



# INTERMEDIATE SMALL BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## PUBLIC DISCLOSURE

June 4, 2012

### COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Pacific Trust Bank, FSB  
Charter Number 715953

18500 Von Karman, Suite 1100  
Irvine, California 92612

Office of the Comptroller of the Currency  
San Diego Field Office  
1925 Palomar Oaks Way, Suite 202  
Carlsbad, California 92008-6526

**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, 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.

**INSTITUTION'S CRA RATING: This institution is rated Satisfactory.**

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

**The Community Development Test is rated: Satisfactory.**

The major factors supporting the institution's rating follow.

- Pacific Trust Bank's loan-to-deposit ratio is more than reasonable.
- The bank originated a substantial majority of its loans within its combined CRA assessment areas.
- The geographic distribution of loans reflects reasonable dispersion.
- The bank demonstrated adequate responsiveness to community development (CD) needs in its assessment areas and the level of CD activities is satisfactory.

## **Scope of Examination**

This examination evaluates Pacific Trust Bank's CRA performance. Formerly regulated by the Office of Thrift Supervision (OTS), this is the bank's first CRA examination by the Office of the Comptroller of the Currency. We used "intermediate small bank" (ISB) CRA procedures. This process includes an evaluation of CRA activity under the Lending Test criteria, as well as activities under the CD Test: CD lending, investments, and services.

**Lending Test:** Pacific Trust Bank makes mortgage loans that are reportable under the Home Mortgage Disclosure Act (HMDA). Mortgage lending comprised the substantial majority of the bank's loan originations during our evaluation period. As such, we focused our examination scope on originations of mortgage loan products subject to HMDA reporting.

For our examination, we first conducted a "data integrity" test of the bank's regulatory "HMDA Reports" for our evaluation period: the calendar years 2010 and 2011. We tested a sample of mortgage loan files from calendar years 2010 and 2011. We compared file information to the applicable CRA-related data on the HMDA loan reports. Based on the degree of accuracy in our data-testing, we then evaluated the bank's lending patterns using applicable HMDA loan data for that evaluation period.

**Community Development Test:** We considered all qualifying CD activities since the bank's last CRA examination, from July 2009 through May 2012.

## Description of Institution

Pacific Trust Bank, F.S.B. (PTB) is a full-service federally chartered stock savings bank. PTB is a wholly owned subsidiary of First PacTrust Bancorp, Inc, which is a single-bank holding company that incorporated in March 2002. PTB opened for business in 1941 as a credit union and subsequently converted to a savings bank in January 2000.

PTB currently operates a total of 14 branches in the counties of San Diego, Los Angeles, Riverside, and Orange. Of the 14, PTB operates two branches that are “limited-access” and restricted for the use of Goodrich Corporation employees only: one branch in Riverside County and one in Chula Vista, in San Diego County. In June 2011, the bank also opened a loan production office (LPO) in Los Angeles to broaden lending opportunities in the Los Angeles area.

The bank’s official “charter-office” is its Chula Vista branch in San Diego, California. However, in March 2012, management opened a new branch office in Irvine, California. This branch location also houses the bank’s executive offices. As such, management considers this location to be the bank’s “headquarters”.

During calendar year 2012, PTB opened its Irvine, Tustin, and Santa Monica branches (among the 14 branches referenced above). These three locations had no impact in our evaluation. As described in the “Scope of Examination” section of this report, our CRA evaluation period covers activity for the calendar years 2010 and 2011.

A listing of all branch locations by their respective census tract-types follows:

- San Diego County: one upper-income, one middle-income, and five moderate-income;
- Los Angeles County: two upper-income;
- Riverside County: two middle-income; one moderate-income; and,
- Orange County: one middle-income; and one moderate-income.

PTB offers traditional loan and deposit products. The substantial majority of loan originations consist of residential mortgage loans, and to a lesser extent, commercial real estate and commercial-industrial loans. Consumer loans consist in large part of home equity lines of credit. All branches have the same fee structure and offer similar services. The two “restricted-access” offices (Riverside-Goodrich and Chula Vista-Goodrich) do not have safe deposit boxes, night deposit drops, or automated teller machines (ATMs), nor does the Irvine location. However, bank customers have free access to over 28,000 ATMs through the Credit Union Service Center and Co-op Network. All branch ATMs comply with the requirements of the Americans with Disabilities Act. Hours of operation are generally Monday through Thursday from 9:00 AM to 5:00 PM, Friday 9:00 AM to 6:00 PM, and Saturday 9:00 AM to 2:00 PM. The only exception is that there are no Saturday hours at Century City.

