

PUBLIC DISCLOSURE

June 12, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

United Business Bank

RSSD # 3281510

500 Ygnacio Valley Road, Suite 200

Walnut Creek, California, 94596

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.

TABLE OF CONTENTS

INSTITUTION RATING	1
Institution’s Community Reinvestment Act (CRA) Rating	1
INSTITUTION	3
Description of Institution.....	3
Scope of Examination.....	5
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS	7
Lending Test.....	7
LENDING ACTIVITY	7
ASSESSMENT AREA CONCENTRATION.....	7
GEOGRAPHIC AND BORROWER DISTRIBUTION.....	8
COMMUNITY DEVELOPMENT LENDING.....	9
Investment Test.....	9
Service Test.....	10
RETAIL BANKING SERVICES	10
COMMUNITY DEVELOPMENT SERVICES	10
Fair Lending or Other Illegal Practices Review	11
STATE OF CALIFORNIA	12
CRA Rating for California.....	12
Scope of Examination.....	12
Description of Operations in California	13
Conclusions with Respect to Performance Tests in California.....	14
San Jose-San Francisco-Oakland Assessment Area Conclusions	16
DESCRIPTION OF OPERATIONS IN SAN JOSE-SAN FRANCISCO-OAKLAND.....	16
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN SAN JOSE-SAN FRANCISCO-OAKLAND	23
Los Angeles-Long Beach-Anaheim Assessment Area Conclusions.....	27
DESCRIPTION OF OPERATIONS IN LOS ANGELES-LONG BEACH-ANAHEIM	27
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN LOS ANGELES-LONG BEACH-ANAHEIM	33
Limited-Scope Assessment Area Conclusions	37
STATE OF COLORADO	38
CRA Rating for Colorado.....	38
Scope of Examination.....	38
Description of Operations in Colorado.....	39
Conclusions with Respect to Performance Tests in Colorado.....	40
Grand County Assessment Area Conclusions.....	41

DESCRIPTION OF OPERATIONS IN GRAND COUNTY	41
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN GRAND COUNTY	48
Limited-Scope Assessment Area Conclusions	51
STATE OF NEW MEXICO.....	52
CRA Rating for New Mexico	52
Scope of Examination.....	52
Description of Operations in New Mexico	53
Conclusions with Respect to Performance Tests in New Mexico	54
Albuquerque Assessment Area Conclusions.....	55
DESCRIPTION OF OPERATIONS IN ALBUQUERQUE	55
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ALBUQUERQUE	61
STATE OF WASHINGTON	65
CRA Rating for Washington	65
Scope of Examination.....	65
Description of Operations in Washington	66
Conclusions with Respect to Performance Tests in Washington.....	67
King Assessment Area Conclusions	68
DESCRIPTION OF OPERATIONS IN KING COUNTY	68
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN KING COUNTY	74

APPENDICES

- Appendix A: Scope of Exam
- Appendix B: Summary of Ratings
- Appendix C: Glossary of Terms
- Appendix D: Limited-Scope Assessment Area Market Profiles
- Appendix E: CRA Core Tables

INSTITUTION RATING

Institution’s Community Reinvestment Act (CRA) Rating

United Business Bank (UBB/Bank) is rated "SATISFACTORY"

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

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	LENDING TEST*	INVESTMENT TEST	SERVICE TEST
OUTSTANDING			
HIGH SATISFACTORY	X	X	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:

- The Bank’s lending activity reflects good responsiveness to local credit needs consistent with the bank’s capacity and economic conditions.
- A high percentage of the Bank’s small business loans are originated within its assessment areas.
- The Bank had excellent geographic distribution of lending within low- and moderate-income census tracts.
- Overall, the Bank’s borrower distribution was good.
- The Bank exhibits a good record of serving the credit needs of small businesses.

- The Bank originated a high level of community development loans during the evaluation period and made use of innovative and/or flexible lending practices in serving assessment area credit needs.
- The Bank has a significant level of qualified community development investments that demonstrate good responsiveness to local credit and community development needs.
- During the evaluation period, the Bank provided a high level of qualified community development services given its capacity and available opportunities within its assessment areas.

INSTITUTION

Description of Institution

UBB is headquartered in Walnut Creek, California (CA) and is a wholly owned subsidiary of Baycom Corporation, also headquartered in Walnut Creek. As of December 31, 2022, UBB had assets of \$2.5 billion. Since the previous evaluation conducted in September 2019, UBB has acquired the following financial institutions:

- October 21, 2019—First State Bank of Colorado, Denver, Colorado (CO) (\$236 million in assets, 7 branches).
- February 4, 2020—Grand Mountain Bank, Granby, CO (\$131 million in assets, 4 branches).
- February 1, 2022—Pacific Enterprise Bank, Irvine, CA (\$441 million in assets, 1 branch).

UBB currently operates 34 full-service branch offices throughout portions of California, Colorado, New Mexico, and Washington.

The institution's assessment areas have grown since the previous evaluation; specifically, the Bank added new assessment areas in Colorado in relation to its newly acquired branch locations in that state. The Bank's California assessment areas were not impacted by the Bank's acquisition activity and remain unchanged since the previous evaluation. UBB now delineates the following ten assessment areas in four states:

- Los Angeles-Long Beach-Anaheim, CA: Comprised of the entirety of the Los-Angeles-Long Beach-Anaheim, CA Metropolitan Statistical Area (MSA) which is comprised of the Anaheim-Santa Ana-Irvine, CA Metropolitan Division (MD) and the Los Angeles-Long Beach-Glendale, CA MD.
- San Jose-San Francisco-Oakland, CA: Comprised of portions of the San Jose-San Francisco-Oakland combined statistical area (CSA), including portions of the San Jose-Sunnyvale-Santa Clara MSA and San Francisco-San Mateo-Redwood City MD, plus the entirety of the Oakland-Berkely-Livermore MD and Stockton MSA. The bank also included the entirety of the Napa MSA until the end of 2020. Beginning in 2021, the bank removed Napa County, CA from its San Jose-San Francisco-Oakland assessment area.
- Sacramento County, CA: Comprised of the entirety of Sacramento County

- Albuquerque, New Mexico: Comprised of the entirety of Bernalillo, Torrance, and Valencia Counties within the Albuquerque, New Mexico (NM) MSA.
- King County, Washington: Comprised of the entirety of King County within the Seattle-Bellevue-Kent, Washington (WA) MD.
- Grand County, CO: Comprised of Grand County in its entirety.
- Delta County, CO: Comprised of Delta County in its entirety.
- Custer County, CO: Comprised of Custer County in its entirety.
- Denver-Aurora-Lakewood, CO: Comprised of the entirety of Denver and Arapahoe Counties within the Denver-Aurora-Lakewood MSA.
- El Paso County, CO: Comprised of the entirety of El Paso County within the Colorado Springs MSA.

UBB offers a range of deposit products for both personal and business use. The institution offers various commercial lending products and is considered a “Preferred Lender” under the Small Business Administration’s (SBA) Preferred Lender Program. UBB also offers a limited selection of consumer lending products primarily as an accommodation to its commercial customers. The composition of the loan portfolio as of December 31, 2022, is represented in Exhibit 1 below.

EXHIBIT 1		
LOANS AND LEASES AS OF DECEMBER 31, 2022		
Loan Type	\$ ('000s)	%
Commercial/Industrial & Non-Farm Non-Residential Real Estate	1,633,731	80.7
Construction & Land Development	13,149	0.6
Secured by 1-4 Family Residential Real Estate	110,609	5.5
Multi-Family Residential Real Estate	237,754	11.7
Farm Land & Agriculture	11,957	0.6
Consumer Loans & Credit Cards	4,189	0.2
State, Political Subdivisions and All Other	12,115	0.6
Total (Gross)	2,023,504	100.0

As indicated in the preceding table, commercial and industrial loans, which include small business loans (i.e., loans to businesses with annual revenues of \$1 million or less) represent a majority of the bank’s lending. The institution is primarily a commercial lender specializing in loans to labor unions, real estate investors, and small-to-medium sized businesses. The Bank offers other loans such as residential and farm loans; however, the dollar volume of such lending is relatively small in comparison to its commercial lending.

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. UBB received a satisfactory performance rating under the *Interagency Intermediate Small Institution Examination Procedures* at its September 9, 2019, CRA examination.

Scope of Examination

UBB was evaluated using the *Interagency Large Institution CRA Examination Procedures* developed by the Federal Financial Institutions Examination Council (FFIEC), and performance was assessed under the lending, investment, and service tests. The evaluation period for the lending test was January 1, 2020, through December 31, 2022. The evaluation period for community development loans, qualified investments, and community development services was September 19, 2019, through June 12, 2023. The lending test is given greater weight than the investment or service tests within the evaluation.

This evaluation primarily focuses on small business lending reported by the Bank during the evaluation period. The Bank did not originate any small farms loans during this period. Due to limited volume, the institution does not report certain home mortgage lending information in accordance with the Home Mortgage Disclosure Act (HMDA). Accordingly, HMDA lending was not considered in the evaluation. While the Bank has reported its 2022 CRA data as required, comparable aggregate lending data for 2022 was not yet published at the time of the evaluation. As a result, the Bank's 2022 lending performance was evaluated against demographic data and not aggregate lending data. Throughout the analysis of lending, loans without a reported revenue (in the case of borrower distribution) and loans where the reported geographic information is incomplete (in the case of geographic distribution) are excluded from both bank loan totals and comparative aggregate lending totals.

To help determine the availability of community development opportunities in specific assessment areas, CRA public evaluations of other financial institutions operating in these same areas were reviewed. Additionally, five community representatives were contacted to provide information about local economic conditions, credit needs, and market conditions.

Due to its branch locations, an overall rating and ratings for the lending, investment, and service tests are assigned to the institution and the States of California, Colorado, New Mexico, and Washington. The state ratings are based on the performance in the assessment areas subject to full-scope review. For assessment areas that are reviewed using limited-scope examination procedures, a determination is made as to whether performance is consistent with the overall state rating.

The following assessment areas were evaluated using full-scope examination procedures because of their relative size as determined by loan activity, proportion of bank deposits, and market population:

- San Jose-San Francisco-Oakland
- Los Angeles-Long Beach-Anaheim
- Grand County
- Albuquerque
- King County

The remaining five assessment areas were subject to limited-scope reviews. As performance at the institution level is weighted according to the level of associated bank activity within the full-scope assessment areas, in reaching conclusions for each of the performance tests, UBB's ratings within the State of California received the greatest weight, as it comprised 82.3 percent of the Bank's lending by dollar volume and 69.3 percent of its deposit volume.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

This section of the performance evaluation contains conclusions regarding the Bank’s overall performance followed by specific conclusions regarding individual states and assessment areas within each of the four states 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 received a full-scope review and each state earned a separate rating.

Lending Test

The Bank’s overall lending test performance is considered high satisfactory. This rating is driven by the Bank’s good level of lending overall, a high percentage of lending concentrated within its assessment areas, an excellent geographic dispersion of loans, and good penetration among businesses of different sizes. The Bank also demonstrated a high level of community development lending, particularly in the state of California, where the greatest weight in this evaluation was placed. The bank’s level of lending activity in the state of Colorado was generally poor.

LENDING ACTIVITY

Overall, the bank’s lending levels reflect good responsiveness to credit needs, driven by activity in the Los Angeles-Long Beach-Anaheim, San Jose-San Francisco-Oakland, Albuquerque, and King County assessment areas. Lending activity in the Grand County assessment area was considered poor. The bank’s overall loan volumes are detailed in Exhibit 2 below.

EXHIBIT 2				
SUMMARY OF LENDING ACTIVITY				
JANUARY 1, 2020 TO DECEMBER 31, 2022				
Loan Type	#	%	\$ ('000s)	%
Small Business	3,037	100	488,085	100
Total Loans	3,037	100	488,085	100

ASSESSMENT AREA CONCENTRATION

A majority of the bank’s small business loans were made within its assessment areas during the evaluation period, as reflected in Exhibit 3 on the following page.

EXHIBIT 3 LENDING INSIDE AND OUTSIDE THE ASSESSMENT AREAS JANUARY 1, 2020 TO DECEMBER 31, 2022								
Loan Type	Inside				Outside			
	#	%	\$ ('000s)	%	#	%	\$ ('000s)	%
Small Business	2,199	72.4	289,881	59.4	838	27.6	198,204	40.6
Total Loans	2,199	72.4	289,881	59.4	838	27.6	198,204	40.6

GEOGRAPHIC AND BORROWER DISTRIBUTION

The geographic distribution of the Bank’s loans across census tracts of different levels, particularly within low- and moderate-income tracts, is excellent. This assessment is driven by the Bank’s excellent geographic distribution of loans in California, Colorado, and Washington, and in particular, its performance in the Los Angeles-Long Beach-Anaheim, Grand County, and King County assessment areas.

The distribution of UBB’s loans represents good penetration among businesses of different sizes. Borrower distribution performance is considered good in California, New Mexico, and Washington, and excellent in Colorado. Further details with respect to the geographic and borrower distributions are provided within each assessment area discussion.

To meet the credit needs of its various assessment areas, UBB offers loan products and participates in loan programs that have flexible criteria or are designated to meet specific credit needs that often benefit low- and moderate-income borrowers, aid in the revitalization or stabilization of low- and moderate-income and distressed middle-income census tracts or promote economic development. The following are examples of loan programs that the Bank utilized in an effort to be responsive to community credit needs.

- Paycheck Protection Program (PPP)—through participation in the SBA’s PPP, the Bank offered loans designed to help businesses keep their workforce employed during the coronavirus (COVID-19) crisis. During 2020 and 2021, UBB originated 1,874 PPP loans totaling \$198 million.
- COVID-19 Loan Modifications—UBB assisted borrowers with proactive outreach and increased communications emphasizing that the Bank would work with its customers to help during the pandemic. Consideration was given for offering payment accommodations during the pandemic, such as 90-day loan deferrals to commercial borrowers impacted by the pandemic. These activities had a significant impact in helping borrowers avoid delinquencies or negative credit bureau reporting caused by

hardships from pandemic-related issues and eased cash flow pressures on business impacted by the pandemic. UBB tracked loan modifications totaling \$32.4 million.

- Express Loan Program—the Bank implemented an “Express” loan program with an expedited approval process for commercial credit borrowers which has more flexible lending criteria for loans up to \$150,000. Smaller dollar loans are considered more responsive to the credit needs of smaller sized businesses.

While many of these loans have been reported by the Bank as community development or small business loans, they also reflect UBB’s responsiveness in meeting the credit needs of its assessment areas.

COMMUNITY DEVELOPMENT LENDING

UBB makes a relatively high level of community development loans. Specifically, the Bank extended 58 community development loans totaling more than \$186 million throughout its assessment areas and 2 loans totaling \$18 million that benefited broader statewide areas that include the Bank’s assessment areas. This assessment is driven particularly by the Bank’s performance in the assessment areas representing larger metropolitan areas, including San Jose-San Francisco-Oakland, Los Angeles-Long Beach-Anaheim, and King County. A majority of these loans helped to address affordable housing and economic development needs in the assessment areas. The Bank’s community development lending in the more rural Grand County assessment area was minimal, reflecting more limited opportunities.

Investment Test

UBB’s level of responding to community development needs through its investment activities is rated high satisfactory. The Bank made a significant level of qualified community development investments and grants, particularly those not routinely provided by private investors, occasionally in a leadership position. The Bank’s activity includes investments in low-income mortgage loan pools, certificates of deposit at low-income credit unions and minority-owned institutions, low-income housing tax credits (LIHTC), equity investments in Community Development Financial Institutions (CDFI), and qualified community development bonds. UBB’s qualified investments during the evaluation period totaled approximately \$50 million, including \$33.2 million in current period investments and donations, and \$16.8 million in prior period investments that remain on its books. These investments demonstrate good responsiveness to community needs.

The institution also supports community development organizations by making charitable donations. During the evaluation period, the Bank made charitable donations to community

development organizations totaling approximately \$151,040 on a combined assessment area basis.

The Bank's qualified investments that benefit areas within multiple states include the following:

- CDFI – The Bank made \$2 million in equity investments in a CDFI fund that originates mortgage loans to low- and moderate-income borrowers within CA and CO.
- Mortgage-Backed Securities (MBS) – The Bank retained a \$747,000 investment purchased during a prior period that remained on the books in MBS secured by mortgages to low- and moderate-income individuals in CA and Washington.

Qualified investments, including donations, targeting specific statewide areas and/or assessment areas are discussed in conjunction with the evaluation of those areas.

Service Test

The Bank's overall performance under the service test is high satisfactory. Its delivery systems are accessible across the assessment area, and the Bank's hours and services do not vary in a way that inconveniences portions of the assessment areas or population. The Bank provides a relatively high level of community development services.

RETAIL BANKING SERVICES

The Bank's retail services and delivery systems are accessible to the Bank's geographies and to individuals of different incomes within the assessment area. The Bank's office hours and services are consistent with its position as primarily a business lender. Of the Bank's 34 full-service branch offices, ten are located in moderate-income census tracts. Branch openings and closings since the previous evaluation have generally not adversely affected low- and moderate-income areas, as three branches were closed in moderate-income tracts, but four branches in moderate-income areas were acquired during the evaluation period.

COMMUNITY DEVELOPMENT SERVICES

UBB provides a relatively high level of services to community development organizations within its various assessment areas, including in support of affordable housing, community services, and economic development initiatives. During the review period, employees provided 3,214 community development service hours through 67 different volunteer

opportunities. Services met a variety of community needs including offering financial literacy training and providing technical assistance to small businesses. Bank staff also provided leadership and financial expertise to community-based organizations by service on boards of directors and other committees. Additional discussion of community development services is included within the applicable assessment area sections of this evaluation.

Fair Lending or Other Illegal Practices Review

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

STATE OF CALIFORNIA

CRA Rating for California

Performance in California is rated “SATISFACTORY”

The lending test is rated: High Satisfactory

The investment test is rated: High Satisfactory

The service test is rated: High Satisfactory

The major factors supporting the institution’s rating include:

- UBB’s lending activity reflects good responsiveness to community credit needs.
- The Bank’s geographic distribution performance is excellent, and its borrower distribution performance is good.
- UBB makes use of flexible lending practices to meet area credit needs and the Bank made a relatively high level of community development loans in CA during the evaluation period.
- The Bank maintains a significant level of qualified community development investments.
- While the Bank makes rare use of innovative or complex investments to support community development initiatives, it exhibits good responsiveness to credit and community development needs through its investment activity.
- The Bank and its employees provided a relatively high level of community development services within its CA assessment areas during the review period.

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, UBB has three assessment areas in California: San Jose-San Francisco-Oakland, Los Angeles-Long Beach-Anaheim, and Sacramento County. The San Jose-San Francisco-Oakland and Los Angeles-Long Beach-Anaheim assessment areas received full-scope reviews, while the Sacramento County assessment area received a limited scope review due to the Bank’s limited presence and lower level of activity in that area. The San Jose-San Francisco-Oakland assessment area carried the greatest weight in the overall assessment of California because of its larger share of deposits and higher loan volumes.

UBB's small business loans from calendar years 2020, 2021, and 2022 were analyzed to determine geographic and borrower distributions of the Bank's lending. The Bank's efforts to serve its assessment areas through qualified community development loans, investments, and services during the review period were also reviewed.

Description of Operations in California

As of June 2023, the Bank operated 16 of its 34 branches within the state of California and all of its products and services are offered consistently across these locations. None of the Bank's branches are located in low-income areas; however, four are located in moderate-income geographies. This state accounts for approximately \$990 million of the Bank's \$2.26 billion total deposit base. The CA market is highly competitive. As of June 30, 2022, there were 183 Federal Deposit Insurance Corporation (FDIC)-insured depository institutions operating 6,055 branches within CA with combined deposits of \$2.2 billion. The Bank held \$1.6 billion in CA deposits at 0.07 percent market share.¹

CA's economy relies primarily on the technology (tech), tourism, and agriculture sectors.² Home to the "tech capital of the world," the state benefits from an elevated level of economic vitality.³ CA's expansive coastline and mild climate draws both residents and visitors.⁴ However, the state is burdened by higher-than-average cost of living and worsening migration trends.⁵

Metropolitan areas of CA represented the largest outbreaks of COVID-19 in the nation.⁶ Quarantine restrictions imposed to combat the global pandemic forced the closure of non-essential (leisure/hospitality) businesses across major metropolitan regions of CA.⁷ Statewide pandemic quarantine restrictions halted new homebuilding, which further compounded CA's existing housing shortage.⁸ Post-pandemic, capacity and zoning restrictions have continued to place additional pressure on the available housing stock.⁹ Certain post-pandemic indicators are more favorable, as more recent tech sector payrolls

¹ FDIC, Deposit Market Share Report, June 30, 2022; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

² Moody's Analytics Precis Report – State of California – March 2020.

³ Moody's Analytics Precis Report – State of California – March 2020.

⁴ Moody's Analytics Precis Report – State of California – March 2020.

⁵ Moody's Analytics Precis Report – State of California – March 2020.

⁶ Moody's Analytics Precis Report – State of California – March 2020.

⁷ Moody's Analytics Precis Report – State of California – March 2020.

⁸ Moody's Analytics Precis Report – State of California – March 2020.

⁹ Moody's Analytics Precis Report – State of California – July 2022.

have surpassed the losses suffered during the pandemic.¹⁰ However, the record pace of hiring in the tech sector has slowed as rising interest rates make it more difficult to raise capital.¹¹

The state's economy was in the recovery stage of the business cycle in 2022.¹² Nearly two-thirds of private industries continue to add to payrolls.¹³ The state experienced job growth in tech, hospitality, and healthcare. Unemployment has been approaching pre-pandemic levels despite upward pressure from additions to the workforce. Although firms continue to exit the state in search of lower costs, the State remains home to a highly skilled workforce, an entrepreneurial spirit, and top-notch universities.¹⁴ Cooling of the national economy and recent tightening in the financial markets may reduce spending causing reduced import activity at the state's global shipping ports.¹⁵ High housing costs remains a strong check on population growth.¹⁶ Housing prices have accelerated as long-standing shortages were met with renewed demand when mortgage rates fell at the beginning of the Pandemic.¹⁷ Home sales slowed as mortgage rates increased, which allowed unsold inventories to increase in price.¹⁸

Immigration continues to play a substantial role in state population growth.¹⁹ However, restrictive immigration policies introduced during the beginning of the pandemic resulted in a net loss of CA residents starting in 2020.²⁰

Conclusions with Respect to Performance Tests in California

Conclusions regarding UBB's performance in CA with respect to lending, investment, and service tests are consistent with the overall conclusions for the Bank as a whole. As mentioned above, CA assessment areas account for 82.3 percent of the bank's overall loan volume by dollar volume, and 69.3 percent of its total deposits. As such, overall conclusions in this report were heavily influenced by the performance in CA. The following sections contain

¹⁰ Moody's Analytics Precis Report – State of California – July 2022.

