



## **PUBLIC DISCLOSURE**

January 9, 2023

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Neighborhood National Bank  
Charter Number 22770

2987 Jamacha Road  
El Cajon, CA 92019

Office of the Comptroller of the Currency

Santa Ana Field Office  
1551 North Tustin Avenue, Suite 1050  
Santa Ana, CA 92705

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

## Table of Contents

Overall CRA Rating.....	1
Description of Institution.....	2
Scope of the Evaluation.....	3
Discriminatory or Other Illegal Credit Practices Review.....	4
State Rating.....	5
State of California.....	5
Appendix A: Scope of Examination.....	A-1
Appendix B: Summary of MMSA and State Ratings.....	B-1
Appendix C: Definitions and Common Abbreviations.....	C-1
Appendix D: Tables of Performance Data.....	D-1

## **Overall CRA Rating**

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

**The lending test is rated: Satisfactory**

Neighborhood National Bank's (NNB or bank) lending performance reflects satisfactory responsiveness to community credit needs. The major factors that support this rating include:

- The bank's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, business strategy, and credit needs of the assessment area (AA).
- The bank originated a majority of loans inside its AA.
- The geographic distribution of loans reflects reasonable distribution throughout the bank's AA.
- Lending activities represent excellent distribution among businesses of different sizes.

### **Loan-to-Deposit Ratio**

Considering the bank's size, financial condition, and the credit needs of the AA, the LTD ratio is reasonable.

OCC examiners analyzed the bank's quarterly average LTD ratio for the 13 quarters since the previous Community Reinvestment Act (CRA) examination through December 31, 2021. NNB's average LTD ratio for this period was 87.78 percent, with a high of 111.88 percent and a low of 68.57 percent. The bank's high LTD ratio was inflated by the large volume of Small Business Administration (SBA) Paycheck Protection Program (PPP) loans that the bank funded starting in the second quarter of 2020. For purposes of comparison, we selected three banks that NNB considers direct competitors for loans and deposits in their AA. The combined average LTD ratio for these institutions over the same period was 97.44 percent. Their average quarterly LTD ratios ranged from a high of 107.90 percent to a low of 87.46 percent.

### **Lending in Assessment Area**

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

OCC examiners calculated the percentage of loans inside the bank's AA from a sample of 20 commercial loans originated or purchased during the evaluation period. With 75 percent of the number of loans and 62 percent of the dollar amount of loans, NNB's inside/outside ratio reflects a majority of the primary loan products originated inside the AA. Lending in the San Diego County AA is reasonable and meets the standard for satisfactory performance.

This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. Lending Test conclusions are based upon loans originated and purchased inside the bank's AA.

<b>Lending Inside and Outside of the Assessment Area 2019 - 2021</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollar Amount of Loans \$(000s)</b>				<b>Total \$(000s)</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
<b>Commercial Loans</b>	<b>15</b>	<b>75.0</b>	<b>5</b>	<b>25.0</b>	<b>20</b>	<b>4,861</b>	<b>62.3</b>	<b>2,946</b>	<b>37.7</b>	<b>7,807</b>

*Source: Evaluation Period: 01/01/2019 - 12/31/2021 Bank Data. Due to rounding, totals may not equal 100.0.*

## Description of Institution

Neighborhood National Bank is an independent full-service community bank and began operations in September 1997 while headquartered in San Diego. As of January 2021, the bank is now headquartered in El Cajon, California, east of San Diego. NNB was established as a community development bank to serve the low- and moderate-income communities of San Diego by providing financial products and services to consumers in addition to small businesses, with an emphasis on providing for job retention, growth, and neighborhood revitalization.

Neighborhood Bancorp (NBC), located in Chula Vista, California, owns approximately 99.8 percent of NNB with a private investor owning the remaining 0.2 percent. NBC provides capital allocation for NNB and has an additional subsidiary, Neighborhood Opportunities Corporation (NOC). NOC is a non-profit that provides financial literacy to low- and moderate-income (LMI) communities in the San Diego area.

Management designated all of San Diego County as the bank's AA. The county makes up the entire San Diego-Chula Vista-Carlsbad, California Metropolitan Statistical Area (MSA) and includes 628 census tracts (CTs) as of December 31, 2021. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. In January 2021, the bank closed the prior main office, the National Avenue location, due cost savings in addition to a significant decline in customer traffic caused by the closure of the money service business (MSB) product line and the COVID-19 pandemic. NNB now operates the main office in El Cajon, California, in an upper-income CT. The location was previously a branch. There were no branch openings, mergers, or acquisitions during the evaluation period.