The PTB Report of Condition and Income reported total assets of \$1.07 billion, total loans of \$839 million, total deposits of \$896 million, and total equity capital of \$130 million as of March 31, 2012. Total loans represented approximately 79 percent of total assets.

The following chart summarizes the loan portfolio by major product type by dollars outstanding as of March 31, 2012.

<b>Loan Portfolio Outstanding Balances by Major Product Type As of March 31, 2012</b>		
<b>Loan Type</b>	<b>(000s)</b>	<b>Percent</b>
1-4 Residential RE	354,160	42.2
Consumer/ RE Lines	230,256	27.4
Commercial Real Estate (RE)	159,408	19.0
Multifamily Residential	84,155	10.0
Commercial-Industrial	8,962	1.0
Consumer/Other	1,451	0.2
Construction	1,066	0.2
<b>Total</b>	<b>839,458</b>	<b>100%</b>

There are no financial or legal factors that impede the bank's ability to meet the credit needs of the communities it serves. PTB received a "Satisfactory" rating from the Office of Thrift Supervision under the "Intermediate Small Savings Associations" rating criteria at the last CRA examination, dated July 6, 2009.

## **Description of Assessment Areas**

Pacific Trust Bank (PTB) has identified four assessment areas (AA) for CRA purposes. Los Angeles County, and the counties of San Diego, Riverside, and Orange. All AAs meet regulatory requirements, have whole census tracts, and do not arbitrarily exclude low- or moderate-income geographies. Our performance evaluation period is through December 31, 2011. We are not evaluating CRA performance in the Orange County AA since PTB did not designate the County as an AA until establishing branches in March 2012.

PTB operates in a highly competitive banking environment. The primary competition is from several large banks in the AAs: Bank of America, Wells Fargo Bank, Union Bank, J.P. Morgan Chase Bank, and Citibank. PTB also competes with Cathay Bank, City National Bank, Preferred Bank, Torrey Pines Bank, and Manufacturers Bank as well as California Bank and Trust, Pacific Western Bank, Opus Bank, Grandpoint Bank, and

EverTrust Bank. In addition to the large banks, competitors for residential lending include Bank of the Internet, Kinecta Federal Credit Union, U.S. Bank, EverBank, Luther Burbank Savings, and Provident Savings Bank.

An examiner contacted a statewide community economic development organization to determine primary credit needs in the AAs. This organization supports revitalizing low-to moderate-income (LMI) areas by assisting small business development through various information and training programs, including programs targeted for LMI persons. Local and federal agencies provide about one-half of the program funding needs. The organization relies upon banks to donate the remaining funding needs.

Examiners also contacted a statewide affordable housing intermediary, which focuses on ways to provide affordable and safe housing solutions for low- and moderate-income persons and families, an ongoing need in both AAs. Other agencies and organizations also reported the continued need for loans for small businesses.

### Los Angeles County Assessment Area

The bank’s AA includes the Los Angeles-Long Beach-Glendale Metropolitan Statistical Area (MSA). There are 88 incorporated cities in Los Angeles County and many unincorporated areas. The northern half of the county is lesser-populated desert inland; however, the southern half of the county is heavily urbanized. Los Angeles County is the most populous county in the United States. Based on the 2010 U.S. Census, the updated county population is 9.8 million. The following chart provides demographic information for the Los Angeles County AA.

Demographic Information for Los Angeles County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2,054	8.71	28.29	27.99	34.23	0.78
Population by Geography	9,519,338	8.00	29.44	30.88	31.58	0.10
Owner-Occupied Housing by Geography	1,499,694	1.91	15.46	31.30	51.33	0.00
Business by Geography	769,909	7.76	20.54	26.26	44.69	0.75
Farms by Geography	5,966	3.54	14.80	31.11	50.18	0.37
Family Distribution by Income Level	2,154,311	23.87	16.49	17.40	42.24	0.00
Distribution of Low-and Moderate-Income Families throughout AA Geographies	869,463	13.65	41.46	28.95	15.94	0.00
Median Family Income (MFI)		\$53,036	Median Housing Value			
HUD Adjusted Median Family Income 2010		\$64,000	(California Association of		\$276,270	
Households below Poverty Level		15.13%	Realtors - March 2012)			

(\*) The NA category consists of geographies that have not been assigned an income classification  
 Source: 2000 U.S. Census, 2010 HUD updated MFI, and California Association of Realtors

Los Angeles County is located in southern California and covers 70 miles of coastline along the Pacific Ocean. The County spans over 4,000 square miles and includes San Clemente and Santa Catalina Islands. Los Angeles County has an extensive transportation network, including seaports and airports, freeway systems, mass transit systems, rail systems, and cross-country railroads. The neighboring counties include Orange to the southeast, Kern to the north, San Bernardino to the east, and Ventura to the northwest. Most of the state's principal cities are located within the Greater Los Angeles Area.