¹¹ Moody's Analytics Precis Report – State of California – July 2022.

¹² Moody's Analytics Precis Report – State of California – July 2022.

¹³ Moody's Analytics Precis Report – State of California – July 2022.

¹⁴ Moody's Analytics Precis Report – State of California – July 2022.

¹⁵ Moody's Analytics Precis Report – State of California – July 2022.

¹⁶ Moody's Analytics Precis Report – State of California – July 2022.

¹⁷ Moody's Analytics Precis Report – State of California – July 2022.

¹⁸ Moody's Analytics Precis Report – State of California – July 2022.

¹⁹ Moody's Analytics Precis Report – State of California – July 2021.

²⁰ Moody's Analytics Precis Report – State of California – July 2021.

specific comments regarding the individual assessment areas within CA, noting any differences in performances among the areas.

The Bank adopted an innovative lending product which emphasized serving small businesses in CA. Through its acquisition of Pacific Enterprise Bank, UBB continued to offer California Capital Access Loans specifically designed to serve the needs of small trucking businesses in CA.

With regard to community development lending, \$18 million in community development loans benefited a broader statewide or regional area that includes one of the CA assessment areas. Community development loans that benefit broader statewide areas include the following:

- A \$15 million loan to a certified CDFI with an affordable housing mission impact across CA.
- A \$3 million loan to a certified CDFI with an economic development mission impact across northern and central CA.

Similarly, the bank has funded \$2.3 million for a LIHTC impacting regional areas that include two of the CA assessment areas.

- \$2.3 million funded to LIHTC that supports affordable housing in the Bank's Los Angeles-Long Beach-Anaheim and San Jose-San Francisco-Oakland assessment areas.

San Jose-San Francisco-Oakland Assessment Area Conclusions

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

DESCRIPTION OF OPERATIONS IN SAN JOSE-SAN FRANCISCO-OAKLAND

The San Jose-San Francisco-Oakland assessment area consists of portions of the San Jose-Sunnyvale-Santa Clara MSA and San Francisco-San Mateo-Redwood City MD, plus the entirety of the Oakland-Berkely-Livermore MD and Stockton MSA. The Bank also included the entirety of the Napa MSA until the end of 2020. Beginning in 2021, the Bank removed Napa County, CA from its San Jose-San Francisco-Oakland assessment area, consistent with its closure of its Napa, CA branch. The assessment area has a population of 6.1 million.²¹

This assessment area is highly competitive. As of June 30, 2022, there were 77 institutions operating 1,153 branches in the assessment area. UBB ranked 29th out of 77 financial institutions in local deposit market share with 0.1 percent market share.²² The Bank operates 10 branches across its San Jose-San Francisco-Oakland, CA assessment area, which account for approximately \$1.2 billion of the Bank's \$2.26 billion total deposit base. Although none of the Bank's branches are located in low-income census tracts, the Bank does have one branch location in a moderate-income census tract.

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

²¹ FFIEC Online Census Data System, 2020 FFIEC Census Report – Summary Census Population Information, available from <https://www.ffiec.gov/census/default.aspx>.

²² FDIC, Deposit Market Share Report, June 30, 2022; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

EXHIBIT 4								
ASSESSMENT AREA DEMOGRAPHICS								
SAN JOSE-SAN FRANCISCO-OAKLAND ASSESSMENT AREA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	128	8.8	100,764	6.9	18,796	18.7	342,564	23.4
Moderate-income	334	23.1	315,257	21.5	28,791	9.1	239,777	16.4
Middle-income	491	33.9	524,438	35.8	22,417	4.3	274,921	18.8
Upper-income	452	31.2	510,535	34.9	14,670	2.9	607,656	41.5
Unknown-income	42	2.9	13,924	1.0	1,713	12.3	0	0.0
Total Assessment Area	1,447	100.0	1,464,918	100.0	86,387	5.9	1,464,918	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	177,622	44,018	3.7	24.8	120,902	68.1	12,702	7.2
Moderate-income	504,983	220,123	18.3	43.6	258,297	51.1	26,563	5.3
Middle-income	824,629	437,976	36.4	53.1	341,881	41.5	44,772	5.4
Upper-income	783,380	492,222	40.9	62.8	245,999	31.4	45,159	5.8
Unknown-income	42,921	8,468	0.7	19.7	30,134	70.2	4,319	10.1
Total Assessment Area	2,333,535	1,202,807	100.0	51.5	997,213	42.7	133,515	5.7
Income Categories	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	19,786	6.5	17,861	6.4	1,821	7.7	104	6.5
Moderate-income	56,123	18.4	51,224	18.3	4,660	19.6	239	14.9
Middle-income	98,064	32.1	90,697	32.4	6,865	28.9	502	31.2
Upper-income	118,638	38.9	109,412	39.1	8,556	36.0	670	41.7
Unknown-income	12,696	4.2	10,754	3.8	1,849	7.8	93	5.8
Total Assessment Area	305,307	100.0	279,948	100.0	23,751	100.0	1,608	100.0
Percentage of Total Businesses:			91.7		7.8		0.5	
Income Categories	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	84	3.3	75	3.2	9	5.2	0	.00
Moderate-income	437	17.4	400	17.1	37	21.4	0	0.0
Middle-income	731	29.0	688	29.4	43	24.9	0	0.0
Upper-income	1,165	46.3	1,093	46.6	71	41.0	1	50.0
Unknown-income	101	4.0	87	3.7	13	7.5	1	50.0

Total Assessment Area	2,518	100.0	2,343	100.0	173	100.0	2	100.0
Percentage of Total Farms:			93.1		6.9		.1	

2022 FFIEC Census Data and 2022 D&B Information

Economic Conditions

The local economy is driven primarily by high tech, medical, and financial services.²³²⁴²⁵²⁶ Home to world class universities and laboratories, the region boasts clusters of internet and other tech-service companies which employ highly skilled workers throughout the region.²⁷²⁸ A legacy of successful entrepreneurship in this area allows access to substantial venture capital.²⁹ As with other metropolitan areas of CA, high living costs continue to weaken the assessment area’s population growth.³⁰

The area’s economy was in the recovery stage of the business cycle in 2022.³¹³²³³ Much of the Bay Area continues to lag other large regional economies in terms of recovery, but it nonetheless improving.³⁴ While jobs levels have not yet fully recovered, there has been job growth in tech, healthcare, and hospitality industries.³⁵³⁶³⁷³⁸ Despite upward pressure from labor force additions, area unemployment is below prerecession rate.³⁹⁴⁰⁴¹ Higher interest rates have decreased venture capital funding sharply.⁴²⁴³ However, long term, an increasingly digitized society may help secure demand for tech products and services.⁴⁴⁴⁵ As tech gains

²³ Moody’s Analytics Precis Report – Oakland-Hayward-Berkely, CA – August 2022.
²⁴ Moody’s Analytics Precis Report – San Francisco-Redwood City-South San Francisco, CA – August 2022.
²⁵ Moody’s Analytics Precis Report – San Jose-Sunnyvale-Santa Clara, CA – July 2022.
²⁶ Moody’s Analytics Precis Report – Stockton-Lodi, CA – July 2022.
²⁷ Moody’s Analytics Precis Report – Oakland-Hayward-Berkely, CA – August 2022.
²⁸ Moody’s Analytics Precis Report – San Francisco-Redwood City-South San Francisco, CA – August 2022.
²⁹ Moody’s Analytics Precis Report – San Jose-Sunnyvale-Santa Clara, CA – July 2022.
³⁰ Moody’s Analytics Precis Report – San Jose-Sunnyvale-Santa Clara, CA – July 2022.
³¹ Moody’s Analytics Precis Report – Oakland-Hayward-Berkely, CA – August 2022.
³² Moody’s Analytics Precis Report – San Francisco-Redwood City-South San Francisco, CA – August 2022.
³³ Moody’s Analytics Precis Report – San Jose-Sunnyvale-Santa Clara, CA – July 2022.
³⁴ Moody’s Analytics Precis Report – Oakland-Hayward-Berkely, CA – August 2022.
³⁵ Moody’s Analytics Precis Report – Stockton-Lodi, CA – July 2022.
³⁶ Moody’s Analytics Precis Report – Oakland-Hayward-Berkely, CA – August 2022.
³⁷ Moody’s Analytics Precis Report – San Francisco-Redwood City-South San Francisco, CA – August 2022.
³⁸ Moody’s Analytics Precis Report – San Jose-Sunnyvale-Santa Clara, CA – July 2022.
³⁹ Moody’s Analytics Precis Report – Oakland-Hayward-Berkely, CA – August 2022.
⁴⁰ Moody’s Analytics Precis Report – San Francisco-Redwood City-South San Francisco, CA – August 2022.
⁴¹ Moody’s Analytics Precis Report – San Jose-Sunnyvale-Santa Clara, CA – July 2022.
⁴² Moody’s Analytics Precis Report – San Francisco-Redwood City-South San Francisco, CA – August 2022.
⁴³ Moody’s Analytics Precis Report – San Jose-Sunnyvale-Santa Clara, CA – July 2022.
⁴⁴ Moody’s Analytics Precis Report – Oakland-Hayward-Berkely, CA – August 2022.
⁴⁵ Moody’s Analytics Precis Report – San Francisco-Redwood City-South San Francisco, CA – August 2022.

slow in the near term, reliance on health care employment is likely to increase in the years ahead.⁴⁶

San Francisco in particular benefits from a well-above average share of high-wage employment, and job growth in a tight labor market is anticipated to push wage rates higher.⁴⁷ Manufacturing in San Jose benefitted from easing of supply-chain stress, though it is not back to normalized levels. Lead times for semiconductors have decreased but will remain elevated into 2023.⁴⁸ Stockton benefits from a large logistic footprint which has tripled in size in the past decade. The metro area is located on an inland port and is close to major highways.⁴⁹

Small Business Lending

Small business lending activity in the assessment area has been increasing since the previous evaluation, as reflected in Exhibit 5 below. From 2019 to 2021, small business loan volumes from CRA reporters increased by 9.5 percent. During 2021, the assessment area accounted for 16.4 percent of total small business lending across the state.

EXHIBIT 5			
SMALL BUSINESS LOAN TRENDS			
SAN JOSE-SAN FRANCISCO-OAKLAND ASSESSMENT AREA			
Area	2019	2020	2021
San Jose-San Francisco-Oakland, CA CSA 2022	195,106	194,029	213,567
Alameda County, CA	49,468	49,871	55,515
Contra Costa County, CA	29,876	31,162	35,733
San Francisco County, CA	42,538	40,124	41,308
San Joaquin County, CA	13,917	15,470	18,753
Santa Clara County, CA	59,307	57,402	62,258
Oakland-Berkeley-Livermore, CA MD	79,344	81,033	91,248
San Francisco-San Mateo-Redwood City, CA MD	69,479	66,710	69,725
San Jose-Sunnyvale-Santa Clara, CA MSA	60,570	58,736	63,741
Stockton, CA MSA	13,917	15,470	18,753
California	1,146,375	1,182,917	1,342,194

Source: FFIEC CRA Aggregate Data

⁴⁶ Moody's Analytics Precis Report – Oakland-Hayward-Berkely, CA – August 2022.

⁴⁷ Moody's Analytics Precis Report – San Francisco-Redwood City-South San Francisco, CA – August 2022.

⁴⁸ Moody's Analytics Precis Report – San Jose-Sunnyvale-Santa Clara, CA – July 2022.

⁴⁹ Moody's Analytics Precis Report – San Jose-Sunnyvale-Santa Clara, CA – July 2022.

Employment Statistics

Assessment area unemployment rates rose significantly across all geographies since the prior evaluation in 2019. Beginning in March 2020, nationwide quarantine restrictions imposed to combat the Coronavirus (COVID-19) pandemic led to severe economic disruptions resulting in high levels of unemployment. While unemployment rates eased in 2021, they remained above pre-pandemic levels, as reflected in Exhibit 6 below. Since the prior evaluation in 2019, unemployment rates for the assessment area ranged between 3 and 8.5 percent, which was comparable to the state rates over the same period.

EXHIBIT 6			
UNEMPLOYMENT RATES			
SAN JOSE-SAN FRANCISCO-OAKLAND ASSESSMENT AREA			
Area	2019	2020	2021
San Jose-San Francisco-Oakland, CA CSA 2022	3.04%	8.55%	5.78%
Alameda County, CA	3.00%	9.01%	6.06%
Contra Costa County, CA	3.14%	9.09%	6.36%
San Francisco County, CA	2.24%	8.02%	5.04%
San Joaquin County, CA	6.00%	11.59%	8.67%
Santa Clara County, CA	2.54%	7.20%	4.70%
Oakland-Berkeley-Livermore, CA MD	3.06%	9.04%	6.18%
San Francisco-San Mateo-Redwood City, CA MD	2.17%	7.56%	4.83%
San Jose-Sunnyvale-Santa Clara, CA MSA	2.61%	7.28%	4.77%
Stockton, CA MSA	6.00%	11.59%	8.67%
California	4.11%	10.22%	7.30%

Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics

Median Family Income (MFI)

Between 2015 and 2020, the MFI of the assessment area increased by 22.9 percent, which exceeded the MFI increase for the broader statewide area. Exhibit 7 on the following page reflects the change in median family income that occurred in the assessment area, its underlying geographies, and the state of CA during that timeframe.

EXHIBIT 7			
MEDIAN FAMILY INCOME CHANGE			
SAN JOSE-SAN FRANCISCO-OAKLAND ASSESSMENT AREA			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
San Jose-San Francisco-Oakland, CA CSA 2020	\$100,965	\$124,038	22.9%
Alameda County, CA	\$100,875	\$125,834	24.7%
Contra Costa County, CA	\$104,695	\$119,567	14.2%
Napa County, CA	\$88,412	\$107,995	22.1%
San Francisco County, CA	\$105,254	\$138,207	31.3%
San Joaquin County, CA	\$65,496	\$76,536	16.9%
Santa Clara County, CA	\$118,694	\$148,065	24.7%
Napa, CA MSA	\$88,412	\$107,995	22.1%
Oakland-Berkeley-Livermore, CA MD	\$102,508	\$123,312	20.3%
San Francisco-San Mateo-Redwood City, CA MD	\$113,346	\$143,526	26.6%
San Jose-Sunnyvale-Santa Clara, CA MSA	\$117,043	\$145,548	24.4%
Stockton, CA MSA	\$65,496	\$76,536	16.9%
California	\$77,267	\$89,798	16.2%

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

Mortgage Loan Trends

As indicated in Exhibit 8 below, mortgage loan activity in the assessment area has been increasing since the previous evaluation. Based on reported HMDA data from lenders in the assessment area, home mortgage originations grew substantially from 2019 to 2021. The assessment area was also a major driver of mortgage originations for the state and accounted for approximately 117.7 percent of all HMDA originations in California during 2021.

EXHIBIT 8			
HOME MORTGAGE TRENDS			
SAN JOSE-SAN FRANCISCO-OAKLAND ASSESSMENT AREA			
Area	2019	2020	2021
San Jose-San Francisco-Oakland, CA CSA 2022	176,148	331,152	338,190
Alameda County, CA	46,792	91,783	89,577
Contra Costa County, CA	42,108	79,645	77,168
San Francisco County, CA	14,902	26,254	28,996
San Joaquin County, CA	23,433	37,495	41,661
Santa Clara County, CA	48,913	95,975	100,788
Oakland-Berkeley-Livermore, CA MD	88,900	171,428	166,745

San Francisco-San Mateo-Redwood City, CA MD	33,760	62,325	67,294
San Jose-Sunnyvale-Santa Clara, CA MSA	51,330	100,292	105,141
Stockton, CA MSA	23,433	37,495	41,661
California	1,021,720	1,876,147	1,866,142

Source: FFIEC, HMDA Loan/Application Records

Housing Cost Burden

Housing cost burden across the assessment area is comparable to the housing cost burden across the State of California. Within this assessment area, the cost burden for all renters reflects the need for affordable housing in the assessment area, as almost half of renters are spending 30.0 percent or more of their household income on rent. Affordable housing options for low-income individuals were particularly limited throughout the assessment area. These figures are detailed in Exhibit 9 below.

EXHIBIT 9 HOUSING COST BURDEN SAN JOSE-SAN FRANCISCO-OAKLAND ASSESSMENT AREA						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
San Jose-San Francisco-Oakland, CA CSA 2022	77%	50%	43%	63%	45%	27%
Alameda County, CA	79%	52%	45%	64%	47%	26%
Contra Costa County, CA	80%	50%	48%	66%	47%	28%
San Francisco County, CA	66%	39%	34%	58%	39%	28%
San Joaquin County, CA	83%	54%	50%	69%	48%	27%
Santa Clara County, CA	80%	52%	43%	62%	44%	26%
Oakland-Berkeley-Livermore, CA MD	79%	51%	46%	65%	47%	27%
San Francisco-San Mateo-Redwood City, CA MD	71%	43%	37%	60%	42%	28%
San Jose-Sunnyvale-Santa Clara, CA MSA	80%	52%	43%	62%	44%	27%
Stockton, CA MSA	83%	54%	50%	69%	48%	27%
California	81%	51%	50%	66%	47%	30%

Cost Burden is housing cost that equals 30 percent or more of household income

Source: U.S. Department of Housing and Urban Development (HUD), 2015-2019 Comprehensive Housing Affordability Strategy

The median housing value for the bank’s San Jose-San Francisco-Oakland assessment area was \$559,184, which exceeds the median housing value for the State of California.⁵⁰ Within the

⁵⁰ FFIEC Online Census Data System, 2020 FFIEC Census Report – Summary Census Housing Information, available from <https://www.ffiec.gov/census/default.aspx>.

assessment area, the San Francisco-San Mateo-Redwood City MD had the highest median housing value (\$788,193) while the Stockton MSA had the lowest (\$222,995).⁵¹

Credit and Community Development Needs

A community representative from an organization providing support services to area small businesses indicated that although the area is in a recovery stage from COVID-19, there is still a large need for small business assistance. This includes more affordable capital from financial institutions, as many small business owners are denied credit and are forced to resort to credit cards or lenders with high rates. An affordable housing organization was also contacted during the evaluation. The contact cited an increased concern to serve homeless and special needs residents within the assessment area. The contact identified equity equivalent investments as an opportunity for banks to address community credit needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN SAN JOSE-SAN FRANCISCO-OAKLAND

Lending Test

The institution's overall lending performance within this assessment area is good. UBB's lending activity demonstrates excellent responsiveness to assessment area credit needs. Its geographic distribution of loans reflects good penetration throughout the assessment area, and the distribution of borrowers reflects good penetration among businesses of different sizes. UBB extended a high level of community development loans within the assessment area during the evaluation period.

Lending Activity

Overall lending activity is considered good. The percentage of the bank's small business lending within the area is consistent with the percentage of its area deposits. Approximately 41 percent in number of the bank's small business loans during the evaluation period were originated within this assessment area.

⁵¹ FFIEC Online Census Data System, 2020 FFIEC Census Report – Summary Census Housing Information, available from <https://www.ffiec.gov/census/default.aspx>.

Lending Distribution by Geography

Overall lending distribution by geography is considered good. UBB's level of small business lending in low-income census tracts was slightly less than both the aggregate lending levels and the percentage of small businesses in such tracts. The Bank's lending in moderate-income census tracts was generally consistent with both the aggregate lending and the percentage of small businesses in these tracts. Its performance was substantially similar in 2021. UBB's level of small business lending in low-income census tracts declined in 2022 and was again below the percentage of small businesses located in such tracts. However, its lending in moderate-income census tracts increased, and exceeded the percentage of small businesses in these tracts.

Lending Distribution by Business Revenue

Overall lending distribution by borrower income is considered good. The Bank's lending to small businesses exceeded aggregate lending performance in 2020 but was below aggregate levels in 2021. While aggregate data was unavailable for comparison for 2022, UBB's lending significantly increased in that year, with the Bank making 64.6 percent of its loans to businesses with revenues of \$1 million or less. The Bank's lending was below demographic indicators, as 91.6 percent of assessment area businesses had revenues of \$1 million or less per year.

A majority of the Bank's small business loans were made in amounts of \$100,000 or less in 2020 and 2021. Such lending helped address the area's small business credit demand for smaller-sized loans. The percentage of the Bank's lending in these lower amounts declined significantly in 2022. The Bank nonetheless originated a majority of its loans that year in amounts of \$250,000 or less.

Community Development Lending

During the evaluation period, the Bank extended a high level of community development loans within this assessment area. UBB originated 26 community development loans totaling \$73.9 million during the evaluation period. Of these 26 loans, 11 were in support of economic development, five were to organizations promoting affordable housing, five were to revitalize or stabilize low- or moderate-income geographies, and five were to support community services targeted to low- and moderate-income residents.

Notable development loans in the San Jose–San Francisco–Oakland assessment area include the following:

- A \$11.9 million loan to an organization that provides job training services targeted to low- and moderate-income individuals. The organization provides apprenticeship-level training for electricians in the assessment area.
- A \$1.5 million loan to an organization that provides community services targeted to low- and moderate-income individuals. The organization operates five health clinics that provide health services targeted to low- and moderate-income individuals.
- A \$1 million PPP loan that supports economic development by financing a small motel that retained 76 jobs impacted by the COVID 19 pandemic.
- A \$1 million loan that provides affordable housing to low- and moderate-income individuals. The loan financed an 11-unit apartment building located in a low-income census tract. All 11 units have rents that are affordable to low- and moderate-income individuals.

Investment Test

UBB's level of responding to community development needs through its investment activities is high satisfactory. In addition to the previously mentioned investments that benefit regional or statewide areas, the Bank holds 22 investments totaling \$20.3 million that directly benefit the San Jose–San Francisco–Oakland, CA CSA assessment area. This total includes \$14 million in new investments and \$6.3 million in prior period investments that remained on the books. Additionally, the Bank made \$60,900 in qualified community development donations impacting this assessment area. While the Bank made rare use of innovative or complex investments in this assessment area, the Bank exhibited good responsiveness to affordable housing needs in this assessment area. The following are notable examples of the Bank's investment activities:

- Freddie Mac MBS (\$16.1 million) – The securities are comprised of loans extended to low- and moderate-income borrowers and/or residents or low- and moderate-income census tracts located within the assessment area.
- \$1.8 million funded to a LIHTC that supports affordable housing in the Bank's San Jose–San Francisco–Oakland, CA CSA assessment area.

Service Test

UBB's performance under the service test within this assessment area is adequate. Systems for delivering retail banking services are reasonably accessible to all portions of the assessment area, including low- and moderate-income areas. The Bank's record of opening and closing of branches has somewhat adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies. The Bank and its employees provided a high level of community development services in this assessment area.