NNB offers traditional lending products with an emphasis on commercial real estate (CRE) and commercial and industrial (C&I) loans. The bank also offers small business loans, construction loans, term loans, revolving lines of credit, SBA and other guaranteed loan programs. NNB does not offer personal or consumer loan products.

The bank also offers traditional banking services. The current main office does not have drive-up teller service or an Automatic Teller Machine (ATM). However, the bank has an agreement with the MoneyPass ATM network allowing use of their ATMs free of charge, which provides nationwide access to customers. The main office is open Monday through Thursday from 9:00 a.m. to 5:00 p.m. and on Friday from 9:00 a.m. 6:00 p.m. Due to the COVID-19 pandemic, management temporarily reduced branch hours and physical access for customers in the branches. The drive-up access at the National Avenue location was repaired and used to service customers ensuring physical distancing. NNB offers a variety of alternative banking services including remote deposit capture, mobile banking, online banking, telephone banking, merchant services, and Zelle money transfer.

As of December 31, 2021, NNB reported total assets of \$107.1 million and total equity capital of \$11 million. Total loans were \$61.9 million, representing 57.8 percent of total assets. The bank had \$88 million in total deposits and no foreign deposits. The following chart summarizes the loan portfolio by major product type.

<b>Neighborhood National Bank Loan Portfolio by Major Product Type as of December 31, 2021</b>		
<b>Loan Type</b>	<b>(\$000's)</b>	<b>% of Portfolio</b>
Commercial RE	35,044	56.6
Multifamily Residential RE	11,951	19.3
Commercial & Industrial	10,335	16.7
1-4 Family Residential RE	4,614	7.4
Consumer	5	0.0
Total	61,949	100.0

NNB holds a Community Development Financial Institution (CDFI) certification from the U.S Department of Treasury, and is the only banking institution in San Diego County with this certification. As a CDFI, the bank promotes community development and revitalization in low- and moderate-income areas by providing access to credit and other financial services. During the evaluation period, the bank received a Bank Enterprise Award (BEA) of \$170,699 in 2021. The BEA Program provides monetary awards to banks and thrifts that have successfully demonstrated an increase in their investments in census tracts with at least 30 percent of residents having incomes less than the national poverty level and 1.5 times the national unemployment rate.

There are no legal, financial, or other factors impeding the ability of the bank to meet credit needs in its AA. NNB received a “Satisfactory” rating under the small bank CRA procedures at the January 9, 2019 CRA Examination.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

This performance evaluation (PE) assesses the CRA performance of Neighborhood National Bank using Small Bank (SB) CRA examination procedures. We performed a full-scope examination of the bank’s sole AA. Refer to Appendix A for detailed information.

Consistent with NNB’s business strategy, OCC examiners reviewed the bank’s primary product of commercial loans. The evaluation period for the lending test was January 1, 2019 through December 31, 2021.

With an evaluation period end date of December 31, 2021, qualifying activities performed in response to the significant impact the COVID-19 pandemic had on economies across the United States are addressed in this evaluation. This includes more than 787 PPP loans originated in 2020 and 2021. The bank opened their PPP loan portal to all interested borrowers and as a result, made loans to both existing customers as well as noncustomers in both California and across the United States.

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

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

## **Ratings**

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

NNB has only one AA. All weighting for the evaluation is placed on the San Diego County AA.

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

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

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

The OCC has not identified that this institution as engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

## **State Rating**

### **State of California**

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

**The Lending Test is rated:** Satisfactory

The major factors that support this rating include:

- The geographic distribution of loans reflects reasonable distribution throughout the bank's AA.
- Lending activities represent excellent distribution among businesses of different sizes.

### **Description of Institution's Operations in California**

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

Neighborhood National Bank designated San Diego County as its sole AA. The county makes up the entire San Diego-Chula Vista-Carlsbad MSA and consists of 628 census tracts (CTs): 61 low-income; 142 moderate-income; 204 middle-income; and 214 upper-income. In addition, seven CTs do not report data and are listed as unknown. The AA meets all requirements and does not arbitrarily exclude LMI geographies.

