Loans	Small Business Loans		Small Farm Loans		All HMDA Loans		Community Development Loans		Total Reported Loans		% of Rated Area Deposits
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<i>Full Scope</i>												
Las Vegas	100.0	192	35,645	0	0	8	22,888	19	43,879	219	102,412	100.0
Broader Statewide/Regional Area	N/A	0	0	0	0	0	0	1	5,320	1	5,320	N/A

Table 38 - Geographic Distribution of Small Business Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Loans from Bank		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Business Entities (%)	Bank Loans (%)	Business Entities (%)	Bank Loans (%)	Business Entities (%)	Bank Loans (%)	Business Entities (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
<i>Full Scope</i>																			
Las Vegas 2018	37	100.0	5.4	3.8	10.8	22.5	59.5	38.9	24.3	34.9	3.0	18.8	37.7	40.6	0.1	0.1	0.0	0.1	0.0
Las Vegas 2019	86	100.0	3.5	3.8	33.7	22.3	38.4	38.6	24.4	35.3	3.1	18.3	37.7	40.9	0.2	0.2	0.3	0.2	0.1
Las Vegas 2020	69	100.0	4.3	3.8	13.0	21.9	55.1	38.7	27.5	35.6	3.0	18.4	38.4	40.2	0.1	0.2	0.1	0.2	0.1

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of Nevada

Table 39 - Geographic Distribution of Multifamily Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Loans from Bank		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Multifamily Units (%)	Bank Loans (%)	Multifamily Units (%)	Bank Loans (%)	Multifamily Units (%)	Bank Loans (%)	Multifamily Units (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
<i>Full Scope</i>																			
Las Vegas 2018	2	100.0	100.0	1.9	0.0	16.9	0.0	41.7	0.0	39.5	20.0	37.9	27.9	14.3	0.0	0.0	0.0	0.0	0.0
Las Vegas 2019	4	100.0	50.0	1.9	25.0	16.9	25.0	41.7	0.0	39.5	19.5	36.2	28.9	15.4	0.0	0.0	0.0	0.0	0.0
Las Vegas 2020	2	100.0	100.0	1.9	0.0	16.9	0.0	41.7	0.0	39.5	24.8	39.6	25.7	9.9	0.0	0.0	0.0	0.0	0.0

Table 40 - Borrower Distribution of Small Business Loans

Evaluation Period: January 1, 2018 to December 31, 2020

Assessment Areas	Total Small Business Loans		Businesses with Revenue <= \$1 Million		Originations Regardless of Revenue Size			Aggregate Lending (%)		Market Share (%)	
	Bank Loans (#)	% Rated Area Total	Bank Loans (%)	All Businesses (%)	<= \$100K	> \$100K and <= \$250K	> \$250K and <= \$1 Million	All Loans	Loans to Revenue <= \$1 Million (%)	All Loans	Loans to Revenue <= \$1 Million (%)
<i>Full Scope</i>											
Las Vegas 2018	37	100.0	27.0	91.3	27.0	27.0	45.9	46,625	44.8	0.1	0.0
Las Vegas 2019	86	100.0	70.9	91.9	75.6	14.0	10.5	51,646	47.1	0.2	0.3
Las Vegas 2020	69	100.0	29.0	92.3	55.1	20.3	24.6	59,874	40.4	0.1	0.1

PACIFIC PREMIER BANK, IRVINE, California

Rated Area: State of Nevada

Table 41 - Qualified Investments

Evaluation Period: May 8, 2018 to July 12, 2021

Assessment Areas	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total	#	\$ (000's)
<i>Full Scope</i>									
Las Vegas	3	5,915	24	1,116	27	7,031	100.0	0	0
Broader Statewide/Regional Area	0	0	0	0	0	0	0.0	0	0

Table 42- Distribution of Branch Delivery System and Branch Openings/Closings

Evaluation Period: May 8, 2018 to July 12, 2021

Assessment Areas	Deposits	Branches						Branch Openings / Closings						Population			
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income Level of Geography (%)				# of Branch Openings	# of Branch Closings	Net Change in Location of Branches (+ or -)				% of Population within each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<i>Full Scope</i>																	
Las Vegas	100.0	1	100.0	0.0	0.0	0.0	100.0	0	0	0	0	0	0	5.0	25.3	39.2	30.3