Retail Banking Services

The Bank's record of opening and closing branches has somewhat adversely affected the accessibility of its delivery systems, particularly low- and moderate-income geographies and/or individuals. Within this assessment area, UBB operates ten full-service branch locations, including one branch within a moderate-income census tract. Branch locations and business hours are considered convenient and meet the needs of the assessment area. Since the previous evaluation, one branch office has closed, which was located in a moderate-income census tract. The Bank opened one LPO in an upper-income tract since the previous evaluation.

Community Development Services

The institution provided a high level of community development services within the assessment area. Employees provided 977 service hours to 17 organizations during the evaluation period. For 11 of the organizations, employees held leadership positions as board and committee members. These qualified services met a variety of community development needs. The majority of service hours were in support of a local economic development authority directly benefitting this assessment area. The following are notable examples of community development services.

- Several employees served as financial literacy instructors providing financial education to low- and moderate-income students.
- One employee serves as a board member for an organization which provides pre-apprenticeship job training to low- and moderate-income residents.
- One employee served as a board member to an organization which provides apprenticeship workforce development programs targeted to low- and moderate-income residents.
- One employee serves as a board member to an organization that provides emergency shelter services to minors.

Los Angeles-Long Beach-Anaheim Assessment Area

Conclusions

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

DESCRIPTION OF OPERATIONS IN LOS ANGELES-LONG BEACH-ANAHEIM

The Los Angeles-Long Beach-Anaheim assessment area includes the entirety of the Los-Angeles-Long Beach-Anaheim, CA MSA, which is comprised of the Anaheim-Santa Ana-Irvine, CA MD and the Los Angeles-Long Beach-Glendale, CA MD. The assessment area has a total population of 13.2 million⁵² and a median housing value of \$470,264.⁵³

This assessment area is a highly competitive market for financial services. As of June 30, 2022, there were 109 institutions operating 2,144 branches in the assessment area. UBB ranked 56th out of 109 financial institutions in local deposit market share with a 0.1 percent market share.⁵⁴ UBB operates five branch locations within the Los Angeles-Long Beach, CA CSA. These branches account for \$524.6 million of the bank's \$2.2 billion total deposit base.

Exhibit 10 on the following page presents key demographic and business information used to help develop a performance context for the assessment area.

⁵² FFIEC Online Census Data System, 2020 FFIEC Census Report – Summary Census Population Information, available from <https://www.ffiec.gov/census/default.aspx>.

⁵³ FFIEC Online Census Data System, 2020 FFIEC Census Report – Summary Census Housing Information, available from <https://www.ffiec.gov/census/default.aspx>.

⁵⁴ FDIC, Deposit Market Share Report, June 30, 2022; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

EXHIBIT 10								
ASSESSMENT AREA DEMOGRAPHICS								
LOS ANGELES-LONG BEACH-ANAHEIM ASSESSMENT AREA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	178	5.7	142,545	4.8	39,818	27.9	699,400	23.7
Moderate-income	856	27.5	792,186	26.8	125,169	15.8	486,097	16.5
Middle-income	926	29.8	905,587	30.7	73,556	8.1	529,772	17.9
Upper-income	1,071	34.4	1,098,658	37.2	43,367	3.9	1,238,213	41.9
Unknown-income	81	2.6	14,506	0.5	1,991	13.7	0	0
<i>Total Assessment Area</i>	<i>3,112</i>	<i>100.0</i>	<i>2,953,482</i>	<i>100.0</i>	<i>283,901</i>	<i>9.6</i>	<i>2,953,482</i>	<i>100.0</i>
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	225,201	29,216	1.4	13	183,218	81.4	12,767	5.7
Moderate-income	1,184,434	364,211	17.1	30.7	758,418	64.0	61,805	5.2
Middle-income	1,388,988	672,356	31.6	48.4	643,632	46.3	73,000	5.3
Upper-income	1,803,716	1,056,633	49.6	58.6	613,113	34.0	133,970	7.4
Unknown-income	58,695	7,284	0.3	12.4	44,424	75.7	6,987	11.9
<i>Total Assessment Area</i>	<i>4,661,034</i>	<i>2,129,700</i>	<i>100.0</i>	<i>45.7</i>	<i>2,242,805</i>	<i>48.1</i>	<i>288,529</i>	<i>6.2</i>
Income Categories	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	24,565	3.5	22,190	3.4	2,244	4.2	131	2.9
Moderate-income	137,050	19.3	124,054	19.1	12,320	23.0	676	15.1
Middle-income	198,587	28.0	181,575	27.9	15,911	29.7	1,101	24.6
Upper-income	331,000	46.7	308,033	47.3	20,530	38.3	2,437	54.4
Unknown-income	17,876	2.5	15,185	2.3	2,560	4.8	131	2.9
<i>Total Assessment Area</i>	<i>709,078</i>	<i>100.0</i>	<i>651,037</i>	<i>100.0</i>	<i>53,565</i>	<i>100.0</i>	<i>4,476</i>	<i>100.0</i>
Percentage of Total Businesses:			91.8		7.6		.6	
Income Categories	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	43	1.8	43	1.9	0	0.0	0	0.0
Moderate-income	368	15.4	345	14.9	23	27.7	0	0.0
Middle-income	573	24	552	23.9	21	25.3	0	0.0
Upper-income	1,365	57.1	1,326	57.4	39	47.0	0	0.0
Unknown-income	43	1.8	43	1.9	0	0	0	0.0

Total Assessment Area	2,392	100.0	2,309	100.0	83	100.0	0	0.0
Percentage of Total Farms:			96.5		3.5		0.0	

2022 FFIEC Census Data and 2022 D&B Information

Economic Conditions

The assessment area’s local economy relies primarily on tourism, shipping, tech, and medical services.⁵⁵⁵⁶ A robust healthcare sector and emerging tech sector provide high-paying jobs within the area.⁵⁷ The region also has global ties to entertainment and fashion.⁵⁸ Deep harbors in San Pedro allow for docking of mega cargo ships.⁵⁹ Despite these positive economic factors, high costs continue to hinder population growth, and the region continues to contain a large abundance of low-wage jobs.⁶⁰⁶¹

Los Angeles was in the recovery stage of the business cycle and Anaheim was at risk for recession in 2022.⁶²⁶³ The assessment area has been recovering jobs since the pandemic and has experience job gains in healthcare, hospitality, and entertainment.⁶⁴⁶⁵ Los Angeles unemployment is approaching pre-pandemic levels and labor force participation has been increasing.⁶⁶ Anaheim unemployment has dipped below pre-pandemic levels despite upward pressure from labor force additions.⁶⁷ While housing price growth has slowed in the assessment area, appreciation is well above US averages.⁶⁸⁶⁹

The assessment area remains resilient to nationwide healthcare worker shortages, benefitting from a younger overall population.⁷⁰ Mt. Sinai and UCLA medical center continue to rank among the nation’s top hospitals and leaders in medical research.⁷¹ Anaheim benefits from Disney Resorts as the area’s top employer.⁷² Although tourism payrolls and hotel occupancy

⁵⁵ Moody’s Analytics Precis Report – Anaheim-Santa Ana-Irvine, CA August 2022.

⁵⁶ Moody’s Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA August 2022.

⁵⁷ Moody’s Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA August 2022.

⁵⁸ Moody’s Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA August 2022.

⁵⁹ Moody’s Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA August 2022.

⁶⁰ Moody’s Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA August 2021.

⁶¹ Moody’s Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA August 2022.

⁶² Moody’s Analytics Precis Report – Anaheim-Santa Ana-Irvine, CA August 2022.

⁶³ Moody’s Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA August 2022.

⁶⁴ Moody’s Analytics Precis Report – Anaheim-Santa Ana-Irvine, CA August 2022.

⁶⁵ Moody’s Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA August 2022.

⁶⁶ Moody’s Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA August 2022.

⁶⁷ Moody’s Analytics Precis Report – Anaheim-Santa Ana-Irvine, CA August 2022.

⁶⁸ Moody’s Analytics Precis Report – Anaheim-Santa Ana-Irvine, CA August 2022.

⁶⁹ Moody’s Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA August 2022.

⁷⁰ Moody’s Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA August 2022.

⁷¹ Moody’s Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA August 2022.

⁷² Moody’s Analytics Precis Report – Anaheim-Santa Ana-Irvine, CA August 2022.

saw a return to pre-pandemic levels in 2022, short term gains but may be further impacted by high interest rates and high inflation.⁷³ While the assessment area’s tech industry presence is not at the level of the Bay Area’s, this sector remains essential for economic growth in the assessment area.⁷⁴ Though operating costs remain high relative the nation, the assessment area remains less expensive than the Bay Area.⁷⁵

Small Business Lending

According to CRA aggregate data, small business lending activity in the assessment area has been increasing since the previous evaluation. From 2019 to 2021, small business loan volumes from CRA reporters increased by 19.4 percent. During 2021, the assessment area accounted for a large portion of total CRA small business lending across the state (42.9 percent). See Exhibit 11 below for detail.

EXHIBIT 11			
SMALL BUSINESS LOAN TRENDS			
LOS ANGELES-LONG BEACH-ANAHEIM ASSESSMENT AREA			
Area	2019	2020	2021
Los Angeles-Long Beach-Anaheim, CA MSA 2022	482,794	499,559	576,377
Los Angeles County, CA	354,890	365,864	427,499
Orange County, CA	127,904	133,695	148,878
Anaheim-Santa Ana-Irvine, CA MD	127,904	133,695	148,878
Los Angeles-Long Beach-Glendale, CA MD	354,890	365,864	427,499
California	1,146,375	1,182,917	1,342,194

Source: FFIEC CRA Aggregate Data

Unemployment Statistics

Assessment area unemployment rates have risen significantly across all geographies since the prior evaluation in 2019. Beginning in March 2020, nationwide quarantine restrictions imposed to combat the Coronavirus (COVID-19) pandemic led to severe economic disruptions resulting in high levels of unemployment. As reflected in Exhibit 12 on the following page, since the prior evaluation in 2019, unemployment rates for the assessment area ranged between 4.0 percent and 11.5 percent, which was comparable to the state rates over the same period.

⁷³ Moody’s Analytics Precis Report – Anaheim-Santa Ana-Irvine, CA August 2022.

⁷⁴ Moody’s Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA August 2022.

⁷⁵ Moody’s Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA August 2022.

EXHIBIT 12			
UNEMPLOYMENT RATES			
LOS ANGELES-LONG BEACH-ANAHEIM ASSESSMENT AREA			
Area	2019	2020	2021
Los Angeles-Long Beach-Anaheim, CA MSA 2022	4.03%	11.54%	8.22%
Los Angeles County, CA	4.41%	12.34%	8.91%
Orange County, CA	2.84%	9.02%	5.97%
Anaheim-Santa Ana-Irvine, CA MD	2.84%	9.02%	5.97%
Los Angeles-Long Beach-Glendale, CA MD	4.41%	12.34%	8.91%
California	4.11%	10.22%	7.30%

Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics

Median Family Income

Between 2015 and 2020, the MFI of the assessment area increased by 15.5 percent, which fell slightly below the MFI increase experienced statewide. Exhibit 13 below reflects the change in median family income that occurred in the assessment area, its underlying geographies, and the state of CA during that timeframe.

EXHIBIT 13			
MEDIAN FAMILY INCOME CHANGE			
LOS ANGELES-LONG BEACH-ANAHEIM ASSESSMENT AREA			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Los Angeles-Long Beach-Anaheim, CA MSA 2020	\$74,040	\$85,544	15.5%
Los Angeles County, CA	\$68,508	\$80,317	17.2%
Orange County, CA	\$93,965	\$106,451	13.3%
Anaheim-Santa Ana-Irvine, CA MD	\$93,965	\$106,451	13.3%
Los Angeles-Long Beach-Glendale, CA MD	\$68,508	\$80,317	17.2%
California	\$77,267	\$89,798	16.2%

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

2016 - 2020 U.S. Census Bureau American Community Survey

Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.

Mortgage Loan Trends

As indicated in Exhibit 14 on the following page, mortgage loan activity in the assessment area has been increasing since the previous evaluation. Based on reported HMDA data from lenders in the assessment area, home mortgage originations grew substantially from 2019 to

2022. The assessment area was also a major driver of mortgage originations for the state and accounted for approximately 19.4 percent of all HMDA originations in CA during 2021.

EXHIBIT 14			
HOME MORTGAGE TRENDS			
LOS ANGELES-LONG BEACH-ANAHEIM ASSESSMENT AREA			
Area	2019	2020	2021
Los Angeles-Long Beach-Anaheim, CA MSA 2022	277,147	530,291	515,504
Los Angeles County, CA	194,645	355,793	361,452
Orange County, CA	82,502	174,498	154,052
Anaheim-Santa Ana-Irvine, CA MD	82,502	174,498	154,052
Los Angeles-Long Beach-Glendale, CA MD	194,645	355,793	361,452
California	1,021,720	1,876,147	1,866,142

Source: FFIEC, HMDA Loan/Application Records

Housing Cost Burden

The housing cost burden across the assessment area is comparable to the housing cost burden across the State of California. The cost burden for all renters reflects the need for affordable housing in the assessment area, as over half of the area’s renters are spending 30 percent or more of their household income on rent. Affordable housing options for low-income individuals were scarce throughout the assessment area as well as in the state. However, moderate-income renters and owners generally had greater affordable housing options. Details are presented in Exhibit 15 below.

EXHIBIT 15						
HOUSING COST BURDEN						
LOS ANGELES-LONG BEACH-ANAHEIM ASSESSMENT AREA						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Los Angeles-Long Beach-Anaheim, CA MSA 2022	81%	47%	53%	67%	47%	33%
Los Angeles County, CA	81%	45%	53%	68%	48%	34%
Orange County, CA	82%	53%	52%	63%	46%	30%
Anaheim-Santa Ana-Irvine, CA MD	82%	53%	52%	63%	46%	30%
Los Angeles-Long Beach-Glendale, CA MD	81%	45%	53%	68%	48%	34%
California	81%	51%	50%	66%	47%	30%

Cost Burden is housing cost that equals 30 percent or more of household income

Source: U.S. Department of HUD, 2015-2019 Comprehensive Housing Affordability Strategy

Credit and Community Development Needs

An economic development organization was contacted during the evaluation to discuss local economic conditions, opportunities for participation by local financial institutions, and performance of local financial institutions. The contact identified a lack of affordable housing for low-, moderate-, and middle-income families. The contact also noted a need for small business loans, especially for micro and start-up business credit in the community. The contact stated that various opportunities exist for participation by local financial institutions such as participating in grant funding and providing technical resources to small businesses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN LOS ANGELES-LONG BEACH-ANAHEIM

Lending Test

The institution's performance under the lending test in the Los Angeles-Long Beach-Anaheim assessment area is excellent. Lending activity in the assessment area reflects good responsiveness to community credit needs. The geographic distribution of the bank's loans reflects excellent penetration throughout the assessment area, and the distribution of borrowers reflects excellent penetration among borrowers of different revenue levels. The Bank also exhibited a high level of community development lending within the assessment area.

Lending Activity

The Bank's lending levels demonstrate good responsiveness to community credit needs. UBB small business lending within the assessment area is greater than the percentage of the Bank's deposits in the assessment area.

Lending Distribution by Geography

Overall, UBB's lending distribution by geography is excellent. A relatively low percentage of the assessment area's businesses are located within low- and moderate-income census tracts. This factor, along with strong competition from other financial institutions, may limit opportunities for lending within these geographies. However, the Bank's small business lending within these tracts significantly exceeded the percentage of businesses in these tracts in all three years of the evaluation, and significantly exceeded aggregate lending levels in

2020 and 2021. The bank's lending in moderate-income tracts similarly exceeded the percentage of small businesses all three years, and aggregate lending in 2020 and 2021.

Lending Distribution by Business Revenue

The Bank's lending distribution by borrower revenue is good. The Bank's lending to small businesses exceeded aggregate lending performance in 2020 and 2021. The Bank's lending was below demographic indicators, as 91.6 percent of assessment area businesses had revenues of \$1 million or less per year. However, the Bank significantly increased its lending to these small businesses during the evaluation period; its lending to small businesses increased from 49.7 percent in number of loans in 2020 to 72.5 percent in 2022.

A majority of the Bank's small business loans were made in amounts of \$100,000 or less in 2020 and 2021. Such lending helped address the area's small business credit demand for smaller-sized loans as identified by community contacts. While the percentage of the Bank's lending in these lower amounts declined in 2022, 73.7 percent of the Bank's loans were in amounts of \$250,000 or less in that year.

Community Development Lending

During the evaluation period, the Bank made a high level of community development loans within this assessment area. Twelve community development loans totaling \$41.7 million were originated within the assessment area during the evaluation period. Of these 12 loans, seven were to organizations providing affordable housing, while five were to organizations promoting economic development.

Notable community development loans in the assessment area include the following:

- A \$5 million PPP loan that supports economic development by financing a small mortgage loan originator that provides employment to 149 employees in a moderate-income census tract.
- A \$ 1.9 million PPP loan that supports economic development by financing a small motel that provides employment for 22 LMI jobs.
- A \$11 million loan that provides affordable housing to low- and moderate-income individuals. The loan financed an 81-unit apartment complex located in a low-income census tract. All 81 units have rents that are affordable to low- and moderate-income individuals.
- A \$3.5 million loan that provides affordable housing to low- and moderate-income individuals. The loan financed a 39-unit apartment complex located in a low-income

census tract. All 39 units have rents that are affordable to low- and moderate-income individuals.

Investment Test

The institution's level of responding to community development needs through its investment activities is adequate. In addition to the previously described investments that benefit regional or statewide areas, the Bank holds four investments totaling \$3.6 million that directly benefit the Los Angeles-Long Beach-Anaheim, CA MSA assessment area. This total includes \$1 million in new investments and \$2.6 million in prior period investments that remained on the books. Additionally, the Bank made \$7,000 in qualified community development donations impacting this assessment area. While UBB made no use of innovative or complex investments in this assessment area, the Bank exhibited adequate responsiveness to affordable housing needs in this assessment area. The following is a notable example of the bank's investment activities:

- Freddie Mac MBS (\$1 million) – The securities are comprised of loans extended to low- and moderate-income borrowers and/or residents or low- and moderate-income census tracts located within the assessment area.

Service Test

The institution's performance under the service test within this assessment area is adequate. Systems for delivering retail banking services are reasonably accessible to all portions of the assessment area, including low- and moderate-income areas. The Bank provided an adequate level of community development services in this assessment area.

Retail Banking Services

Delivery systems and branch locations are accessible to geographies and individuals of different income levels within the assessment area. Within this assessment area, UBB operates five full-service branch locations. Two branches are located within moderate-income census tracts. Branch locations and business hours are considered convenient and meet the needs of the assessment area. As previously mentioned, the Bank acquired one branch location in a middle-income tract, while closing one branch office in a moderate-income tract since the previous evaluation. UBB's services do not vary in a way that inconveniences low- or moderate-income geographies or populations within the assessment area.

Community Development Services

The institution provided an adequate level of community development services within the assessment area. Employees provided 158 hours of service to four organizations during the evaluation period. For two of the organizations, employees held leadership positions as board and committee members. All four organizations were in support of community services targeted to low- and moderate-income residents. The majority of service hours were in support of an organization providing healthcare services to residents of low- and moderate-income census tracts. The following are notable examples of community development services.

- One employee is a board member for an organization that provides emergency food assistance to low- and moderate-income families.
- One employee is a board member for an organization that provides healthcare services to low- and moderate-income residents.

Limited-Scope Assessment Area Conclusions

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

As detailed in Exhibit 16 below, UBB's performance in the assessment area receiving a limited-scope review is generally consistent with the performance in areas receiving full-scope reviews. Service test performance in the limited-scope review area lagged performance for CA overall. Due to the Bank's smaller presence in this market and lower percentages of loans and deposits, the limited scope assessment area received less weight than the full-scope assessment areas. Consequently, performance in this area did not materially affect the Bank's overall lending, investment, and service performance assessments. UBB operates one branch in Sacramento County. Facts and data reviewed, including performance and demographic information, can be found in the table accompanying this report.

EXHIBIT 16			
LIMITED-SCOPE ASSESSMENT AREA CONCLUSIONS			
ASSESSMENT AREA(S)	LENDING TEST	INVESTMENT TEST	SERVICE TEST
Sacramento County	Consistent	Consistent	Below

STATE OF COLORADO

CRA Rating for Colorado

Performance in Colorado is rated “NEEDS TO IMPROVE”

The lending test is rated: Low Satisfactory

The investment test is rated: Substantial Noncompliance

The service test is rated: Needs to Improve

The major factors supporting the institution’s rating include:

- Lending activity reflects poor responsiveness to community credit needs.
- The Bank’s borrower distribution performance is considered excellent in Colorado.
- UBB makes use of flexible lending practices to meet area credit needs. The Bank made an adequate level of community development loans in Colorado during the evaluation period.
- The Bank made few, if any qualified community development investments, particularly those not routinely provided by private investors.
- The Bank made no use of innovative and/or complex investments to support community development initiatives and it exhibited very poor responsiveness to credit and community development needs through its investment activity.
- The Bank and its employees provided a relatively limited level of community development services within its Colorado assessment areas during the review period.

Scope of Examination

The scope of the examination for the state of Colorado is consistent with the overall scope of the CRA examination. UBB has five assessment areas in Colorado: The Grand County assessment area received a full-scope review, while the Denver-Aurora-Lakewood, Custer County, Delta County, and El Paso County assessment areas received limited scope reviews due to the bank’s limited presence and lower level of activity in those areas. The Grand County assessment area carried the greatest weight in the overall assessment of Colorado because of its greater larger share of deposits and higher loan volumes.

UBB’s reported small business loans from calendar years 2020, 2021, and 2022 were analyzed to determine geographic and borrower distributions of the bank’s lending. The institution’s

efforts to serve its assessment areas through qualified community development loans, investments, and services during the review period were also reviewed.

Description of Operations in Colorado

Colorado is the Bank's second largest statewide market area by number of branch locations. Of the Bank's 34 total locations, 11 are located in Colorado. Nine of the eleven are located in rural nonmetropolitan areas of Colorado. As of June 30, 2022, the combined five Colorado assessment areas constituted approximately 15.0 percent of the Bank's total deposits. Additionally, approximately 9.0 percent of the Bank's total loan originations occurred within the state. Colorado remains a competitive market for financial services, with a total of 126 insured depository institutions in the state operating a combined total of 23,320 locations that held \$205.3 billion in total deposits as of June 30, 2022.⁷⁶ As of that same date, UBB ranked 46th in the state with a total of \$348.7 million in deposits held in its Colorado branches.⁷⁷

Colorado's economy relies primarily on high tech, energy, and tourism.^{78 79 80} Diversified with several high-value-added industries, Colorado's economy employs a well-educated workforce.⁸¹ The presence of several military bases and the United States Air Force Academy also supports aerospace and defense contractors.⁸² Above average per capita income contributes to strong prime-age population in-migration.⁸³ However, the rapidly growing population has led to low housing affordability.⁸⁴ High inflation has slowed the recovery of travel-related industries to pre-pandemic levels.⁸⁵

The state was in the mid-expansion stage of the business cycle in 2022.⁸⁶ Payrolls in the state exceeded prerecession levels, and employment since 2020 ranks among the top in the country.⁸⁷ Professional services and manufacturing led recent job growth.⁸⁸ Unemployment

⁷⁶ FDIC, Deposit Market Share Report, June 30, 2022; available from: <https://www5.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

⁷⁷ Ibid.