The primary business focus for NNB is business banking and commercial real estate lending serving small to midsize businesses. The primary lending products in the San Diego County AA are commercial real estate loans, commercial and industrial loans, and construction/land loans. The bank's main office is located in El Cajon, in an upper-income CT. Though the branch does not offer ATM services, the bank provides access to ATMs with no surcharges through an agreement with MoneyPass. NNB customers have access to more than 4,844 ATMs nationwide. Competition from other financial institutions is strong in the San Diego County AA. As of June 30, 2021, the FDIC Deposit Market Share report indicates the bank's deposits inside the AA totaled \$86.4 million, representing 0.06 percent of the AA's deposits. A total of 48 financial institutions, with a combined 520 branches, competed for over \$137.5 billion deposits in San Diego County. This includes three nationwide mega-banks with a combined 242 branches that account for 47.2 percent of total deposit market share, representing \$64.9 billion in deposits.

The top industries in the AA include professional and business services, education and healthcare services, government, and manufacturing. Due to the presence of a highly educated workforce and several local universities, the AA contains a significant number of cybersecurity, biotech, and IT firms. The largest employer within the AA is the Federal Government, which includes the Department of Defense as there are a number of U.S. naval bases, the Naval Medical Center San Diego, the U.S. Marines Corps, and the U.S. Coast Guard. Other top employers include education and healthcare services such as the University of California, Kaiser Permanente, and UC San Diego Health.

San Diego County was severely impacted by the COVID-19 pandemic. Per the San Diego Association of Governments, the County's highest unemployment rate jumped to 16.2 percent in May 2020 from 3.2 percent (pre-pandemic) and did not reach pre-pandemic levels until April 2022. Through the

COVID-19 pandemic, the bank provided several measures to assist customers beyond legislative requirements such as increasing debit card and remote deposit capture limits upon request, waiving bank fees as necessary, and permitting payment deferrals on loans. The bank also repaired and re-opened their drive-thru at the National Avenue location to provide contactless banking services. Employees were given access to safety measures such as N95 masks and hand sanitizer. In addition, the bank adhered to CDC protocols in both customer facing and non-customer facing environments and provided janitorial services for branch locations.

To assess community needs, we used information from recent interviews with four community organizations providing services in the San Diego County AA. The contacts mentioned that interest in homeownership continues but many people are having difficulty obtaining loans. Lending activity slowed down because of lower affordability as well as a general fear of a looming recession. Reliance on the use of savings and payday lenders has increased. Since the COVID-19 pandemic, there has been a trend for people to leave San Diego in favor of more affordable states. This contributed to labor shortages and higher labor costs creating an adverse impact on local businesses and CRE investment. Increased income inequality has negatively impacted affordable housing. Due to the recovering economy, construction and land costs have increased, which has increased homelessness in the area as well as made affordable housing developments costlier to build.

The contacts indicated there are needs for nonprofit, entity-based working- and lending- capital for affordable housing development. There has been increased participation by local financial institutions for local affordable housing developments; however, the organizations primarily rely on CDFIs for bridge and/or acquisition funding. One of the contacts said that they would like to see more local institutions participating in affordable housing developments. Another contact voiced a need for educational services to prevent foreclosures, promote financial literacy, and help small business owners identify available resources and grants.

The information in the following table provides San Diego County AA demographic information for 2021.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: San Diego County</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	628	9.7	22.6	32.5	34.1	1.1
Population by Geography	3,223,096	8.9	23.6	32.5	34.7	0.3
Housing Units by Geography	1,180,806	7.7	21.7	34.2	36.5	0.0
Owner-Occupied Units by Geography	579,079	2.8	15.1	35.5	46.6	0.0
Occupied Rental Units by Geography	515,078	13.1	28.8	32.8	25.2	0.0
Vacant Units by Geography	86,649	7.6	22.8	33.8	35.8	0.0
Businesses by Geography	345,784	5.6	14.7	34.7	44.9	0.1
Farms by Geography	6,598	4.1	17.2	37.6	41.1	0.0
Family Distribution by Income Level	731,328	23.6	16.9	17.8	41.7	0.0
Household Distribution by Income Level	1,094,157	24.8	15.7	17.1	42.4	0.0
Median Family Income MSA - 41740 San Diego-Chula Vista-Carlsbad, CA MSA		\$75,179	Median Housing Value			\$458,248



	Median Gross Rent	\$1,404
	Families Below Poverty Level	10.6%
<i>Source: 2015 ACS and 2021 D&amp;B Data. Due to rounding, totals may not equal 100.0%.  (*) The NA category consists of geographies that have not been assigned an income classification.</i>		

## Scope of Evaluation in California

The CRA evaluation determines the bank's record of meeting community credit needs. The OCC used a combination of bank and examiner generated loan and/or demographic reports to assess CRA performance. The evaluation period for the lending test is January 1, 2019 through December 31, 2021.