⁷⁸ Moodys Analytics Precis Report – State of Colorado – March 2020.

⁷⁹ Moodys Analytics Precis Report – State of Colorado – July 2021.

⁸⁰ Moodys Analytics Precis Report – State of Colorado – July 2022.

⁸¹ Moodys Analytics Precis Report – State of Colorado – March 2020.

⁸² Moodys Analytics Precis Report – State of Colorado – July 2022.

⁸³ Moodys Analytics Precis Report – State of Colorado – July 2021.

⁸⁴ Moodys Analytics Precis Report – State of Colorado – July 2022.

⁸⁵ Moodys Analytics Precis Report – State of Colorado – July 2022.

⁸⁶ Moodys Analytics Precis Report – State of Colorado – July 2022.

⁸⁷ Moodys Analytics Precis Report – State of Colorado – July 2022.

⁸⁸ Moodys Analytics Precis Report – State of Colorado – July 2022.

continues to fall despite a growing labor force in the state.⁸⁹ Housing price growth remains steadily above the national average due in large part to in-migration.⁹⁰ The state is home to large populations of professional and technical services due to the presence of leading aerospace firms and a variety of startups.⁹¹ While the aerospace defense contractors have grown due to the proximity to the U.S. Air Force Academy, nontraditional startups and biotech firms also contributed to recent job growth.⁹² It is anticipated that the number of oil rigs may continue to rise as the Russian Invasion of Ukraine puts pressure on supply.⁹³ The European Union embargo on Russian oil and the resulting impact on supply may incentivize producers to increase output.⁹⁴

Conclusions with Respect to Performance Tests in Colorado

As mentioned previously, Colorado assessment areas account for 6.6 percent of the Bank's overall loans by dollar volume, and 5.4 percent of its total deposits. As a result, performance in Colorado had a relatively low influence in determining overall conclusions for the institution. Conclusions regarding UBB's performance in Colorado with respect to the lending, investment, and service tests are based on the bank's performance in the full-scope assessment area, the Grand County assessment area. This assessment area did not have any low- or moderate-income census tracts in 2020 or 2021 but had one low-income census tract added in 2022. Accordingly, when determining overall lending test conclusions, geographic distribution performance was given less overall weight. The following sections contain specific comments regarding individual assessment areas within Colorado, noting any differences in performance among the areas.

UBB did not engage in any community development lending and investment activities within Colorado that had a broader statewide or regional impact outside of its designated assessment areas in Colorado.

⁸⁹ Moodys Analytics Precis Report – State of Colorado – July 2022.

⁹⁰ Moodys Analytics Precis Report – State of Colorado – July 2022.

⁹¹ Moodys Analytics Precis Report – State of Colorado – July 2022.

⁹² Moodys Analytics Precis Report – State of Colorado – July 2022.

⁹³ Moodys Analytics Precis Report – State of Colorado – July 2022.

⁹⁴ Moodys Analytics Precis Report – State of Colorado – July 2022.

Grand County Assessment Area Conclusions

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

DESCRIPTION OF OPERATIONS IN GRAND COUNTY

The Grand County assessment area consists of Grand County in its entirety, and is home to rural communities including Granby, Grand Lake, Fraser, Kremmling, and Tabernash. The assessment area is bordered by Jackson County to the north, Larimer, Boulder, and Gilpin Counties to the east, Eagle, Summit, and Clear Creek Counties to the south, and Routt County to the west. As of July 1, 2022, the assessment area had an estimated full-time population of 15,769 people.⁹⁵ The population of the area has experienced very little change since April 1, 2020, when the full-time population was estimated to be 15,717.⁹⁶

As of June 30, 2022, the assessment area was home to five FDIC-insured depository institutions operating nine offices with combined deposits of \$532.4 million. At that time, UBB ranked first in the county with five branches that held \$149.8 million in total deposits (representing 28.1 percent of market share).⁹⁷

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

⁹⁵ U.S. Census Bureau, QuickFacts, Population Estimates, July 1, 2022; available from: www.census.gov/quickfacts/.

⁹⁶ Ibid.

⁹⁷ FDIC, Deposit Market Share Report, June 30, 2022; available from: <https://www5.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

EXHIBIT 17 ASSESSMENT AREA DEMOGRAPHICS GRAND COUNTY ASSESSMENT AREA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	16.7	208	5.6	0	0.0	500	13.4
Moderate-income	0	0.0	0	0.0	0	0.0	376	10.1
Middle-income	0	0.0	0	0.0	0	0.0	898	24.0
Upper-income	5	83.3	3,526	94.4	103	2.9	1,960	52.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<i>Total Assessment Area</i>	<i>6</i>	<i>100.0</i>	<i>3,734</i>	<i>100.0</i>	<i>103</i>	<i>2.8</i>	<i>3,734</i>	<i>100.0</i>
Income Categories	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	3,196	232	5.3	7.3	391	12.2	2,573	80.5
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	0	0	0.0	0.0	0	0.0	0	0.0
Upper-income	13,738	4,180	94.7	30.4	1,512	11.0	8,046	58.6
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<i>Total Assessment Area</i>	<i>16,934</i>	<i>4,412</i>	<i>100.0</i>	<i>26.1</i>	<i>1,903</i>	<i>11.2</i>	<i>10,619</i>	<i>62.7</i>
Income Categories	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	130	16.4	119	16.7	8	12.9	3	16.7
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	0	0.0	0	0.0	0	0.0	0	0.0
Upper-income	663	83.6	594	83.3	54	87.1	15	83.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<i>Total Assessment Area</i>	<i>793</i>	<i>100.0</i>	<i>713</i>	<i>100.0</i>	<i>62</i>	<i>100.0</i>	<i>18</i>	<i>100.0</i>
Percentage of Total Businesses:			89.9		7.8		2.3	

Income Categories	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	3	7.7	3	7.7	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	0	0.0	0	0.0	0	0.0	0	0.0
Upper-income	36	92.3	36	92.3	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	39	100.0	39	100.0	0	0.0	0	0.0
Percentage of Total Farms:			100.0		0.0		0.0	

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

It should be noted that in 2020 and 2021, the assessment area included no low- or moderate-income census tracts. However, census tract changes resulted in the assessment area consisting of one low-income census tract and five upper-income tracts in 2022, as reflected in Exhibit 19 above.

Economic Conditions

Grand County’s economy is primarily driven by outdoor recreational tourism, which is the area’s largest employment sector. As of August 2022, outdoor recreation alone represented 61 percent of the county’s economy and supported over 5,694 local jobs.⁹⁸ Grand County is home to Rocky Mountain National Park and Arapaho National Forest, as well as several high-end ski resorts that provide numerous outdoor activities year-round, all of which contribute to the state brand of offering world-class recreational activities.⁹⁹ The largest employers in the area include Winter Park Resort, East Grand School District, Devils Thumb Ranch, and Middle Park Medical Center.¹⁰⁰

⁹⁸ Granby County, Colorado, Creating a Sustainable Future for Grand County Tourism, 2022; found at: https://www.townofgranby.com/vertical/sites/%7B89161B06-4754-446C-B6BF-16585CE8AB42%7D/uploads/GC_Tourism_Powerpoint_-_8_9_2022_BOT_MTG.pdf.

⁹⁹ Coley/Forrest, Inc., Water and its Relationship to the Economies of the Headwater Counties, 2011; found at: <https://www.co.grand.co.us/DocumentCenter/View/861/Outreach-Summary?bidId=>.

¹⁰⁰ Northwest Colorado Council of Governments Economic Development District, Community Profile for Grand County Colorado, August 2019; found at: http://nwccog.org/edd/wp-content/uploads/2019/08/GrandCountyCommunityProfile_Aug2019.pdf.

The pandemic and subsequent public safety measures took a toll on the hospitality industry in Grand County; however, following the reopening of businesses in the spring of 2020, the area saw a rapid increase in tourism as many visitors took advantage of the many outdoor activities that aligned with social distancing guidelines.¹⁰¹ Grand County developed a pandemic playbook that focused on promoting the outdoor activities available in the area and encouraging its local restaurants to offer more outdoor seating and delivery options.¹⁰²

Home vacancy rates in Grand County have historically been high due to a large number of secondary homes, which decreased the availability of housing for local populations. The pandemic further increased housing demand after the rise of remote workers by added to housing market competition, causing an explosion in home prices and a rapid decrease of inventory.¹⁰³ As of February 2022, as little as 25 percent of the homes in the assessment area were primary residences.¹⁰⁴ This, in turn has taken a toll on the area's local labor market, causing local small businesses to struggle to find workers.¹⁰⁵

Small Business Lending

As depicted in Exhibit 18 on the following page, the number of small business loans originated within the assessment area increased steadily over the review period and outpaced statewide trends overall. Small business loans in the assessment area increased by 49 percent between 2019 and 2021, with the largest increase occurring in 2021. Within the State of Colorado, loans to small businesses increased by 17.9 percent during this time period. Lending to small businesses is critical for the support of the local economy given that small businesses represented 89.9 percent of all businesses in the assessment area, as depicted in Exhibit 17 above.

¹⁰¹ Med Media, Amid Challenges for Reopening, Grand Lake Awash in Tourists, 2020; found at: <https://www.mymetmedia.com/amid-challenges-of-reopening-grand-lake-awash-in-tourists/>.

¹⁰² Grand County, Colorado, Grand County's Pandemic Playbook: Take it Outside, December 8, 2020; found at: <https://www.visitgrandcounty.com/pressroom/grand-countys-pandemic-playbook-take-it-outside>.

¹⁰³ Northwest Colorado Council of Governments, The Mountain Migration Report, 2021; found at: <https://www.nwccog.org/wp-content/uploads/2021/06/Mtn-Migration-Report-FINAL.pdf>.

¹⁰⁴ Roy, Anusham, How People's Living Situations in the Pandemic Impacted Colorado Mountain Communities, 9News, February 9, 2022; found at: <https://www.9news.com/article/news/local/next/covid-pandemic-impact-high-country-colorado-mountain-towns/73-d35e08c6-a98f-4235-a036-6f39488d3756>.

¹⁰⁵ Ibid.

EXHIBIT 18			
SMALL BUSINESS LOAN TRENDS			
GRAND COUNTY ASSESSMENT AREA			
Area	2019	2020	2021
Grand County AA	600	745	894
Non-MSA Colorado	21,031	26,252	26,416
Colorado	158,028	176,126	186,400

Source: FFIEC CRA Aggregate Data

Employment Statistics

Exhibit 19 below reflects the unemployment rate of the Bank’s assessment area and the state of Colorado for the years 2019 through 2021. As depicted below, the unemployment rate in Grand County experienced a sharp increase in 2020 following the COVID-19 pandemic before declining in 2021. While the area’s unemployment rate was generally below the unemployment rate of the state as a whole, it is notable that the unemployment rate in Grand County exceeded that of Colorado during 2020 the pandemic.

EXHIBIT 19			
UNEMPLOYMENT RATES			
GRAND COUNTY ASSESSMENT AREA			
Area	2019	2020	2021
Grand County	2.03%	8.00%	4.21%
Non-MSA Colorado	2.66%	6.74%	4.83%
Colorado	2.60%	6.88%	5.37%

Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics

Median Family Income

Between 2015 and 2020, the MFI of the assessment area increased by 15.9 percent, which exceeded both the non-MSA area and the state as a whole. Exhibit 20 on the following page, reflects the change in MFI that occurred in Grand County, the Non-MSA area, and the State of Colorado during that timeframe.

EXHIBIT 20 MEDIAN FAMILY INCOME CHANGE GRAND COUNTY ASSESSMENT AREA			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Grand County	\$78,728	\$91,273	15.93%
Non-MSA Colorado	\$66,320	\$72,390	9.15%
Colorado	\$81,753	\$92,752	13.45%

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

Mortgage Loan Trends

During the review period, mortgage loan originations within the assessment area increased, with growth trends outpacing the state average. Overall growth in Grand County between 2019 and 2021 was 57.1 percent, while national growth during that same time period was 51.7 percent. In both Grand County and statewide, the largest growth trends occurred in 2020 before slowing in 2021. Exhibit 21 below reflects mortgage loans originated by financial institutions in the assessment area and the State of Colorado during the period of 2019 through 2021.

EXHIBIT 21 HOME MORTGAGE TRENDS GRAND COUNTY ASSESSMENT AREA			
Area	2019	2020	2021
Grand County	1,463	2,442	2,298
Non-MSA Colorado	24,626	41,345	41,489
Colorado	267,243	449,915	405,440

Source: FFIEC, HMDA Loan/Application Records

Housing Cost Burden

The cost burden for renters and owners indicates a need for affordable housing in the assessment area, particularly for low-income renters. Affordable housing options for low-income renters were scarce in Grand County, as a majority of low-income renters are spending 30 percent or more of their household income on rent. While the percentage of all cost-burdened renters in the assessment area is below the statewide percentage, the percentage of all cost-burdened owners in Grand County is higher than the state average.

Exhibit 22 below reflects the percentages of cost burdened renters and owners within the assessment area and statewide during 2022.

EXHIBIT 22 HOUSING COST BURDEN ASSESSMENT AREA: GRAND						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Grand County	73%	29%	37%	43%	56%	24%
Non-MSA Colorado	69%	36%	41%	55%	30%	23%
Colorado	79%	47%	46%	63%	37%	21%

Cost Burden is housing cost that equals 30 percent or more of household income

Source: U.S. Department of HUD, 2015-2019 Comprehensive Housing Affordability Strategy

In addition to the percentage of cost-burdened renters and homeowners in the assessment area, median home prices continued to increase steadily during the review period. The Grand County median home price increased from \$308,200 to \$374,800 (21.6 percent) between 2019 and 2021.¹⁰⁶ However, the median rental unit price within the assessment area experienced a slight decrease during the review period. Between 2019 and 2021, the median rent prices in Grand County decreased 2.7 percent from \$1,047 to \$1,019.¹⁰⁷

Credit and Community Development Needs

The economic data described above indicate that affordable housing is an acute need for the area.¹⁰⁸ Rising home prices and stagnant wage growth in these sectors have long contributed to the need for affordable housing; however, the rise in secondary homeowners in the area following the COVID-19 pandemic, as well as a surge in work-from-home opportunities, have exacerbated this need. A 2022 housing needs assessment conducted by the Fraser River Housing Partnership, a local housing authority focused on the development of workforce housing, identified a gap in affordable housing and estimated that 645-730 units would be needed by 2027.¹⁰⁹

¹⁰⁶ U.S. Census Bureau, Median Home Values, American Community Survey, 5-year estimate; available from: <https://www.census.gov/data>.

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

¹⁰⁸ Ibid.

¹⁰⁹ Fraser River Valley Housing Partnership, Housing Needs Assessment Update 2022; available from: <https://FRVHP.com>

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN GRAND COUNTY

Lending Test

UBB's lending performance within the Grand County assessment area is adequate. The Bank's lending activity within the assessment area was poor. Its distribution to borrowers of different revenue levels was excellent. The Bank's geographic distribution was also excellent; however, given the limited lending opportunity within low-income tracts during the evaluation period, less weight is given to this criterion. The Bank made an adequate level of community development loans during the evaluation period.

Lending Activity

The Bank's overall lending activity is considered poor. The percentage of UBB's overall small business lending by dollar volume (3.4 percent) attributable to this assessment area is approximately half the percentage its total deposits (6.3 percent) attributable to the area.

Lending Distribution by Geography

Overall lending distribution by geography is considered excellent. As mentioned previously, the Grand County assessment area did not contain any low- or moderate-income census tracts in 2020 and 2021. As such, the Bank's performance was based on penetration into the middle-income census tract in the assessment area in 2020 and 2021. However, census tract changes occurred in 2022 to include one low-income census tract and five upper-income census tracts. Therefore, the Bank's performance in 2022 was based on its penetration into the low-income census tract. To account for tract income level changes during the review period when determining overall lending test conclusions, less overall weight was applied to geographic distribution conclusions. UBB's level of 2020 small business lending in the middle-income census tract exceeded both the aggregate reporters' lending levels and the percentage of businesses in such tracts. Its performance in 2021 was consistent with 2020 levels. UBB's level of 2022 small business lending in low-income census tracts exceeded the level of businesses located in such tracts.

Lending Distribution by Business Revenue

Overall lending distribution by borrower income is excellent. UBB's lending to small businesses significantly exceeded aggregate lending to small businesses in 2020. The Bank's lending to these borrowers decreased in 2021, but still exceeded aggregate lending to these borrowers

in that year. The Bank's lending to small business borrowers increased again in 2022. The Bank's performance was below demographic indicators in all three years of the evaluation, as businesses with revenues of \$1 million or less comprised 89.9 percent of all assessment area businesses by 2022. A significant majority of the Bank's small business loans were made in amounts of \$100,000 or less in 2020 and 2021. Such lending helped address the area's small business credit demand for smaller-sized loans as identified by community contacts. The percentage of the Bank's lending in these lower amounts declined in 2022; however, given the relatively limited number of loans originated in 2022, greater weight in this evaluation is given to 2020 and 2021 performance.

Community Development Lending

During the evaluation period, the Bank extended an adequate level of community development loans within this assessment area. For this assessment area, the Bank originated one community development loan totaling \$2.5 million during the evaluation period. The community development loan supports community services targeted to low- or moderate-income individuals. As mentioned earlier in this evaluation, opportunities for community development lending are limited within the Grand County, CO assessment area. When considering the Bank's capacity, market position, and business strategy, the Bank faces no constraints in extending community development loans within the assessment area.

Investment Test

UBB's level of responding to community development needs through its investment activities is considered substantial noncompliance. The Bank did not make any investments that benefit regional or statewide areas. Additionally, the Bank did not make any investments benefitting this assessment area. However, the Bank made \$7,500 in qualified donations to organizations with a community development purpose within this assessment area during the review period. The Bank did not make use of any use of innovative or complex investments and exhibited a poor responsiveness to community development needs through investments in this assessment area.

Service Test

The institution's performance under the service test within this assessment area needs to improve. While the Bank's systems for delivering retail banking services are reasonably accessible to all portions of the assessment area, the Bank provided a limited level of community development services in this assessment area.

Retail Banking Services

Delivery systems and branch locations are reasonably accessible to geographies and individuals of different income levels within the assessment area. Within this assessment area, UBB operates four full-service branch locations. While the assessment area does not contain any low- or moderate-income census tracts, the bank has three branches located in middle-income census tracts. Branch locations and business hours are considered convenient and meet the needs of the assessment area. The Bank acquired all four branch locations during the February 2020 UBB acquisition of Grand Mountain Bank. The Bank has not closed or opened any branches in this assessment area.

Community Development Services

UBB provided a limited level of community development services within the assessment area. Employees provided four service hours to one organization during the evaluation period. Specifically, two employees volunteered to coordinate operations for an organization that provides emergency food pantry services to low- and moderate-income residents within the assessment area.

Limited-Scope Assessment Area Conclusions

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

UBB’s performance in the assessment areas receiving a limited-scope review vary with respect to performance, as reflected in Exhibit 23 below. Lending test performance in the El Paso County assessment area surpassed the level of the bank’s performance in its full-scope assessment area. The bank’s lending test performance in the other limited-scope assessment areas did not rise to the level of the Bank’s performance in the full-scope assessment area. While investment levels were consistent in the nonmetropolitan limited-scope assessment areas compared to the full-scope assessment area, its metropolitan limited-scope assessment areas had better performance under the investment test. All limited-scope assessment areas had better performance under the service test compared to the performance of the full-scope assessment area.

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 assessment areas. Consequently, performance in these areas did not materially affect the bank’s overall lending, investment, and service performance assessments. UBB operates four branches in Delta County, one branch in Custer County, One branch in the Denver-Aurora-Lakewood, CO MSA and one in El Paso County. 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(S)	LENDING TEST	INVESTMENT TEST	SERVICE TEST
Delta County (Non-MSA)	Below	Consistent	Exceeds
Custer County (Non-MSA)	Below	Consistent	Exceeds
Denver-Aurora-Lakewood (MSA)	Below	Exceeds	Exceeds
El Paso County (MSA)	Consistent	Exceeds	Exceeds

STATE OF NEW MEXICO

CRA Rating for New Mexico

Performance in New Mexico is rated “SATISFACTORY”

The lending test is rated: High Satisfactory

The investment test is rated: Low Satisfactory

The service test is rated: High Satisfactory

The major factors supporting the institution’s rating include:

- Lending activity reflects good responsiveness to community credit needs.
- The Bank’s geographic and borrower distribution performance are good.
- UBB makes use of flexible lending practices to meet area credit needs.
- The Bank maintains an adequate level of qualified community development investments, and exhibits adequate responsiveness to credit and community development needs through its investment activity.
- The Bank and its employees provided a relatively high level of community development services within its New Mexico assessment areas during the review period.

Scope of Examination

The scope of the examination for the state of New Mexico is consistent with the overall scope of the CRA examination. The Albuquerque assessment area is the Bank’s sole assessment area in the state, and received a full-scope review. The evaluation for statewide performance is therefore based on the Bank’s performance in the Albuquerque assessment area, as well as activities that take place at the statewide or institutional level.

UBB’s reported small business loans from calendar years 2020, 2021, and 2022 were analyzed to determine geographic and borrower distributions of the Bank’s lending. The institution’s efforts to serve its assessment areas through qualified community development loans, investments, and services during the review period were also reviewed.

Description of Operations in New Mexico

Five of UBB's 34 branch locations are located in the state of New Mexico, and all of its products and services are offered consistently across these locations. While none of the Bank's branches are located in low-income areas, three are located in moderate-income geographies. This state accounts for approximately \$187 million of the Bank's \$2.26 billion total deposit base. The New Mexico market is competitive: As of June 30, 2022, there were 56 insured depository institutions operating 421 branches within New Mexico with combined deposits of \$45.3 billion.¹¹⁰ The Bank held \$187.3 million in New Mexico deposits as of that date, for a 0.41 percent market share.

New Mexico's economy is driven primarily by national defense, national laboratories, and energy.¹¹¹ The state is home to substantial oil, coal, and natural gas reserves.¹¹² Multiple military installations and national laboratories provide a strong federal government presence.¹¹³ High-skill federal jobs continue to serve as a major source of stable high-paying employment in New Mexico.¹¹⁴ However, rural areas of New Mexico are consistently considered the poorest in the country.¹¹⁵

The state's economy was in the recovery stage of the business cycle during 2022.¹¹⁶ The labor market has benefited from strong demand from employers, with job openings and hiring in line with national averages.¹¹⁷ Tighter labor market has put upward pressure on wages, which entices more workers to rejoin the workforce.¹¹⁸ Job growth was largest in the construction and energy sectors.¹¹⁹ Energy jobs compose a large share of employment in the state and tax revenues from oil and gas account for about one-third of the state's budget.¹²⁰ The Russian invasion of Ukraine has boosted energy prices to the benefit of New Mexico's energy sector.¹²¹ Oil drilling has surpassed pre-pandemic averages and oil production is at a record high.¹²²

¹¹⁰ FDIC, Deposit Market Share Report, June 30, 2022; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

¹¹¹ Moody's Analytics Precis Report – State of New Mexico March 2020.

¹¹² Moody's Analytics Precis Report – State of New Mexico March 2020.

¹¹³ Moody's Analytics Precis Report – State of New Mexico March 2021.

¹¹⁴ Moody's Analytics Precis Report – State of New Mexico March 2022.

¹¹⁵ Moody's Analytics Precis Report – State of New Mexico March 2023.

¹¹⁶ Moody's Analytics Precis Report – State of New Mexico March 2022.

¹¹⁷ Moody's Analytics Precis Report – State of New Mexico March 2022.

¹¹⁸ Moody's Analytics Precis Report – State of New Mexico March 2022.

¹¹⁹ Moody's Analytics Precis Report – State of New Mexico March 2022.

¹²⁰ Moody's Analytics Precis Report – State of New Mexico March 2022.

¹²¹ Moody's Analytics Precis Report – State of New Mexico March 2022.

¹²² Moody's Analytics Precis Report – State of New Mexico March 2022.

Prospects for natural gas have also improved, as Europe looks to reduce its reliance on Russia.¹²³ Liquefied natural gas exports have surged recently.¹²⁴

Conclusions with Respect to Performance Tests in New Mexico

New Mexico's assessment area accounts for 6.0 percent of the Bank's total loans by dollar volume, and 8.3 percent of its total deposits. As a result, performance in New Mexico had a relatively low influence in determining overall conclusions for the institution. Conclusions regarding UBB's performance in New Mexico with respect to the lending, investment, and service tests are based on the Bank's performance in the sole assessment area in the state, the Albuquerque assessment area, which was subject to full-scope review.

UBB did not engage in any community development lending, investment, or service activity within New Mexico that had a broader statewide or regional impact outside of its designated assessment areas in New Mexico.

¹²³ Moody's Analytics Precis Report – State of New Mexico March 2022.

¹²⁴ Moody's Analytics Precis Report – State of New Mexico March 2022.

Albuquerque Assessment Area Conclusions

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

DESCRIPTION OF OPERATIONS IN ALBUQUERQUE

The Albuquerque assessment area is comprised of the entirety of Bernalillo, Tarrant, and Valencia Counties within the Albuquerque, NM MSA. As of July 1, 2022, the assessment area had an estimated population of 766,042.¹²⁵ As of June 30, 2022, there were 23 institutions operating 122 branches in the assessment area. UBB ranked 11th out of these 23 institutions with 0.1 percent deposit market share¹²⁶.

The Bank operates five branches across its Albuquerque, NM assessment area. This assessment area accounts for approximately \$8.3 million of the Bank's \$2.3 billion total deposit base. Although the none of the Bank's branches are located in low-income census tracts, the Bank does have three branches in moderate-income census tracts. Exhibit 24 on the following page presents key demographic and business information used to help develop a performance context for the assessment area.

¹²⁵ U.S. Census Bureau, QuickFacts, Population Estimates, July 1, 2022; available from: www.census.gov.

¹²⁶ FDIC, Deposit Market Share Report, June 30, 2022; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

EXHIBIT 24 ASSESSMENT AREA DEMOGRAPHICS GRAND COUNTY ASSESSMENT AREA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	14	6.8	8,064	4.4	2,907	36	42,807	23.6
Moderate-income	54	26.2	47,500	26.2	8,351	17.6	30,344	16.7
Middle-income	70	34	69,465	38.3	7,416	10.7	34,846	19.2
Upper-income	55	26.7	54,134	29.8	2,165	4	73,425	40.5
Unknown-income	13	6.3	2,259	1.2	850	37.6	0	0
<i>Total Assessment Area</i>	<i>206</i>	<i>100.0</i>	<i>181,422</i>	<i>100.0</i>	<i>21,689</i>	<i>12.0</i>	<i>181,422</i>	<i>100.0</i>
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	20,664	5,699	2.9	27.6	12,669	61.3	2,296	11.1
Moderate-income	90,931	49,359	24.8	54.3	31,906	35.1	9,666	10.6
Middle-income	129,708	77,642	39.1	59.9	41,318	31.9	10,748	8.3
Upper-income	88,271	63,870	32.1	72.4	18,105	20.5	6,296	7.1
Unknown-income	4,998	2,204	1.1	44.1	2,169	43.4	625	12.5
<i>Total Assessment Area</i>	<i>334,572</i>	<i>198,774</i>	<i>100.0</i>	<i>59.4</i>	<i>106,167</i>	<i>31.7</i>	<i>29,631</i>	<i>8.9</i>
Income Categories	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	2,932	8.1	2,548	7.6	363	15.2	21	8.8
Moderate-income	9,111	25.2	8,091	24.1	952	39.9	68	28.3
Middle-income	12,912	35.7	12,210	36.4	636	26.6	66	27.5
Upper-income	10,861	30	10,372	30.9	409	17.1	80	33.3
Unknown-income	369	1	337	1	27	1.1	5	2.1
<i>Total Assessment Area</i>	<i>36,185</i>	<i>100.0</i>	<i>33,558</i>	<i>100.0</i>	<i>2,387</i>	<i>100.0</i>	<i>240</i>	<i>100.0</i>
Percentage of Total Businesses:			92.7		6.6		.7	
Income Categories	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	13	3.7	12	3.6	0	0	1	50
Moderate-income	95	27.3	92	27.3	3	33.3	0	0
Middle-income	130	37.4	125	37.1	4	44.4	1	50
Upper-income	102	29.3	100	29.7	2	22.2	0	0
Unknown-income	8	2.3	8	2.4	0	0	0	0

Total Assessment Area	348	100.0	337	100.0	9	100.0	2	100.0
Percentage of Total Farms:			96.8		2.6		.6	

2022 FFIEC Census Data and 2022 D&B Information

Economic Conditions

The assessment area’s local economy relies primarily on national defense, national laboratories, and local universities.¹²⁷ Federal research facilities and lower-than-average costs support a growing tech sector presence.¹²⁸ With access to important trade corridors, Albuquerque serves as a regional hub for local transportation and shipping.¹²⁹ Extensive federal government presence provides a stable base of scientific research jobs.¹³⁰ However, below-average per capita income and a high poverty rate continue to drag on the local economy.¹³¹

The area’s economy was in the recovery stage of the business cycle.¹³² While the area has recovered nearly all the jobs lost during the pandemic, there has been recent slowing in 2022.¹³³ Job growth has been weakening in services and government.¹³⁴ Unemployment has fallen below pre-pandemic levels and wage gains have pushed the labor force to fully recover.¹³⁵ Housing construction is steady and has eased pressures on home prices.¹³⁶ Improving migration trends, low housing appreciation, and low-rental vacancy rates have brought new momentum to the area’s residential construction sector.¹³⁷ Albuquerque relies on the public sector for approximately one-fifth of jobs as the assessment area is home to a large public university, a large research facility, and an Air Force base.¹³⁸ Low costs and opportunities to work with Kirtland AFB and Sandia and Los Alamos National Labs have made Albuquerque an attractive option for tech investment.¹³⁹

¹²⁷ Moody’s Analytics Precis Report – Albuquerque, NM July 2020.

¹²⁸ Moody’s Analytics Precis Report – Albuquerque, NM July 2021.

¹²⁹ Moody’s Analytics Precis Report – Albuquerque, NM July 2021.

¹³⁰ Moody’s Analytics Precis Report – Albuquerque, NM July 2022.

¹³¹ Moody’s Analytics Precis Report – Albuquerque, NM July 2022.

¹³² Moody’s Analytics Precis Report – Albuquerque, NM July 2022.

¹³³ Moody’s Analytics Precis Report – Albuquerque, NM July 2022.

¹³⁴ Moody’s Analytics Precis Report – Albuquerque, NM July 2022.

¹³⁵ Moody’s Analytics Precis Report – Albuquerque, NM July 2022.

¹³⁶ Moody’s Analytics Precis Report – Albuquerque, NM July 2022.

¹³⁷ Moody’s Analytics Precis Report – Albuquerque, NM July 2022.

¹³⁸ Moody’s Analytics Precis Report – Albuquerque, NM July 2022.

¹³⁹ Moody’s Analytics Precis Report – Albuquerque, NM July 2022.

Small Business Lending

The number of annual small business loans originated within the Albuquerque assessment area increased steadily during the review period, with a total increase of 6.8 percent in the area between 2019 and 2021. This growth trend was generally consistent with the small business loan growth of the state overall. Although New Mexico experienced a decrease of small business loans in 2020, overall loan volume in increased by 6.4 percent between 2019 and 2021. Exhibit 25 below reflects the total number of small business loans originated in the assessment area and the state of New Mexico during 2019, 2020, and 2021.

EXHIBIT 25 SMALL BUSINESS LOAN TRENDS ALBUQUERQUE ASSESSMENT AREA			
Area	2019	2020	2021
Albuquerque, NM MSA 2022	13,757	14,058	14,697
Bernalillo County, NM	12,793	13,049	13,584
Torrance County, NM	234	214	236
Valencia County, NM	730	795	877
Albuquerque, NM MSA	15,581	15,766	16,623
New Mexico	31,885	31,235	33,928

Source: FFIEC CRA Aggregate Data

Employment Statistics

The unemployment rate in the Albuquerque assessment area experienced a sharp increase in 2020 following the COVID-19 pandemic before declining in 2021. While the area's unemployment rate was consistently below the unemployment rate of the state as a whole during the review period, unemployment rates had yet to return to pre-pandemic levels by 2021. Exhibit 26 below reflects the unemployment rate of the Bank's assessment area and the State of New Mexico for the years 2019, 2020, and 2021.

EXHIBIT 26 UNEMPLOYMENT RATES ALBUQUERQUE ASSESSMENT AREA			
Area	2019	2020	2021
Albuquerque, NM MSA 2022	4.62%	7.78%	6.29%
Bernalillo County, NM	4.52%	7.74%	6.21%
Torrance County, NM	6.85%	9.15%	7.87%
Valencia County, NM	5.39%	7.87%	6.86%

Albuquerque, NM MSA	4.66%	7.83%	6.34%
New Mexico	4.94%	8.08%	6.79%

Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics

Median Family Income

While the assessment area’s MFI increased only slightly in the period between 2015 and 2020, it still exceeded the MFI increase for the broader statewide area. Exhibit 27 below reflects the change in median family income that occurred in the assessment area, its underlying geographies, and the state of New Mexico during that timeframe.

EXHIBIT 27			
MEDIAN FAMILY INCOME CHANGE			
ALBUQUERQUE ASSESSMENT AREA			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Albuquerque, NM MSA 2020	\$63,597	\$67,078	5.5%
Bernalillo County, NM	\$65,609	\$69,003	5.2%
Torrance County, NM	\$50,230	\$55,472	10.4%
Valencia County, NM	\$54,169	\$57,231	5.7%
Albuquerque, NM MSA	\$65,590	\$68,660	4.7%
New Mexico	\$60,145	\$62,611	4.1%

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

2016 - 2020 U.S. Census Bureau American Community Survey

Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.

Mortgage Loan Trends

Mortgage loan originations within the assessment area increased steadily during the review period, with growth trends outpacing the state average. Overall growth in the Albuquerque assessment area between 2019 and 2021 was 74.5 percent, while statewide growth during that same time period was 73.9 percent. In both the assessment area and statewide, the largest growth trends occurred in 2020 before slowing in 2021. Exhibit 28 on the following page, reflects mortgage loans originated by financial institutions in the assessment area and the state of New Mexico during 2019, 2020, and 2021.

EXHIBIT 28			
HOME MORTGAGE TRENDS			
ALBUQUERQUE ASSESSMENT AREA			
Area	2019	2020	2021
Albuquerque, NM MSA 2022	18,464	30,633	32,218
Bernalillo County, NM	16,729	27,953	29,192
Torrance County, NM	181	311	325
Valencia County, NM	1,554	2,369	2,701
Albuquerque, NM MSA	23,548	38,978	41,381
New Mexico	42,145	67,975	73,293

Source: FFIEC, HMDA Loan/Application Records

Housing Cost Burden

The cost burden for renters and owners indicates a need for affordable housing in the Albuquerque assessment area. The percentages of cost-burdened renters and owners in the assessment area is above the statewide percentages. Affordable housing options for low-income renters in particular were scarce in the assessment area, as 79.0 percent of low-income renters and 65 percent of low-income owners are spending 30.0 percent or more of their household income on housing. Exhibit 29 below reflects the percentages of cost burdened renters and owners within the assessment area and statewide.

EXHIBIT 29						
HOUSING COST BURDEN						
ASSESSMENT AREA: ALBUQUERQUE						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Albuquerque, NM MSA 2022	79%	45%	46%	65%	35%	22%
Bernalillo County, NM	79%	46%	46%	66%	38%	22%
Torrance County, NM	57%	33%	40%	65%	16%	27%
Valencia County, NM	67%	18%	36%	58%	25%	23%
Albuquerque, NM MSA	78%	47%	46%	64%	37%	22%
New Mexico	71%	44%	41%	53%	30%	20%

Cost Burden is housing cost that equals 30 percent or more of household income.

Source: U.S. Department of HUD, 2015-2019 Comprehensive Housing Affordability Strategy.

Median home prices in the area increased steadily during the review period. The median home price in Bernalillo County, which is home to the city of Albuquerque, increased from \$210,900 to \$255,400 (21.1 percent) between 2019 and 2021.¹⁴⁰ During that same timeframe, median home prices in the state of New Mexico increased from \$180,900 to \$214,000 (18.3 percent). The median rental unit price in the area also increased during the review period. Between 2019 and 2021, the estimated median rent prices in Bernalillo County increased 5.1 percent from \$900 to \$946.¹⁴¹

Credit and Community Development Needs

A representative from an economic development organization engaged in small business development and entrepreneurship was contacted during the evaluation to discuss local economic conditions and opportunities for participation by local financial institutions. The contact identified small business credit as a primary credit need in the community, especially new and very small businesses. Specifically, the contact highlighted flexible lending programs as especially effective in meeting the credit needs of local businesses; particularly to help start-up or expanding small businesses qualify for credit where they wouldn't otherwise qualify. The contact also asserted the need for more competitive pricing.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ALBUQUERQUE

Lending Test

The institution's overall lending performance within this assessment area is considered good. The Bank's lending levels reflect good responsiveness to the credit needs of the assessment area. The Bank's lending demonstrates good geographic distribution of loans and good penetration among businesses of different sizes. The Bank made a low level of community development loans within the assessment area during the evaluation period.

Lending Activity

Overall lending activity is good. The percentage of UBB's overall small business lending by dollar volume attributable to this assessment area is slightly less than the percentage its total deposits attributable to the area.

¹⁴⁰ U.S. Census Bureau, Median Home Values, American Community Survey, 1-year estimates; available from: <https://www.census.gov/data>.

¹⁴¹ U.S. Census Bureau, Median Gross Rent, American Community Survey, 1-year estimate; available from: <https://www.census.gov/data>.

Lending Distribution by Geography

UBB's overall lending distribution by geography is considered good. UBB's level of 2020 small business lending in low-income census tracts fell below aggregate reporters' lending levels and the percentage of businesses in such tracts. Its level of lending in low-income tracts in 2021 improved and rose above both aggregate lending levels and demographic indicators. The Bank made no loans in low-income tracts in 2022. The Bank's lending in moderate-income tracts in 2020 and 2021 exceeded aggregate lending performance and the percentage of businesses in these tracts. Its lending in moderate-income tracts in 2022 was significantly above the percentage of businesses within these tracts; however, given the limited amount of loans the Bank made during this year in comparison to 2020 and 2021, less weight is given to the Bank's performance in 2022. A significant majority of the Bank's small business loans were made in amounts of \$100,000 or less in 2020 and 2021. Such lending helped address the area's small business credit demand for smaller-sized loans as identified by community contacts. The percentage of the bank's lending in these lower amounts declined in 2022.

Lending Distribution by Business Revenue

UBB's lending to small businesses significantly exceeded aggregate lending to small businesses in 2020. The Bank's lending to these borrowers decreased in 2021, but still exceeded aggregate lending to these borrowers in that year. The Bank's performance was below demographic indicators in all three years of the evaluation, as businesses with revenues of \$1 million or less comprised 92.7 percent of all assessment area businesses by 2022. The percentage of the Bank's loans made to small businesses in 2022 declined significantly from 2021 levels; however, similar to above, given the limited amount of loans the Bank made during this year in comparison to 2020 and 2021, less weight is given to the Bank's performance in 2022.

Community Development Lending

During the evaluation period the bank extended a low level of community development loans within this assessment area. UBB originated two loans totaling \$766,000 during the evaluation period. Of these loans, one was in support of affordable housing and one was to revitalize or stabilize a moderate-income census tract. As mentioned earlier in this evaluation, opportunities for community development lending are reasonably available within the Albuquerque, NM assessment area. When considering the Bank's capacity, market position, and business strategy, the Bank faces no constraints in extending community development loans within the assessment area.

While the level of the Bank's community development lending was low, the following loan contributed to improving the availability of affordable housing in the assessment area:

- A \$366,000 loan to that provides affordable housing to low- and moderate-income individuals. The loan financed a 32-unit apartment complex located in a moderate-income census tract. All 32 units have rents that are affordable to low- and moderate-income individuals.

Investment Test

UBB's level of responding to community development needs through its investment activities is high satisfactory. The Bank did not make any investments that benefit regional or statewide areas. The Bank holds four investments totaling \$5 million that directly benefit the Albuquerque, NM assessment area. This total includes \$4 million in new investments and \$1 million in prior-period investments that remained on the books. Additionally, the Bank made \$10,200 in qualified community development donations impacting this assessment area. While the Bank made rare use of innovative or complex investments in this assessment area, the Bank exhibited adequate responsiveness to affordable housing needs in this assessment area. The following summarizes the Bank's investment activities:

- Freddie Mac MBS (\$4 million) – The securities are comprised of loans extended to low- and moderate-income borrowers and/or residents or low- and moderate-income census tracts located within the assessment area.
- Municipal Bond (\$1 million) – the bond funds affordable housing construction in the assessment area where residency is restricted to low- and moderate-income residents.

Service Test

UBB's performance under the service test within this assessment area is good. Systems for delivering retail banking services are accessible to all portions of the assessment area, including low- and moderate-income areas. The Bank provided a high level of community development services in this assessment area.

Retail Banking Services

Delivery systems and branch locations are accessible to geographies and individuals of different income levels within the assessment area. Within this assessment area, UBB operates five full-service branch locations. Three of the branches are located within a

moderate-income census tract. Branch locations and business hours are considered convenient and meet the needs of the assessment area. The Bank closed one branch in a moderate-income census tract during the evaluation period.

Community Development Services

The institution provided a high level of community development services within the assessment area. Employees provided 906 service hours to 14 organizations during the evaluation period. For six of the organizations, employees held leadership positions as board and committee members. These qualified services met a variety of community development needs. The majority of service hours were in support of an organization providing community services to low- and moderate-income residents. The following are notable examples of community development services.

- One employee serves as board member to an organization that provides early childcare services targeted to low- and moderate-income residents.
- One employee serves as board member to an organization that provides healthcare and job training services targeted to low- and moderate-income disabled residents.
- One employee serves as board member to an organization that provides financial literacy to low- and moderate-income students within the assessment area.
- One employee volunteered to provide financial literacy training to low- and moderate-income residents in the area.

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: Low Satisfactory

The service test is rated: Low Satisfactory

The major factors supporting the institution’s rating include:

- UBB’s lending activity reflects good responsiveness to community credit needs.
- The Bank’s geographic distribution performance is excellent.
- The Bank’s borrower distribution performance is good. UBB makes use of flexible lending practices to meet area credit needs, and the Bank made a relatively high level of community development loans during the evaluation period.
- The Bank maintains a significant level of qualified community development investments, rarely those not routinely provided by private investors.
- While the Bank makes rare use of innovative or complex investments to support community development initiatives, it exhibits adequate responsiveness to credit and community development needs through its investment activity.
- The Bank and its employees provided an adequate level of community development services within its Washington assessment area during the review period.

Scope of Examination

The scope of the examination for the state of Washington is consistent with the overall scope of the CRA examination. The King County assessment area is the Bank’s sole assessment area within the state and received a full-scope review. The evaluation for statewide performance is therefore based on the Bank’s performance in the King County assessment area, as well as activities that take place at the statewide or institutional level.

UBB’s reported small business loans from calendar years 2020, 2021, and 2022 were analyzed to determine geographic and borrower distributions of the Bank’s lending. The institution’s efforts to serve its assessment areas through qualified community development loans, investments, and services during the review period were also reviewed.

Description of Operations in Washington

The Bank operates two of its 34 branches in the State of Washington. While none of the Bank's branches are located within low-income areas, one branch is located within a moderate-income geography. This state accounts for approximately \$157.5 million of the Bank's \$2.26 billion total deposit base. The Washington market is highly competitive. As of June 30, 2022, there were 75 insured depository institutions operating 1,500 branches within Washington with combined deposits of \$231.5 billion.¹⁴² The Bank held \$157.5 million in Washington deposits, representing a 0.07 percent market share.

Washington's economy relies primarily on high tech, aerospace manufacturing, and national defense.¹⁴³¹⁴⁴¹⁴⁵ High educational attainment is supported by the state's top-ranked public universities, which provides a deep pool of engineering talent.¹⁴⁶¹⁴⁷ The area's lower costs compared to Silicon Valley support fast-growing software and IT industries.¹⁴⁸¹⁴⁹¹⁵⁰ Weaker demand for business travel post-pandemic caused the aerospace industry to contract, and hampers growth in mid-wage jobs.¹⁵¹ Additionally, Washington's sizable agricultural industry remains exposed to commodity price volatility.¹⁵²

Washington's economy was in the recovery stage of the business cycle in 2022.¹⁵³ Recent job growth has slowed to its lowest point since 2020.¹⁵⁴ Manufacturing continues to recover jobs lost during the pandemic and has increased payrolls at a rate that is twice the national average.¹⁵⁵ The state has the highest share of information workers in the country due to the presence of cloud-computing giants Amazon, Microsoft, and Google.¹⁵⁶ Home to tech giants,

¹⁴² FDIC, Deposit Market Share Report, June 30, 2022; available from:
<https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

¹⁴³ Moodys Analytics Precis Report – State of Washington – March 2020.