## LENDING TEST

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

## Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the San Diego County AA is good.

## Distribution of Loans by Income Level of the Geography

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

### *Small Loans to Businesses*

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

The bank originated and purchased 24.4 percent of small loans to businesses in low-income CTs, which was significantly higher than the demographic percentage of 5.6 percent and aggregate lending of 5.2 percent, reflecting excellent distribution. The bank originated and purchased 5.9 percent of small loans to businesses in moderate-income CTs, which was significantly lower than the 14.7 percent of businesses and 14.3 percent of aggregate lending in these CTs. This represents poor distribution.

### *Lending Gap Analysis*

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

## Distribution of Loans by Income Level of the Borrower

The bank exhibits an excellent distribution of loans to businesses of different sizes, given the product lines offered by the bank.

***Small Loans to Businesses***

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

PPP loans originated in 2020 and 2021 did not require collection of Gross Annual Revenue (GAR) data. Consequently, the percentages of bank loans are much lower when compared with AA demographic and aggregate percentages and analysis would not be meaningful. As a result, we analyzed the distribution by using loan size as a proxy for revenue of the borrower.

Table R shows 23.7 percent of loans originated by the bank to businesses with revenues less than or equal to \$1 million is well below the 90.1 percent of businesses and the aggregate peer data of 46.4 percent in the San Diego County AA and reflects poor distribution.

However, using loan size as a proxy for revenue of the borrower, the table below shows that approximately 97.1 percent of the number of loans originated and purchased by the bank were in amounts equal to or less than \$1 million. This represents excellent distribution in the San Diego County AA. In addition, a substantial majority, 69.9 percent, were loans in amounts equal to or less than \$100 thousand, reflecting responsiveness to the lending needs of small businesses.

<b>Borrower Distribution of Loans to Businesses by Loan Size in San Diego County AA</b>				
<b>Loan Size (000's)</b>	<b>Number of Loans</b>	<b>Percent of Number</b>	<b>Dollar Volume of Loans</b>	<b>Percent of Dollar Volume</b>
\$0 - \$100,000	460	69.9	15,901	15.2
\$100,001 - \$250,000	101	15.4	15,983	15.3
\$250,001 - \$500,000	44	6.7	15,686	14.9
\$500,001 - \$1,000,000	34	5.1	25,521	24.4
<b>Total</b>	<b>639</b>	<b>97.1</b>	<b>73,091</b>	<b>69.8</b>
Over \$1,000,000	19	2.9	31,612	30.2

**Responses to Complaints**

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

## Appendix A: Scope of Examination

---

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

<b>Time Period Reviewed:</b>	01/01/2019 to 12/31/2021	
<b>Bank Products Reviewed:</b>	Small business loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
California		
San Diego County	Full-scope	

## Appendix B: Summary of MMSA and State Ratings

---

RATINGS	Neighborhood National Bank
<b>Overall Bank:</b>	<b>Lending Test Rating</b>
Neighborhood National Bank	Satisfactory
<b>MMSA or State:</b>	
California	Satisfactory

## Appendix C: Definitions and Common Abbreviations

---

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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

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

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

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

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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

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

**Full-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

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

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

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.



## Appendix D: Tables of Performance Data

---

### Content of Standardized Tables

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

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

- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2019-2021		
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$(000s)	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate		
San Diego County AA	20	7,120	100.0	118,477	5.6	24.4	5.2	14.7	5.9	14.3	34.7	55.5	34.6	44.9	14.1	45.9	0.1	0.0	0.1		

Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data. Due to rounding, totals may not equal 100.0.

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2019-2021	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available			
	#	\$(000s)	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans		
San Diego County AA	20	7,120	100.0	118,477	90.1	23.7	46.4	3.7	0.0	6.3	76.3		

Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data. Due to rounding, totals may not equal 100.0.