¹⁴⁴ Moodys Analytics Precis Report – State of Washington – July 2021.

¹⁴⁵ Moodys Analytics Precis Report – State of Washington – March 2022.

¹⁴⁶ Moodys Analytics Precis Report – State of Washington – July 2021.

¹⁴⁷ Moodys Analytics Precis Report – State of Washington – July 2022.

¹⁴⁸ Moodys Analytics Precis Report – State of Washington – March 2020.

¹⁴⁹ Moodys Analytics Precis Report – State of Washington – July 2021.

¹⁵⁰ Moodys Analytics Precis Report – State of Washington – July 2022.

¹⁵¹ Moodys Analytics Precis Report – State of Washington – July 2022.

¹⁵² Moodys Analytics Precis Report – State of Washington – March 2023.

¹⁵³ Moodys Analytics Precis Report – State of Washington – July 2022.

¹⁵⁴ Moodys Analytics Precis Report – State of Washington – July 2022.

¹⁵⁵ Moodys Analytics Precis Report – State of Washington – July 2022.

¹⁵⁶ Moodys Analytics Precis Report – State of Washington – July 2022.

the tech sector in the state can be more resilient to the high interest rate environment compared to other tech hubs.¹⁵⁷

Strong population gains are stifled by low housing affordability.¹⁵⁸ The state's housing market is considered among the top five most unaffordable markets in the country.¹⁵⁹ Housing price gains are outpacing incomes by more than the national average.¹⁶⁰

Conclusions with Respect to Performance Tests in Washington

UBB's Washinton assessment areas accounts for 5.1 percent of the Bank's total loans by dollar volume, and 7 percent of its total deposits. Therefore, the Bank's performance in Washington had a very low influence in determining overall conclusions for the institution. Conclusions regarding UBB's performance in Washington with respect to the lending, investment, and service tests are based on the Bank's performance in the sole assessment area in the state, the King County assessment area, which was subject to full-scope review.

UBB did not engage in any community development lending, investment, or service activity within Washington that had a broader statewide impact or regional impact outside of its designated areas in Washington.

¹⁵⁷ Moodys Analytics Precis Report – State of Washington – July 2022.

¹⁵⁸ Moodys Analytics Precis Report – State of Washington – July 2022.

¹⁵⁹ Moodys Analytics Precis Report – State of Washington – July 2022.

¹⁶⁰ Moodys Analytics Precis Report – State of Washington – July 2022.

King Assessment Area Conclusions

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

DESCRIPTION OF OPERATIONS IN KING COUNTY

As of June 30, 2022, there were 46 institutions operating 482 branches in the assessment area. UBB ranked 25th out of 46 financial institutions in local deposit market share with 0.1 percent market share, according to data compiled by the FDIC.¹⁶¹

The Bank operates two branches within its King County assessment area. This assessment area accounts for approximately \$157.5 million of the bank's \$2.3 billion deposit base. Although none of the Bank's branches are located in low-income census tracts, the Bank does have one branch in a moderate-income census tract.

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

¹⁶¹ FDIC, Deposit Market Share Report, June 30, 2022; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

EXHIBIT 30								
ASSESSMENT AREA DEMOGRAPHICS								
ASSESSMENT AREA: KING COUNTY								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	24	4.8	22,076	4.1	3,747	17	106,704	20
Moderate-income	96	19.4	102,935	19.2	9,257	9	88,983	16.6
Middle-income	176	35.6	188,331	35.2	8,397	4.5	105,901	19.8
Upper-income	185	37.4	217,133	40.6	5,400	2.5	233,174	43.6
Unknown-income	14	2.8	4,287	0.8	411	9.6	0	0
Total Assessment Area	495	100.0	534,762	100.0	27,212	5.1	534,762	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	46,487	12,849	2.5	27.6	30,984	66.7	2,654	5.7
Moderate-income	175,816	81,417	16	46.3	84,449	48	9,950	5.7
Middle-income	337,345	187,827	36.9	55.7	131,604	39	17,914	5.3
Upper-income	371,439	222,745	43.8	60	128,387	34.6	20,307	5.5
Unknown-income	21,257	3,508	0.7	16.5	16,291	76.6	1,458	6.9
Total Assessment Area	952,344	508,346	100.0	53.4	391,715	41.1	52,283	5.5
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	8,321	5.7	7,301	5.4	963	11	57	4.4
Moderate-income	21,160	14.6	19,836	14.7	1,178	13.5	146	11.2
Middle-income	50,794	35.1	47,183	35	3,178	36.4	433	33.1
Upper-income	61,865	42.7	57,965	43	3,259	37.3	641	49
Unknown-income	2,692	1.9	2,503	1.9	159	1.8	30	2.3
Total Assessment Area	144,832	100.0	134,788	100.0	8,737	100.0	1,307	100.0
Percentage of Total Businesses:			93.1		6.0		.9	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	27	2.4	27	2.5	0	0	0	0
Moderate-income	125	11.2	124	11.4	1	2.9	0	0
Middle-income	472	42.2	453	41.8	18	51.4	1	100
Upper-income	482	43.1	467	43.1	15	42.9	0	0
Unknown-income	13	1.2	12	1.1	1	2.9	0	0

Total Assessment Area	1,119	100.0	1,083	100.0	35	100.0	1	100.0
Percentage of Total Farms:			96.8		3.1		.1	

2022 FFIEC Census Data and 2022 D&B Information

Economic Conditions

The Seattle area’s economy relies on aerospace manufacturing, high tech, and shipping.^{162 163} ¹⁶⁴ As a global center for cloud computing and software development, the assessment area employs a highly trained, well-educated workforce.¹⁶⁵ Seattle also benefits from a large port which facilitates trade to emerging Asian markets.^{166 167} However, weaker post-pandemic demand for business travel has negatively impacted local aeronautical manufacturing outlook.¹⁶⁸

The assessment area’s economy was at risk of recession in 2022.¹⁶⁹ A tight labor market has caused nonfarm employment to slow.¹⁷⁰ However, manufacturing has experienced industry employment rising at its fastest pace in three decades.¹⁷¹ Despite labor growth rates at a 10-year high, unemployment has dipped below pre-pandemic levels.¹⁷² The tight labor market has contributed to rising compensation compared to other large metro areas in the West.¹⁷³ Higher mortgage rates in the area dampen demand for homes causing price appreciation to slow.¹⁷⁴

Seattle has the third-highest share of tech workers in the nation.¹⁷⁵ Aerospace manufacturing is making a recovery with falling costs of input goods from China and easing of supply chain pressures.¹⁷⁶ Additionally, leisure travel has surpassed pre-pandemic levels spurring demand in aerospace manufacturing.¹⁷⁷

¹⁶² Moodys Analytics Precis Report – Seattle-Bellevue-Everette, WA – August 2020.

¹⁶³ Moodys Analytics Precis Report – Seattle-Bellevue-Everette, WA – August 2021.

¹⁶⁴ Moodys Analytics Precis Report – Seattle-Bellevue-Everette, WA – August 2022.

¹⁶⁵ Moodys Analytics Precis Report – Seattle-Bellevue-Everette, WA – August 2022.

¹⁶⁶ Moodys Analytics Precis Report – Seattle-Bellevue-Everette, WA – August 2020.

¹⁶⁷ Moodys Analytics Precis Report – Seattle-Bellevue-Everette, WA – August 2021.

¹⁶⁸ Moodys Analytics Precis Report – Seattle-Bellevue-Everette, WA – August 2022.

¹⁶⁹ Moodys Analytics Precis Report – Seattle-Bellevue-Everette, WA – August 2022.

¹⁷⁰ Moodys Analytics Precis Report – Seattle-Bellevue-Everette, WA – August 2022.

¹⁷¹ Moodys Analytics Precis Report – Seattle-Bellevue-Everette, WA – August 2022.

¹⁷² Moodys Analytics Precis Report – Seattle-Bellevue-Everette, WA – August 2022.

¹⁷³ Moodys Analytics Precis Report – Seattle-Bellevue-Everette, WA – August 2022.

¹⁷⁴ Moodys Analytics Precis Report – Seattle-Bellevue-Everette, WA – August 2022.

¹⁷⁵ Moodys Analytics Precis Report – Seattle-Bellevue-Everette, WA – August 2022.

¹⁷⁶ Moodys Analytics Precis Report – Seattle-Bellevue-Everette, WA – August 2022.

¹⁷⁷ Moodys Analytics Precis Report – Seattle-Bellevue-Everette, WA – August 2022.

Small Business Lending

As depicted in Exhibit 31 below, the number of small business loans originated within the assessment area increased steadily over the review period and kept pace with statewide trends. Small business loans in King County increased by 20.2 percent between 2019 and 2021, with the largest growth occurring in 2021. Within the state of Washington, loans to small businesses increased by 22.6 percent during that time period. Lending to small businesses is critical for the support of the local economy given that small businesses represented at least 93.1 percent of all businesses in the assessment area, as depicted in Exhibit 30 above.

EXHIBIT 31 SMALL BUSINESS LOAN TRENDS ASSESSMENT AREA: KING COUNTY			
Area	2019	2020	2021
King County, WA (MSA) 2022	60,310	64,743	72,522
Seattle-Bellevue-Kent, WA MD	76,202	80,909	91,628
Washington	147,250	156,842	180,536

Source: FFIEC CRA Aggregate Data

Employment Statistics

As depicted below in Exhibit 32 below, the unemployment rate in the King assessment area increased in 2020 following the pandemic before declining in 2021. While the area's unemployment rate was consistently below the unemployment rate of the state as a whole during the review period, unemployment rates had yet to return to pre-pandemic levels by 2021.

EXHIBIT 32 UNEMPLOYMENT RATES ASSESSMENT AREA: KING COUNTY			
Area	2019	2020	2021
King County, WA (MSA) 2022	2.74%	7.84%	4.27%
Seattle-Bellevue-Kent, WA MD	2.80%	8.09%	4.45%
Washington	4.30%	8.47%	5.23%

Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics

Median Family Income

Between 2015 and 2020, the MFI of the assessment area increased by 17.1 percent, which exceeded the MFI increase experienced statewide. Exhibit 33 below reflects the change in median family income that occurred in the assessment area, its underlying geographies, and the state of Washington during that timeframe.

EXHIBIT 33 MEDIAN FAMILY INCOME CHANGE KING COUNTY ASSESSMENT AREA			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
King County, WA (MSA) 2020	\$105,819	\$123,939	17.1%
Seattle-Bellevue-Kent, WA MD	\$100,863	\$116,853	15.9%
Washington	\$80,878	\$92,422	14.3%

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

Mortgage Loan Trends

During the review period, mortgage loan originations within the assessment area increased sharply – particularly in 2020 - and generally kept pace with the state average. The largest growth by number of loans in King County occurred in 2020, with an increase of 93.7 percent when compared to mortgage lending levels in 2019. During that same timeframe, mortgage loans in the state of Washington increased by 77.0 percent before experiencing a decline in 2021. Exhibit 34 below reflects mortgage loans originated by financial institutions in the assessment area and the state of Washington.

EXHIBIT 34 HOME MORTGAGE TRENDS KING COUNTY ASSESSMENT AREA			
Area	2019	2020	2021
King County, WA (MSA) 2022	72,864	141,108	130,042
Seattle-Bellevue-Kent, WA MD	106,114	202,956	186,261
Washington	267,691	473,756	447,092

Source: FFIEC, HMDA Loan/Application Records

Housing Cost Burden

The cost burden for renters and owners indicates a need for affordable housing in the assessment area, particularly for low-income populations, as a majority of low-income renters and owners are spending 30.0 percent or more of their household income on housing. Affordable housing options for low- and moderate-income renters were more scarce in King County than the state as a whole, with the biggest need among low-income populations. Exhibit 35 below reflects the percentages of cost burdened renters and owners within the assessment area and statewide.

EXHIBIT 35 HOUSING COST BURDEN KING COUNTY ASSESSMENT AREA						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
King County, WA (MSA) 2022	78%	51%	41%	69%	46%	23%
Seattle-Bellevue-Kent, WA MD	77%	49%	42%	68%	46%	23%
Washington	78%	43%	43%	65%	40%	22%

Cost Burden is housing cost that equals 30 percent or more of household income

Source: U.S. Department of HUD, 2015–2019 Comprehensive Housing Affordability Strategy

In addition to the high percentage of cost-burdened renters and homeowners, median home prices in the assessment area increased during the review period. The King County median home price increased from \$620,924 to \$776,606 (25.1 percent) between December 2019 and December 2021.¹⁷⁸ Further, the median rental unit price of a one-bedroom apartment increased in King County from \$1,760 to \$1,870 (6.3 percent) between 2019 and 2021.¹⁷⁹¹⁸⁰

Credit and Community Development Needs

An economic development organization was contacted during the evaluation to discuss local economic conditions and opportunities for participation by local financial institutions. The contact highlighted business credit needs in the community, especially to women- and minority-owned businesses. The contact identified partnerships with CDFI's as potential

¹⁷⁸ Zillow, King County Home Values; found at: <https://www.zillow.com/home-values/207/king-county-wa/>.

¹⁷⁹ University of Washington, Washington State Apartment Market Report, Fall 2019; found at: <https://re.be.uw.edu/wp-content/uploads/sites/9/2020/05/2019FallApartmentMarketReport-1.pdf>.

¹⁸⁰ University of Washington, Washington State Apartment Market Report, Fall 2021; found at: <https://wcrer.be.uw.edu/wp-content/uploads/sites/60/2021/11/2021FallApartmentMarketReport.pdf>.

opportunities for participation by local financial institutions to help address the community credit needs. The contact highlighted flexible lending programs as especially effective in meeting the credit needs of local businesses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN KING COUNTY

Lending Test

The institution's overall lending performance within the King County assessment area is good. The Bank's lending activity within the assessment area was good. Its distribution of loans by geography was excellent, and its distribution to borrowers of different revenue levels was good. UBB made a high level of community development loans during the evaluation period.

Lending Activity

The Bank's overall lending activity is good. The percentage of UBB's overall small business lending by dollar volume attributable to this assessment area is slightly less than the percentage its total deposits attributable to the area.

Lending Distribution by Geography

UBB's overall lending distribution by geography is excellent. While the percentage of the Bank's loans made in low-income census tracts in 2020 and 2021 was below aggregate lending performance, it was generally consistent with the percentage of businesses located within these tracts. UBB's lending in moderate-income tracts in 2020 and 2021 exceeded demographic indicators, and significantly exceeded aggregate lending performance in these tracts. In 2022, the Bank's lending in low-income tracts exceeded the percentage of businesses within these tracts, while its lending in moderate-income tracts fell below this demographic indicator. However, given the relatively limited number of loans originated by the Bank in 2022, greater weight is given to the Bank's 2020 and 2021 performance.

Lending Distribution by Business Revenue

The Bank's overall lending distribution by borrower income is good. While the percentage of UBB's loans that were made to businesses with revenues of \$1 million or less was below the percentage of businesses in this category in all three years of the evaluation period, its performance was consistent with aggregate lending levels in 2020 and 2021. (2022 aggregate data was not available for comparison at the time of the evaluation.)

A majority of the bank's loans were made in amounts of \$100,000 or less in 2020 and 2021. Such lending helped address the area's small business credit demand for smaller-sized loans as identified by community contacts. While the percentage of the Bank's lending in these lower amounts declined in 2022, greater weight was applied to the Bank's performance in 2020 and 2021 based on the Bank's higher volume of lending in these years.

Community Development Lending

During the evaluation period the Bank extended a high level of community development loans within this assessment area. For the King County assessment area, UBB originated nine loans totaling \$32.4 million during the evaluation period. Of these loans, six were to support affordable housing initiatives, two were to support economic development, and one was to support community services targeted to low- and moderate-income residents.

The following are notable examples of community development lending:

- A \$4 million loan that provides affordable housing to low- and moderate-income individuals. The loan financed a 30-unit apartment building located in a moderate-income census tract. All 30 units have rents that are affordable to low- and moderate-income individuals.
- A \$5.2 million loan that provides affordable housing to low- and moderate-income individuals. The loan financed a 32-unit apartment complex located in a moderate-income census tract. All 32 units have rents that are affordable to low- and moderate-income individuals.
- A \$2.2 million PPP loan that supports economic development by financing a small healthcare worker union that retained 100 jobs impacted by the COVID-19 pandemic.

Investment Test

UBB's level of responding to community development needs through its investments activities is low satisfactory. The Bank holds seven investments totaling \$7.7 million that directly benefit the King County, WA assessment area. This total includes \$4.8 million in new investments and \$2.9 million in prior-period investments that remained on the bank's books. Additionally, the Bank made \$10,200 in qualified community development donations impacting this assessment area. While the Bank made rare use of innovative or complex investments in this area, the Bank exhibited adequate responsiveness to affordable housing needs in this assessment area. The following are notable examples of the Bank's investment activities.

- Freddie Mac/Fannie Mae MBS (\$4.4 million) – These securities are comprised of loans extended to low- and moderate-income borrowers and/or residents or low- and moderate-income census tracts located within the assessment area.
- Over \$350,000 funded of \$2 million to LIHTC that supports affordable housing in the bank’s King County assessment area.

Service Test

The institution’s performance under the service test within this assessment area is low satisfactory. The Bank’s systems for delivering retail banking services are accessible to all portions of the assessment area, including low- and moderate-income areas. The Bank provided an adequate level of community development services in this assessment area.

Retail Banking Services

The Bank’s delivery systems and branch locations are accessible to geographies and individuals of different income levels within the assessment area. Within this assessment area, UBB operates two full-service branch locations. One of these branches is located within a moderate-income census tract. Branch locations and business hours are considered convenient and meet the needs of the assessment area. The Bank did not open or close any branch locations within this assessment area during the evaluation period.

Community Development Services

UBB provided an adequate level of community development services within the assessment area. Employees provided 142 service hours to five organizations during the evaluation period. For three of the organizations, employees held leadership positions as board and committee members. These qualified services met a variety of community development needs. The majority of service hours were in support of an organization that provides community services targeted to low- and moderate-income residents. The following are notable examples of community development services.

- One employee serves as board member to an organization that provides emergency food pantry services targeted to low- and moderate-income residents.
- One employee serves as committee member to an organization that promotes affordable housing initiatives in the assessment area.
- One employee delivered microlending-eligible businesses with financial literacy curriculum.

APPENDIX A

SCOPE OF EXAMINATION

Please refer to page 3 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, 2020 – December 31, 2022 (Retail Lending) September 20, 2019 – June 12, 2023 (Community Development)
FINANCIAL INSTITUTION	PRODUCTS REVIEWED
United Business Bank Walnut Creek, California	– Small Business

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
California			
• San Jose-San Francisco-Oakland	Full	0	
• Los Angeles-Long Beach-Anaheim	Full	0	
• Sacramento County	Limited		
Colorado			
• Grand County	Full	0	
• Custer County	Limited		
• Delta County	Limited		
• Denver-Aurora-Lakewood	Limited		
• El Paso County	Limited		
New Mexico			
• Albuquerque, NM	Full	0	
Washington			
• King County, WA	Full	0	

APPENDIX B

SUMMARY OF RATINGS

SUMMARY OF RATINGS				
STATE/TERRITORY	LENDING TEST RATING	INVESTMENT TEST RATING	SERVICE TEST RATING	OVERALL RATING
California	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Colorado	Low Satisfactory	Substantial Noncompliance	Needs to Improve	Needs to Improve
New Mexico	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
Washinton	High Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory

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

- U.S. Census Bureau, QuickFacts Population Estimates, July 1, 2022; available from <http://www.census.gov/quickfacts>
- Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2022, available from <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>
- FFIEC Adjust Median Family Income; available from <https://www.ffiec.gov/Medianfamilyincome.htm>

Sacramento County Assessment Area

The Sacramento County Assessment area consists solely of Sacramento County in its entirety. The county is part of the Sacramento-Roseville-Folsom, California metropolitan statistical area (MSA). Sacramento County extends from the low delta lands between the Sacramento River and San Joaquin River to the foothills of the Sierra Nevada Mountains. The area was home to 1.6 million people as of July 1, 2022.

There were 31 FDIC insured financial institutions operating 183 offices that held deposits totaling over \$50.2 billion in the area as of June 30, 2022. UBB operated one branch location in the area and held \$52 million in total deposits, representing 0.1 percent of the deposit market share. In 2022, there were 45 lenders reporting small business loans pursuant to the reporting requirements of the CRA, most of which were large and regional and national institutions. These lenders, which represent only a portion of the overall commercial lending market, extended 2,147 small business loans. UBB ranked 21st and extended 6 small business loans.

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

EXHIBIT 36 ASSESSMENT AREA DEMOGRAPHICS SACRAMENTO COUNTY								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	41	11.3	34,232	9.4	9,064	26.5	94,942	26.1
Moderate-income	108	29.8	101,002	27.8	14,588	14.4	65,647	18.1
Middle-income	123	33.9	132,246	36.4	9,337	7.1	69,555	19.2
Upper-income	87	24	94,350	26.0	3,379	3.6	132,963	36.6
Unknown-income	4	1.1	1,277	0.4	234	18.3	0	0
Total Assessment Area	363	100.0	363,107	100.0	36,602	10.1	363,107	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	59,122	16,671	5.3	28.2	38,983	65.9	3,468	5.9
Moderate-income	165,391	75,117	23.9	45.4	81,569	49.3	8,705	5.3
Middle-income	207,948	124,306	39.6	59.8	75,424	36.3	8,218	4.0
Upper-income	137,660	97,434	31.0	70.8	35,434	25.7	4,792	3.5
Unknown-income	2,795	706	0.2	25.3	1,875	67.1	214	7.7
Total Assessment Area	572,916	314,234	100.0	54.8	233,285	40.7	25,397	4.4
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	6,855	10.2	6,166	9.8	664	17.4	25	6.0
Moderate-income	16,447	24.5	15,400	24.5	942	24.7	105	25.1
Middle-income	23,662	35.2	22,503	35.8	1,043	27.3	116	27.8
Upper-income	18,668	27.8	17,616	28.0	954	25	98	23.4
Unknown-income	1,550	2.3	1,260	2.0	216	5.7	74	17.7
Total Assessment Area	67,182	100.0	62,945	100.0	3,819	100.0	418	100.0
Percentage of Total Businesses			93.7		5.7		0.6	
Income Categories	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	29	4.9	29	5.1	0	0	0	0
Moderate-income	153	25.7	143	25.0	10	45.5	0	0

Middle-income	222	37.2	212	37.0	9	40.9	1	100.0
Upper-income	184	30.9	182	31.8	2	9.1	0	0
Unknown-income	8	1.3	7	1.2	1	4.5	0	0
<i>Total Assessment Area</i>	<i>596</i>	<i>100.0</i>	<i>573</i>	<i>100.0</i>	<i>22</i>	<i>100.0</i>	<i>1</i>	<i>100.0</i>
Percentage of Total Farms:			96.1		3.7		0.2	

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

Custer County Assessment Area

The Custer County Assessment area consists solely of Custer County in its entirety. The county is located in a nonmetropolitan area of Colorado. Custer County borders Freemont County to the north, pueblo county to the east, Huerfano count to the southeast, and Saguache County to the west. The area was home to 5,335 people as of July 1, 2022.

There were 2 FDIC insured financial institutions operating 2 offices that held deposits totaling over \$104 million in the area as of June 30, 2022. UBB operated one branch location in the area and held \$63 million in total deposits, representing 60.6 percent of the deposit market share. In 2022, there were 5 lenders reporting small business loans pursuant to the reporting requirements of the CRA, most of which were regional institutions. These lenders, which represent only a portion of the overall commercial lending market, extended 21 small business loans. UBB ranked 4th and extended one small business loan.

Exhibit 37 below presents key demographic and business information concerning the assessment area.

EXHIBIT 37 ASSESSMENT AREA DEMOGRAPHICS CUSTER COUNTY								
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	337	22.2
Moderate-income	1	50.0	676	44.6	24	3.6	240	15.8
Middle-income	1	50.0	839	55.4	31	3.7	358	23.6
Upper-income	0	0	0	0	0	0	580	38.3

Unknown-income	0	0	0	0	0	0	0	0
<i>Total Assessment Area</i>	2	100.0	1,515	100.0	55	3.6	1,515	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0	0	0	0	0	0
Moderate-income	2,262	987	48.4	43.6	137	6.1	1,138	50.3
Middle-income	2,023	1,051	51.6	52.0	135	6.7	837	41.4
Upper-income	0	0	0	0	0	0	0	0
Unknown-income	0	0	0	0	0	0	0	0
<i>Total Assessment Area</i>	4,285	2,038	100.0	47.6	272	6.3	1,975	46.1
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	0	0	0	0	0	0	0	0
Moderate-income	195	63.1	186	63.7	7	70	2	28.6
Middle-income	114	36.9	106	36.3	3	30	5	71.4
Upper-income	0	0	0	0	0	0	0	0
Unknown-income	0	0	0	0	0	0	0	0
<i>Total Assessment Area</i>	309	100.0	292	100.0	10	100.0	7	100.0
Percentage of Total Businesses:			94.5		3.2		2.3	
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	0	0	0	0	0	0	0	0
Moderate-income	25	71.4	25	71.4	0	0	0	0
Middle-income	10	28.6	10	28.6	0	0	0	0
Upper-income	0	0	0	0	0	0	0	0
Unknown-income	0	0	0	0	0	0	0	0
<i>Total Assessment Area</i>	35	100.0	35	100.0	0	.0	0	.0
Percentage of Total Farms:			100.0		.0		.0	

2022 FFIEC Census Data and 2022 D&B Information

Delta County Assessment Area

The Delta County Assessment area consists solely of Delta County in its entirety. The county is located in a nonmetropolitan area of Colorado. Delta County borders Mesa County to the northwest, Gunnison County to the east, and Montrose County to the South. The area was home to 31,602 people as of July 1, 2022.

There were 7 FDIC insured financial institutions operating 13 offices that held deposits totaling over \$706 million in the area as of June 30, 2022. UBB operated four branch locations in the area and held \$105 million in total deposits, representing 14.9 percent of the deposit market share. In 2022, there were 16 lenders reporting small business loans pursuant to the reporting requirements of the CRA, most of which were regional institutions. These lenders, which represent only a portion of the overall commercial lending market, extended 51 small business loans. UBB ranked 3rd and extended six small business loans.

Exhibit 38 below presents key demographic and business information concerning the assessment area.

EXHIBIT 38 ASSESSMENT AREA DEMOGRAPHICS DELTA COUNTY								
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	1,942	24.4
Moderate-income	3	33.3	2,136	26.8	426	19.9	1,727	21.7
Middle-income	6	66.7	5,831	73.2	561	9.6	1,591	20.0
Upper-income	0	0	0	0	0	0	2,707	34.0
Unknown-income	0	0	0	0	0	0	0	0
<i>Total Assessment Area</i>	9	100.0	7,967	100.0	987	12.4	7,967	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0	0	0	0	0	0
Moderate-income	3,991	2,342	26.1	58.7	1,019	25.5	630	15.8
Middle-income	10,869	6,643	73.9	61.1	2,273	20.9	1,953	18.0
per-income	0	0	0	0	0	0	0	0
Unknown-income	0	0	0	0	0	0	0	0
<i>Total Assessment Area</i>	14,860	8,985	100.0	60.5	3,292	22.2	2,583	17.4

	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0	0	0	0	0	0	0
Moderate-income	463	27.2	430	26.8	24	29.6	9	45.0
Middle-income	1,240	72.8	1,172	73.2	57	70.4	11	55.0
Upper-income	0	0	0	0	0	0	0	0
Unknown-income	0	0	0	0	0	0	0	0
<i>Total Assessment Area</i>	1,703	100.0	1,602	100.0	81	100.0	20	100.0
Percentage of Total Businesses:			94.1		4.8		1.2	
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0	0	0	0	0	0	0
Moderate-income	54	28.9	50	27.8	4	57.1	0	0
Middle-income	133	71.1	130	72.2	3	42.9	0	0
Upper-income	0	0	0	0	0	0	0	0
Unknown-income	0	0	0	0	0	0	0	0
<i>Total Assessment Area</i>	187	100.0	180	100.0	7	100.0	0	.0
Percentage of Total Farms:			96.3		3.7		.0	

2022 FFIEC Census Data and 2022 D&B Information

Denver-Aurora-Lakewood, CO Assessment Area

The Denver-Aurora-Lakewood Assessment area consists of Arapahoe and Denver counties in their entirety. The assessment area contains portions of the Denver-Aurora-Lakewood, CO MSA. Denver is in the South Platte River Valley on the western edge of the High Plains just east of the Front Range of the Rocky Mountains. Denver and Arapahoe counties were home to approximately 1.4 million people in July 2022.

There were 59 FDIC insured financial institutions operating 311 offices that held deposits totaling over \$90.2 million in the area as of June 30, 2022. UBB operated one branch location in the area and held \$7.7 million in total deposits, representing 0.01 percent of the deposit market share. In 2022, there were 67 lenders reporting small business loans pursuant to the reporting requirements of the CRA, most of which were large and regional institutions. These lenders, which represent only a portion of the overall commercial lending market, extended 2,477 small business loans. UBB ranked 22nd and extended six small business loans.

Exhibit 39 below presents key demographic and business information concerning the assessment area.

EXHIBIT 39 ASSESSMENT AREA DEMOGRAPHICS DENVER-AURORA-LAKEWOOD COUNTY								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	21	6.2	15,653	5.3	3,109	19.9	69,053	23.3
Moderate-income	99	29.2	92,090	31.1	9,302	10.1	56,425	19.0
Middle-income	109	32.2	95,724	32.3	4,266	4.5	61,765	20.8
Upper-income	99	29.2	88,662	29.9	2,107	2.4	109,038	36.8
Unknown-income	11	3.2	4,152	1.4	1,042	25.1	0	0
<i>Total Assessment Area</i>	339	100.0	296,281	100.0	19,826	6.7	296,281	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	31,692	10,217	3.4	32.2	19,744	62.3	1,731	5.5
Moderate-income	174,061	80,710	26.9	46.4	84,388	48.5	8,963	5.1
Middle-income	180,888	104,364	34.7	57.7	67,955	37.6	8,569	4.7
Upper-income	159,167	101,918	33.9	64.0	48,111	30.2	9,138	5.7
Unknown-income	13,296	3,327	1.1	25.0	8,911	67.0	1,058	8.0
<i>Total Assessment Area</i>	559,104	300,536	100.0	53.8	229,109	41.0	29,459	5.3
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	3,731	4.0	3,364	4.0	336	5.1	31	3.1
Moderate-income	20,207	21.9	18,762	22.2	1,293	19.4	152	15.3
Middle-income	27,643	30.0	25,847	30.6	1,526	22.9	270	27.2
Upper-income	35,252	38.2	32,120	38.0	2,673	40.2	459	46.2
Unknown-income	5,397	5.9	4,493	5.3	822	12.4	82	8.2
<i>Total Assessment Area</i>	92,230	100.0	84,586	100.0	6,650	100.0	994	100.0
Percentage of Total Businesses:				91.7		7.2		1.1

	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	23	3.3	21	3.1	2	12.5	0	0
Moderate-income	152	22.0	146	21.6	6	37.5	0	0
Middle-income	235	34.0	234	34.6	1	6.3	0	0
Upper-income	243	35.1	239	35.4	4	25.0	0	0
Unknown-income	39	5.6	36	5.3	3	18.8	0	0
<i>Total Assessment Area</i>	<i>692</i>	<i>100.0</i>	<i>676</i>	<i>100.0</i>	<i>16</i>	<i>100.0</i>	<i>0</i>	<i>.0</i>
Percentage of Total Farms:				97.7		2.3		.0

2022 FFIEC Census Data and 2022 D&B Information

Denver-Aurora-Lakewood, CO Assessment Area

The El Paso County Assessment area consists of El Paso County in its entirety. The assessment area contains portions of the Colorado Springs, CO MSA. El Paso County borders Douglas County to the north, Elbert County to the northeast, Lincoln County to the east, Crowley County to the southeast, Pueblo County to the south, and Fremont and Teller Counties to the west. El Paso County was home to approximately 740,567 people in July 2022.

There were 39 FDIC insured financial institutions operating 125 offices that held deposits totaling over \$11.6 billion in the area as of June 30, 2022. UBB operated one branch location in the area and held \$22.9 million in total deposits, representing 0.2 percent of the deposit market share. In 2022, there were 47 lenders reporting small business loans pursuant to the reporting requirements of the CRA, most of which were large and regional institutions. These lenders, which represent only a portion of the overall commercial lending market, extended 1,103 small business loans. UBB ranked 15th and extended two small business loans.

Exhibit 40 on the following page, presents key demographic and business information concerning the assessment area.

EXHIBIT 40 ASSESSMENT AREA DEMOGRAPHICS EL PASO COUNTY								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	4	2.4	3,334	1.9	875	26.2	33,715	18.9
Moderate-income	46	27.5	42,172	23.6	5,755	13.6	33,300	18.6
Middle-income	66	39.5	72,461	40.5	3,833	5.3	39,095	21.9
Upper-income	49	29.3	60,481	33.8	1,266	2.1	72,647	40.6
Unknown-income	2	1.2	309	0.2	26	8.4	0	0
<i>Total Assessment Area</i>	<i>167</i>	<i>100.0</i>	<i>178,757</i>	<i>100.0</i>	<i>11,755</i>	<i>6.6</i>	<i>178,757</i>	<i>100.0</i>
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	5,745	2,150	1.3	37.4	3,354	58.4	241	4.2
Moderate-income	76,307	33,693	19.7	44.2	38,133	50.0	4,481	5.9
Middle-income	111,072	71,734	41.8	64.6	34,655	31.2	4,683	4.2
Upper-income	82,452	63,375	37.0	76.9	14,775	17.9	4,302	5.2
Unknown-income	962	456	0.3	47.4	455	47.3	51	5.3
<i>Total Assessment Area</i>	<i>276,538</i>	<i>171,408</i>	<i>100.0</i>	<i>62.0</i>	<i>91,372</i>	<i>33.0</i>	<i>13,758</i>	<i>5.0</i>
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	472	1.3	434	1.2	30	1.7	8	2.6
Moderate-income	10,247	27.4	9,480	26.8	682	39.8	85	27.6
Middle-income	13,381	35.8	12,848	36.4	452	26.4	81	26.3
Upper-income	12,952	34.7	12,298	34.8	521	30.4	133	43.2
Unknown-income	285	0.8	254	0.7	30	1.7	1	0.3
<i>Total Assessment Area</i>	<i>37,337</i>	<i>100.0</i>	<i>35,314</i>	<i>100.0</i>	<i>1,715</i>	<i>100.0</i>	<i>308</i>	<i>100.0</i>
Percentage of Total Businesses:				94.6		4.6		.8
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	1	0.2	1	0.2	0	0	0	0
Moderate-income	87	20.3	84	19.9	3	42.9	0	0
Middle-income	198	46.2	196	46.4	2	28.6	0	0
Upper-income	138	32.2	136	32.2	2	28.6	0	0

Unknown-income	5	1.2	5	1.2	0	0	0	0
<i>Total Assessment Area</i>	<i>429</i>	<i>100.0</i>	<i>422</i>	<i>100.0</i>	<i>7</i>	<i>100.0</i>	<i>0</i>	<i>.0</i>
Percentage of Total Farms:				98.4		1.6		.0

2022 FFIEC Census Data and 2022 D&B Information

APPENDIX E

CRA CORE TABLES

STATE OF CALIFORNIA

Table 1	Lending Volume
Table 2	Geographic Distribution of Small Loans to Businesses 2020 (Los Angeles-Long Beach-Anaheim)
Table 3	Geographic Distribution of Small Loans to Businesses 2021-2022 (Los Angeles-Long Beach-Anaheim)
Table 4	Borrower Distribution of Small Loans to Businesses 2020 (Los Angeles-Long Beach-Anaheim)
Table 5	Borrower Distribution of Small Loans to Businesses 2021-2022 (Los Angeles-Long Beach-Anaheim)
Table 6	Geographic Distribution of Small Loans to Businesses 2020 (San Jose-San Francisco-Oakland)
Table 7	Geographic Distribution of Small Loans to Businesses 2021-2022 (San Jose-San Francisco-Oakland)
Table 8	Borrower Distribution of Small Loans to Businesses 2020 (San Jose-San Francisco-Oakland)
Table 9	Borrower Distribution of Small Loans to Businesses 2021-2022 (San Jose-San Francisco-Oakland)
Table 10	Qualified Investments
Table 11	Distribution of Branch Delivery System and Branch Openings/Closings

STATE OF COLORADO

Table 12	Lending Volume
Table 13	Geographic Distribution of Small Loans to Businesses 2020
Table 14	Geographic Distribution of Small Loans to Businesses 2021-2022
Table 15	Borrower Distribution of Small Loans to Businesses 2020
Table 16	Borrower Distribution of Small Loans to Businesses 2021-2022

Table 17	Qualified Investments
Table 18	Distribution of Branch Delivery System and Branch Openings/Closings

STATE OF NEW MEXICO

Table 19	Lending Volume
Table 20	Geographic Distribution of Small Loans to Businesses 2020
Table 21	Geographic Distribution of Small Loans to Businesses 2021-2022
Table 22	Borrower Distribution of Small Loans to Businesses 2020
Table 23	Borrower Distribution of Small Loans to Businesses 2021-2022
Table 24	Qualified Investments
Table 25	Distribution of Branch Delivery System and Branch Openings/Closings

STATE OF WASHINGTON

Table 26	Lending Volume
Table 27	Geographic Distribution of Small Loans to Businesses 2020
Table 28	Geographic Distribution of Small Loans to Businesses 2021-2022
Table 29	Borrower Distribution of Small Loans to Businesses 2020
Table 30	Borrower Distribution of Small Loans to Businesses 2021-2022
Table 31	Qualified Investments
Table 32	Distribution of Branch Delivery System and Branch Openings/Closings

STATE OF CALIFORNIA

TABLE 1 – LENDING VOLUME								
LENDING TEST EVALUATION PERIOD: JANUARY 1, 2020 TO DECEMBER 31, 2022								
COMMUNITY DEVELOPMENT LOANS EVALUATION PERIOD: SEPTEMBER 19, 2019 TO JUNE 12, 2023								
Assessment Areas	% of Rated Area Loans	Small Business Loans		Community Development Loans		Total Loans		% of Rated Area Deposits
		#	\$(000's)	#	\$(000's)	#	\$(000's)	
<i>Full Scope</i>								
Los Angeles-Long Beach- Anaheim	32.7%	718	\$90,973	12	\$41,719	730	\$132,692	23.2%
San Jose-San Francisco-Oakland	41%	902	\$138,053	26	\$73,921	928	\$211,974	43.8%
<i>Limited Scope</i>								
Sacramento	2%	47	\$9,487	5	\$24,773	52	\$33,660	2.3%

TABLE 2 - Geographic Distribution of Small Loans to Businesses 2020							
ASSESSMENT AREA: LOS ANGELES-LONG BEACH-ANAHEIM							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	
Low	52	14.4	5.2	6,479	17.1	5.2	5.1
Moderate	109	30.1	19.3	8,771	23.2	20.0	19.7
Middle	109	30.1	25.1	12,449	32.9	27.6	25.5
Upper	86	23.8	48.4	9,476	25.1	44.0	48.0
Unknown	6	1.7	1.7	631	1.7	2.8	1.8
Tract-Unk	0	0.0	0.4	0	0.0	0.4	
Total	362	100.0	100.0	37,806	100.0	100.0	100.0
<p>Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding.</p>							

Table 3 - Geographic Distribution of Small Loans to Businesses 2021-2022
Assessment Area: Los Angeles-Long Beach-Anaheim

Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
Low	41	15.5	4.8	7,469	22.6	5.4	13	14.3	N/A	2,383	11.9	N/A	3.5
Moderate	78	29.4	19.8	7,205	21.8	20.6	25	27.5	N/A	4,551	22.7	N/A	19.3
Middle	75	28.3	25.4	9,939	30.0	27.0	35	38.5	N/A	8,521	42.5	N/A	28.0
Upper	67	25.3	48.1	7,876	23.8	44.2	18	19.8	N/A	4,598	22.9	N/A	46.7
Unknown	4	1.5	1.5	625	1.9	2.7	0	0.0	N/A	0	0.0	N/A	2.5
Tract-Unk	0	0.0	0.4	0	0.0	0.1	0	0.0	N/A	0	0.0	N/A	
Total	265	100.0	100.0	33,114	100.0	100.0	91	100.0	N/A	20,053	100.0	N/A	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Table 4 - Borrower Distribution of Small Loans to Businesses 2020
Assessment Area: Los Angeles-Long Beach-Anaheim

	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
<i>By Revenue</i>							
\$1 Million or Less	180	49.7	41.7	8,584	22.7	24.1	91.6
Over \$1 Million	126	34.8		22,561	59.7		7.9
Revenue Unknown	56	15.5		6,661	17.6		0.5
Total	362	100.0		37,806	100.0		100.0
<i>By Loan Size</i>							
\$100,000 or Less	275	76.0	90.1	8,954	23.7	37.8	
\$100,001 - \$250,000	48	13.3	5.9	7,127	18.9	19.4	
\$250,001 - \$1 Million	39	10.8	4.1	21,725	57.5	42.8	
Total	362	100.0	100.0	37,806	100.0	100.0	
<i>By Loan Size and Revenues \$1 Million or Less</i>							
\$100,000 or Less	166	92.2		3,864	45.0		
\$100,001 - \$250,000	8	4.4		1,260	14.7		
\$250,001 - \$1 Million	6	3.3		3,460	40.3		
Total	180	100.0		8,584	100.0		
<p>Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding.</p>							

Table 5 - Borrower Distribution of Small Loans to Businesses 2021-2022
Assessment Area: Los Angeles-Long Beach-Anaheim

	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
<i>By Revenue</i>													
\$1 Million or Less	123	46.4	45.3	9,587	29.0	23.6	66	72.5	N/A	12,258	61.1	N/A	91.8
Over \$1 Million	114	43.0		19,494	58.9		15	16.5		6,405	31.9		7.6
Revenue Unknown	28	10.6		4,033	12.2		10	11.0		1,390	6.9		0.6
Total	265	100.0		33,114	100.0		91	100.0		20,053	100.0		100.0
<i>By Loan Size</i>													
\$100,000 or Less	176	66.4	93.8	6,746	20.4	41.2	36	39.6	N/A	2,048	10.2	N/A	
\$100,001 - \$250,000	47	17.7	3.6	7,196	21.7	17.2	31	34.1	N/A	5,298	26.4	N/A	
\$250,001 - \$1 Million	42	15.8	2.6	19,172	57.9	41.6	24	26.4	N/A	12,707	63.4	N/A	
Total	265	100.0	100.0	33,114	100.0	100.0	91	100.0	N/A	20,053	100.0	N/A	
<i>By Loan Size and Revenues \$1 Million or Less</i>													
\$100,000 or Less	105	85.4		3,147	32.8		29	43.9		1,677	13.7		
\$100,001 - \$250,000	7	5.7		1,182	12.3		26	39.4		4,298	35.1		
\$250,001 - \$1 Million	11	8.9		5,258	54.8		11	16.7		6,283	51.3		
Total	123	100.0		9,587	100.0		66	100.0		12,258	100.0		
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.													

Table 6 - Geographic Distribution of Small Loans to Businesses 2020							
Assessment Area: San Jose-San Francisco-Oakland							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
Low	43	8.0	10.3	10,220	15.1	11.3	10.4
Moderate	96	17.8	18.6	10,044	14.8	18.5	18.5
Middle	171	31.7	30.9	20,892	30.9	29.5	30.9
Upper	228	42.2	39.1	25,862	38.2	39.5	39.5
Unknown	2	0.4	0.5	649	1.0	0.7	0.7
Tract-Unk	0	0.0	0.5	0	0.0	0.4	
Total	540	100.0	100.0	67,667	100.0	100.0	100.0
<p>Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.</p>							

Table 7 - Geographic Distribution of Small Loans to Businesses 2021-2022
Assessment Area: San Jose-San Francisco-Oakland

Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Low	26	8.3	9.9	4,975	9.1	11.4	1	2.1	N/A	840	5.3	N/A	6.5
Moderate	58	18.5	18.6	14,568	26.7	18.5	10	20.8	N/A	3,436	21.7	N/A	18.4
Middle	106	33.8	31.3	15,760	28.9	29.6	18	37.5	N/A	4,347	27.5	N/A	32.1
Upper	122	38.9	39.2	19,233	35.2	39.8	16	33.3	N/A	5,778	36.6	N/A	38.9
Unknown	2	0.6	0.5	44	0.1	0.6	3	6.3	N/A	1,405	8.9	N/A	4.2
Tract-Unk	0	0.0	0.6	0	0.0	0.1	0	0.0	N/A	0	0.0	N/A	
Total	314	100.0	100.0	54,580	100.0	100.0	48	100.0	N/A	15,806	100.0	N/A	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Table 8 - Borrower Distribution of Small Loans to Businesses 2020
Assessment Area: San Jose-San Francisco-Oakland

	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
<i>By Revenue</i>							
\$1 Million or Less	248	45.9	43.1	8,208	12.1	24.7	91.6
Over \$1 Million	222	41.1		50,164	74.1		8.0
Revenue Unknown	70	13.0		9,295	13.7		0.4
Total	540	100.0		67,667	100.0		100.0
<i>By Loan Size</i>							
\$100,000 or Less	365	67.6	88.3	12,209	18.0	34.7	
\$100,001 - \$250,000	97	18.0	6.9	15,738	23.3	20.1	
\$250,001 - \$1 Million	78	14.4	4.9	39,720	58.7	45.2	
Total	540	100.0	100.0	67,667	100.0	100.0	
<i>By Loan Size and Revenues \$1 Million or Less</i>							
\$100,000 or Less	236	95.2		5,789	70.5		
\$100,001 - \$250,000	9	3.6		1,390	16.9		
\$250,001 - \$1 Million	3	1.2		1,029	12.5		
Total	248	100.0		8,208	100.0		
Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

Table 9 - Borrower Distribution of Small Loans to Businesses 2021-2022
Assessment Area: San Jose-San Francisco-Oakland

	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
<i>By Revenue</i>													
\$1 Million or Less	130	41.4	48.0	12,139	22.2	24.6	31	64.6	N/A	9,327	59.0	N/A	91.7
Over \$1 Million	158	50.3		38,177	69.9		14	29.2		6,354	40.2		7.8
Revenue Unknown	26	8.3		4,264	7.8		3	6.3		125	0.8		0.5
Total	314	100.0		54,580	100.0		48	100.0		15,806	100.0		100.0
<i>By Loan Size</i>													
\$100,000 or Less	182	58.0	92.7	7,475	13.7	38.0	12	25.0	N/A	792	5.0	N/A	
\$100,001 - \$250,000	67	21.3	4.2	11,287	20.7	18.1	13	27.1	N/A	2,491	15.8	N/A	
\$250,001 - \$1 Million	65	20.7	3.1	35,818	65.6	43.9	23	47.9	N/A	12,523	79.2	N/A	
Total	314	100.0	100.0	54,580	100.0	100.0	48	100.0	N/A	15,806	100.0	N/A	
<i>By Loan Size and Revenues \$1 Million or Less</i>													
\$100,000 or Less	112	86.2		3,284	27.1		8	25.8		603	6.5		
\$100,001 - \$250,000	6	4.6		988	8.1		7	22.6		991	10.6		
\$250,001 - \$1 Million	12	9.2		7,867	64.8		16	51.6		7,733	82.9		
Total	130	100.0		12,139	100.0		31	100.0		9,327	100.0		

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Table 10 - Qualified Investments									
Evaluation Period: September 19, 2018 to June 12, 2023									
Assessment Areas	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments	
	#	\$(000)	#	\$(000)	#	\$(000)	% of Total by dollar amount	#	\$(000's)
<i>Full Scope</i>									
Los Angeles-Long Beach -Anaheim	1	\$1,030	3	\$2,570	4	\$3,600	7.8%	0	\$0
San Jose-San Francisco-Oakland	16	\$6,352	13	\$13,970	29	\$20,322	44%	1	\$215
Broader Regional and Statewide	1	\$2,315	0	\$0	1	\$2,315	5%	1	\$185
Multi-state	0	\$0	1	\$2,000	2	\$2,000	4.3%	0	\$0
<i>Limited Scope</i>									
Sacramento County	1	\$2,390	3	\$1,833	4	\$4,223	9.1%	0	\$0
Multi-State	1	\$747	0	\$0	1	\$747	2%	0	\$0

Table 11 - Distribution of Branch Delivery System and Branch Openings/Closings																	
Evaluation Period: September 18, 2018 to August 29, 2022																	
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 ¹			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<i>Full Scope</i>																	
Los Angeles-Long Beach -Anaheim	23.2%	5	15%	0	3	1	0	0	1	0	1	0	0	7.5%	25.9%	26.3%	40%
San Jose-San Francisco -Oakland	43.8%	10	29%	0	1	5	4	0	1	0	-1	0	0	10.7%	21.1%	33.2%	34.5%
<i>Limited Scope</i>																	
Sacramento County	2.3%	1	3%	0	0	1	0	0	0	0	0	0	0	12.1%	28.3%	34.6%	24.6%

¹ Does not include % unknown

State of Colorado

Table 12 - Lending Volume Lending Test Evaluation Period: January 1, 2020 to December 31, 2022 Community Development Loans Evaluation Period: September 19, 2019 to June 12, 2023								
Assessment Areas	% of Rated Area Loans	Small Business Loans		Community Development Loans		Total Loans		% of Rated Area Deposits
		#	\$(000's)	#	\$(000's)	#	\$(000's)	
<i>Full Scope</i>								
Grand County, CO	6.9%	152	\$9,768	1	\$2,535		\$12,303	6.6%
<i>Limited Scope</i>								
Custer County	1.2%	27	\$1,903	0	\$0	27	\$1,903	2.7%
Delta County	3.2%	71	\$3,106	0	\$0	71	\$3,106	4.7%
Denver-Aurora-Lakewood	0.9%	20	\$3,313	2	\$7,803	22	\$11,116	0.3%
El Paso County	0.5%	10	\$982	1	\$2,940	11	\$3,922	1%

Table 13 - Geographic Distribution of Small Loans to Businesses 2020
Assessment Area: Grand County

Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0.0
Middle	54	48.2	39.1	2,641	43.8	39.8	47.2
Upper	58	51.8	50.9	3,388	56.2	50.4	52.8
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	10.1	0	0.0	9.8	
Total	112	100.0	100.0	6,029	100.0	100.0	100.0

Source: 2020 FFIEC Census Data
 2020 Dun & Bradstreet Data
 2011-2015 U.S. Census Bureau: American Community Survey
 Note: Percentages may not total 100.0 percent due to rounding.

Table 14 - Geographic Distribution of Small Loans to Businesses 2021-2022
Assessment Area: Grand County

Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	##	##	#	##	##	\$(000)	##	##	
Low	0	0.0	0.0	0	0.0	0.0	1	33.3	N/A	45	20.5	N/A	16.4
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	N/A	0	0.0	N/A	0.0
Middle	21	56.8	39.0	1,967	55.9	37.2	0	0.0	N/A	0	0.0	N/A	0.0
Upper	16	43.2	45.0	1,552	44.1	60.1	2	66.7	N/A	175	79.5	N/A	83.6
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	N/A	0	0.0	N/A	0.0
Tract-Unk	0	0.0	16.0	0	0.0	2.7	0	0.0	N/A	0	0.0	N/A	
Total	37	100.0	100.0	3,519	100.0	100.0	3	100.0	N/A	220	100.0	N/A	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Table 15 - Borrower Distribution of Small Loans to Businesses 2020
Assessment Area: Grand County

	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
<i>By Revenue</i>							
\$1 Million or Less	81	72.3	53.9	2,506	41.6	34.8	88.5
Over \$1 Million	25	22.3		2,969	49.2		9.2
Revenue Unknown	6	5.4		554	9.2		2.2
Total	112	100.0		6,029	100.0		100.0
<i>By Loan Size</i>							
\$100,000 or Less	98	87.5	91.2	3,087	51.2	51.7	
\$100,001 - \$250,000	9	8.0	6.4	1,370	22.7	22.7	
\$250,001 - \$1 Million	5	4.5	2.4	1,572	26.1	25.6	
Total	112	100.0	100.0	6,029	100.0	100.0	
<i>By Loan Size and Revenues \$1 Million or Less</i>							
\$100,000 or Less	80	98.8		2,215	88.4		
\$100,001 - \$250,000	0	0.0		0	0.0		
\$250,001 - \$1 Million	1	1.2		291	11.6		
Total	81	100.0		2,506	100.0		

Source: 2020 FFIEC Census Data
2020 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Table 16 - Borrower Distribution of Small Loans to Businesses 2021-2022
Assessment Area: Grand County

	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##%	##%	\$(000)	##%	##%	#	##%	##%	\$(000)	##%	##%	
<i>By Revenue</i>													
\$1 Million or Less	21	56.8	53.4	1,143	32.5	37.0	2	66.7	N/A	145	65.9	N/A	89.9
Over \$1 Million	15	40.5		2,301	65.4		0	0.0		0	0.0		7.8
Revenue Unknown	1	2.7		75	2.1		1	33.3		75	34.1		2.3
Total	37	100.0		3,519	100.0		3	100.0		220	100.0		100.0
<i>By Loan Size</i>													
\$100,000 or Less	25	67.6	92.4	1,188	33.8	39.9	3	100.0	N/A	220	100.0	N/A	
\$100,001 - \$250,000	10	27.0	4.5	1,562	44.4	19.5	0	0.0	N/A	0	0.0	N/A	
\$250,001 - \$1 Million	2	5.4	3.1	769	21.9	40.6	0	0.0	N/A	0	0.0	N/A	
Total	37	100.0	100.0	3,519	100.0	100.0	3	100.0	N/A	220	100.0	N/A	
<i>By Loan Size and Revenues \$1 Million or Less</i>													
\$100,000 or Less	18	85.7		681	59.6		2	100.0		145	100.0		
\$100,001 - \$250,000	3	14.3		462	40.4		0	0.0		0	0.0		
\$250,001 - \$1 Million	0	0.0		0	0.0		0	0.0		0	0.0		
Total	21	100.0		1,143	100.0		2	100.0		145	100.0		
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.													

Table 17 - Qualified Investments									
Evaluation Period: September 19, 2018 to June 12, 2023									
Assessment Areas	Prior Period Investme		Current Period Investments		Total Investments			Unfunded Commitments	
	#	\$(000)	#	\$(000)	#	\$(000)	% of Total by dollar amount	#	\$(000's)
<i>Full Scope</i>									
Grand County	0	\$0	0	\$0	0	\$0	0	0	\$0
Broader Regional and Statewide	0	\$0	0	\$0	0	\$0	0	0	\$0
Multi-State	0	\$0	0	\$0	0	\$0	0	0	\$0
<i>Limited Scope</i>									
Custer County	0	\$0	0	\$0	0	\$0	0	0	\$0
Delta County	0	\$0	0	\$0	0	\$0	0	0	\$0
Denver-Aurora-Lakewood	0	\$0	5	\$3,141	5	\$3,141	6.8%	0	\$0
El Paso County	0	\$0	2	\$833	2	\$833	1.8%	0	\$0
Multi-State	0	\$0	1	\$2,000	1	\$2,000	4.3%	0	\$0

Table 18 - Distribution of Branch Delivery System and Branch Openings/Closings																		
Evaluation Period: September 19, 2019 to June 12, 2023																		
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 ²				
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp	
<i>Full Scope</i>																		
Grand County	6.6%	4	12%	0	0	3	1	0	0	0	0	0	0	0	0	57.6%	42.4%	
<i>Limited Scope</i>																		
Custer County	2.7%	1	3%	0	1	0	0	0	0	0	0	0	0	0	100%	0%	0%	
Delta County	4.7%	4	12%	0	0	4	0	0	0	0	0	0	0	0	14.4%	85.6%	0%	
Denver-Aurora-Lakewood	0.3%	1	3%	0	0	1	0	0	0	0	0	0	0	12.3%	25.8%	33%	28.9%	
El Paso County	1%	1	3%	0	0	1	0	0	0	0	0	0	0	5.1%	28.5%	39.5%	26.9%	

² Does not include % unknown

State of New Mexico

Table 19- Lending Volume Lending Test Evaluation Period: January 1, 2020 to December 31, 2022 Community Development Loans Evaluation Period: September 19, 2019 to June 12, 2023								
Assessment Areas	% of Rated Area Loans	Small Business Loans		Community Development Loans		Total Loans		% of Rated Area Deposits
		#	\$(000's)	#	\$(000's)	#	\$(000's)	
<i>Full Scope</i>								
Albuquerque	7.4%	163	\$17,412	2	\$716	165	\$18,128	8.3%

Table 20 - Geographic Distribution of Small Loans to Businesses 2020							
Assessment Area: Albuquerque							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
Low	6	6.5	11.7	856	14.3	17.1	9.8
Moderate	33	35.5	27.2	2,389	39.8	31.7	26.4
Middle	36	38.7	28.2	1,898	31.6	24.2	31.2
Upper	18	19.4	30.9	862	14.4	25.2	31.9
Unknown	0	0.0	0.5	0	0.0	0.4	0.7
Tract-Unk	0	0.0	1.5	0	0.0	1.4	
Total	93	100.0	100.0	6,005	100.0	100.0	100.0
<p>Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.</p>							

Table 21 - Geographic Distribution of Small Loans to Businesses 2021-2022
Assessment Area: Albuquerque

Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Low	8	14.0	10.7	1,537	24.5	16.0	0	0.0	N/A	0	0.0	N/A	8.1
Moderate	17	29.8	27.9	2,193	35.0	32.6	6	46.2	N/A	2,510	48.9	N/A	25.2
Middle	23	40.4	28.5	1,291	20.6	26.0	4	30.8	N/A	1,131	22.0	N/A	35.7
Upper	9	15.8	30.9	1,250	19.9	24.7	3	23.1	N/A	1,495	29.1	N/A	30.0
Unknown	0	0.0	0.5	0	0.0	0.4	0	0.0	N/A	0	0.0	N/A	1.0
Tract-Unk	0	0.0	1.5	0	0.0	0.3	0	0.0	N/A	0	0.0	N/A	
Total	57	100.0	100.0	6,271	100.0	100.0	13	100.0	N/A	5,136	100.0	N/A	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Table 22 - Borrower Distribution of Small Loans to Businesses 2020
Assessment Area: Albuquerque

	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
<i>By Revenue</i>							
\$1 Million or Less	58	62.4	41.0	1,915	31.9	26.5	92.5
Over \$1 Million	25	26.9		3,409	56.8		6.9
Revenue Unknown	10	10.8		681	11.3		0.6
Total	93	100.0		6,005	100.0		100.0
<i>By Loan Size</i>							
\$100,000 or Less	78	83.9	87.7	2,723	45.3	34.6	
\$100,001 - \$250,000	10	10.8	7.3	1,296	21.6	20.5	
\$250,001 - \$1 Million	5	5.4	5.0	1,986	33.1	44.9	
Total	93	100.0	100.0	6,005	100.0	100.0	
<i>By Loan Size and Revenues \$1 Million or Less</i>							
\$100,000 or Less	57	98.3		1,790	93.5		
\$100,001 - \$250,000	1	1.7		125	6.5		
\$250,001 - \$1 Million	0	0.0		0	0.0		
Total	58	100.0		1,915	100.0		

Source: 2020 FFIEC Census Data
2020 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Table 23 - Borrower Distribution of Small Loans to Businesses 2021-2022
Assessment Area: Albuquerque

	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
<i>By Revenue</i>													
\$1 Million or Less	30	52.6	49.3	2,602	41.5	27.8	2	15.4	N/A	1,192	23.2	N/A	92.7
Over \$1 Million	19	33.3		3,394	54.1		7	53.8		3,660	71.3		6.6
Revenue Unknown	8	14.0		275	4.4		4	30.8		284	5.5		0.7
Total	57	100.0		6,271	100.0		13	100.0		5,136	100.0		100.0
<i>By Loan Size</i>													
\$100,000 or Less	45	78.9	92.5	1,693	27.0	34.2	3	23.1	N/A	70	1.4	N/A	
\$100,001 - \$250,000	5	8.8	4.0	786	12.5	17.1	2	15.4	N/A	369	7.2	N/A	
\$250,001 - \$1 Million	7	12.3	3.5	3,792	60.5	48.7	8	61.5	N/A	4,697	91.5	N/A	
Total	57	100.0	100.0	6,271	100.0	100.0	13	100.0	N/A	5,136	100.0	N/A	
<i>By Loan Size and Revenues \$1 Million or Less</i>													
\$100,000 or Less	28	93.3		1,037	39.9		0	0.0		0	0.0		
\$100,001 - \$250,000	0	0.0		0	0.0		0	0.0		0	0.0		
\$250,001 - \$1 Million	2	6.7		1,565	60.1		2	100.0		1,192	100.0		
Total	30	100.0		2,602	100.0		2	100.0		1,192	100.0		
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.													

Table 24 - Qualified Investments									
Evaluation Period: September 19, 2019 to June 12, 2023									
Assessment Areas	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments	
	#	\$(000)	#	\$(000)	#	\$(000)	% of Total by dollar amount	#	\$(000's)
<i>Full Scope</i>									
Albuquerque	1	\$984	3	\$4,049	4	\$5,033	10.9%	0	\$0
Broader Regional and Statewide	0	\$0	0	\$0	0	\$0	0	0	\$0
Multi-State	0	\$0	0	\$0	0	\$0	0	0	\$0

Table 25 - Distribution of Branch Delivery System and Branch Openings/Closings																	
Evaluation Period: September 19, 2019 to June 12, 2023																	
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 ³			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<i>Full Scope</i>																	
Albuquerque	8.3%	5	15%	0	3	1	1	0	1	0	-1	0	0	6.7%	31.9%	30.6%	30.5%

³ Does not include % unknown

State of Washington

Table 26 - Lending Volume Lending Test Evaluation Period: January 1, 2020 to December 31, 2022 Community Development Loans Evaluation Period: September 19, 2019 to June 12, 2023								
Assessment Areas	% of Rated Area Loans	Small Business Loans		Community Development Loans		Total Loans		% of Rated Area Deposits
		#	\$(000's)	#	\$(000's)	#	\$(000's)	
<i>Full Scope</i>								
King County	4%	89	\$14,884	9	\$32,401	98	\$47,285	7%

Table 27 - Geographic Distribution of Small Loans to Businesses 2020
Assessment Area: King County

Geographic Income Level	Bank And Aggregate Loans					Total Businesses %	
	Bank		Agg	Bank			Agg
	#	#%	#%	\$(000)	%		%
Low	2	4.3	5.9	477	10.1	7.7	5.0
Moderate	11	23.9	16.4	647	13.8	15.5	16.2
Middle	19	41.3	35.7	1,840	39.1	34.6	35.5
Upper	14	30.4	41.0	1,737	36.9	41.0	42.8
Unknown	0	0.0	0.6	0	0.0	0.9	0.5
Tract-Unk	0	0.0	0.4	0	0.0	0.3	
Total	46	100.0	100.0	4,701	100.0	100.0	100.0

Source: 2020 FFIEC Census Data
2020 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Table 28 - Geographic Distribution of Small Loans to Businesses 2021-2022														
Assessment Area: King County														
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %	
	2021						2022							
	Bank		Agg	Bank			Agg	Bank		Agg	Bank			Agg
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%		
Low	1	3.6	6.0	145	2.2	8.2	2	13.3	N/A	1,150	31.0	N/A	5.7	
Moderate	9	32.1	17.2	1,767	27.3	16.0	1	6.7	N/A	325	8.8	N/A	14.6	
Middle	8	28.6	36.1	2,842	43.9	35.6	6	40.0	N/A	1,417	38.2	N/A	35.1	
Upper	10	35.7	39.7	1,723	26.6	39.2	6	40.0	N/A	814	22.0	N/A	42.7	
Unknown	0	0.0	0.5	0	0.0	0.9	0	0.0	N/A	0	0.0	N/A	1.9	
Tract-Unk	0	0.0	0.5	0	0.0	0.1	0	0.0	N/A	0	0.0	N/A		
Total	28	100.0	100.0	6,477	100.0	100.0	15	100.0	N/A	3,706	100.0	N/A	100.0	

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Table 29 - Borrower Distribution of Small Loans to Businesses 2020							
Assessment Area: King County							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	17	37.0	41.9	438	9.3	23.5	92.6
Over \$1 Million	20	43.5		3,674	78.2		6.6
Revenue Unknown	9	19.6		589	12.5		0.8
Total	46	100.0		4,701	100.0		100.0
By Loan Size							
\$100,000 or Less	31	67.4	86.3	1,030	21.9	30.4	
\$100,001 - \$250,000	10	21.7	7.8	1,789	38.1	20.3	
\$250,001 - \$1 Million	5	10.9	6.0	1,882	40.0	49.2	
Total	46	100.0	100.0	4,701	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	17	100.0		438	100.0		
\$100,001 - \$250,000	0	0.0		0	0.0		
\$250,001 - \$1 Million	0	0.0		0	0.0		
Total	17	100.0		438	100.0		
Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

Table 30 - Borrower Distribution of Small Loans to Businesses 2021-2022
Assessment Area: King County

	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
<i>By Revenue</i>													
\$1 Million or Less	14	50.0	48.9	2,162	33.4	26.9	9	60.0	N/A	1,931	52.1	N/A	93.1
Over \$1 Million	11	39.3		4,235	65.4		6	40.0		1,775	47.9		6.0
Revenue Unknown	3	10.7		80	1.2		0	0.0		0	0.0		0.9
Total	28	100.0		6,477	100.0		15	100.0		3,706	100.0		100.0
<i>By Loan Size</i>													
\$100,000 or Less	15	53.6	91.5	686	10.6	34.2	5	33.3	N/A	314	8.5	N/A	
\$100,001 - \$250,000	5	17.9	4.7	920	14.2	17.9	7	46.7	N/A	1,142	30.8	N/A	
\$250,001 - \$1 Million	8	28.6	3.9	4,871	75.2	47.9	3	20.0	N/A	2,250	60.7	N/A	
Total	28	100.0	100.0	6,477	100.0	100.0	15	100.0	N/A	3,706	100.0	N/A	
<i>By Loan Size and Revenues \$1 Million or Less</i>													
\$100,000 or Less	9	64.3		411	19.0		3	33.3		214	11.1		
\$100,001 - \$250,000	3	21.4		594	27.5		5	55.6		792	41.0		
\$250,001 - \$1 Million	2	14.3		1,157	53.5		1	11.1		925	47.9		
Total	14	100.0		2,162	100.0		9	100.0		1,931	100.0		
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.													

Table 31 - Qualified Investments									
Evaluation Period: September 19, 2019 to June 12, 2023									
Assessment Areas	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments	
	#	\$(000)	#	\$(000)	#	\$(000)	% of Total by dollar amount	#	\$(000's)
<i>Full Scope</i>									
King County	2	\$2,948	5	\$4,798	7	\$7,747	16.8%	1	\$1.6 million
Broader Regional and Statewide	0	\$0	0	\$0	0	\$0	0	0	\$0
Multi-State	1	\$747	0	\$0	1	\$747	1.7%	0	\$0

Table 32 - Distribution of Branch Delivery System and Branch Openings/Closings																	
Evaluation Period: September 19, 2019 to June 12, 2023																	
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 ⁴			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<i>Full Scope</i>																	
King County	7%	2	6%	0	1	0	1	0	0	0	0	0	0	4.7%	19.2%	38.4%	37%

⁴ Does not include % unknown