Los Angeles County has a diverse economic base. Historically, the leading industry clusters were tourism and hospitality, professional and business services, entertainment (motion picture and TV production), wholesale distribution, and health services and biomedical. The "new economy" of Los Angeles County is largely technology driven. This sector includes bio-medical, digital information technology, and environmental technology, all of which build on the vibrant technical research capabilities in the County. The County also is the largest manufacturing center in the United States, and the seaports and airports support international trade. The Port of Los Angeles/Long Beach and the Los Angeles International Airport are two of the busiest transportation networks in the nation. The top employers in the Los Angeles AA are University of California at Los Angeles, Cedars-Sinai Medical Center, Los Angeles County Sheriff, Nestle USA, Santa Monica College, Sony Pictures Entertainment, Walt Disney Company, and Six Flags Magic Mountain, Inc.

The weak overall employment in the AA is reflective of the struggling national economy. The continuing contractions in the aerospace, construction and manufacturing sectors are delaying the local economic recovery. The Kyser Center for Economic Research reported that Los Angeles County has experienced some economic gains, but is lagging behind statewide recovery. The Center predicted that the county unemployment rate would improve at a "painfully slow pace." The California Economic Development Department (EDD) reported that the unemployment rate in Los Angeles County was 11.9 percent in March 2012 compared to the States of California unemployment rate of 11.5 percent (and the national unemployment rate of 8.2 percent).

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

San Diego County is the southern-most county in California and is bounded by Orange and Riverside Counties to the north, Imperial County to the east, the Pacific Ocean to the west, and Mexico to the south. PTB helps meet community credit needs in the AA through its main branch located in Chula Vista and branches located in La Jolla, San Diego, San Marcos, and El Cajon. San Diego County is the second most populous county in California. The 2010 U.S. Census indicates a population of 3.1 million in the county.

The following chart provides demographic information for the San Diego County AA.

Demographic Information for San Diego County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	605	7.93	22.48	37.69	31.40	0.50
Population by Geography	2,813,833	7.78	24.46	37.46	30.01	0.30
Owner-Occupied Housing by Geography	551,489	2.30	14.03	41.01	42.66	0.00
Business by Geography	339,809	4.29	18.44	36.62	40.60	0.04
Farms by Geography	5,511	3.47	16.73	40.79	38.99	0.02
Family Distribution by Income Level	669,102	6.69	22.27	37.63	33.42	0.00
Distribution of Low-and Moderate-Income Families throughout AA Geographies	260,483	13.60	34.90	35.56	15.94	0.00
Median Family Income (MFI)		\$57,885	Median Housing Value			
HUD Adjusted Median Family Income		\$74,900	(California Association of		\$363,710	
Households Below the Poverty Level		10.34%	Realtors - March 2012)			

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 U.S. Census, 2010 HUD updated MFI, and California Association of Realtors

San Diego has a varied economic base. The County’s major industries include government, professional, and business services; and trade, transportation, and utilities. Major employers include the University of California, San Diego, the County of San Diego, Naval Base San Diego, City of San Diego, San Diego Unified School District, Sharp Health Care, Scripps Health, and Qualcomm, Inc.

The consensus amongst local economists, including Alan Gin from the University of San Diego, is that the San Diego County economy will continue to experience a slow and steady recovery over the next few years. San Diegans continue to face challenges in the variety of jobs created as well as the wages received. Middle-skilled jobs that once formed the broad-base of the middle class are disappearing. Consequently, most of the jobs created are relatively low-skilled and low-paid, such as home nursing and landscape gardening. The San Diego Association of Governments believes the current economic conditions will continue to impact consumers by job losses, lower wages, and foreclosures. RealtyTrac reported that San Diego County had 29,786 foreclosures filed during 2011. The California EDD reported that the unemployment rate in San Diego County was 9.5 percent in March 2012 compared to the state unemployment rate of 11.5 percent and the national unemployment rate of 8.2 percent.

### Riverside County Assessment Area

Riverside County covers 7,208 square miles and is the fourth most populous county in California. The AA includes 27 incorporated cities, several unincorporated areas, and 12 federally-recognized Indian reservations. Riverside County is bounded by Orange

County on the west, the state of Arizona to the east, San Diego County to the southwest, Imperial County to the southeast, and San Bernardino County to the north. PTB helps meet community credit needs in the Riverside AA through its branches located in Riverside and Temecula. The 2010 U.S. Census indicates a population of 2.2 million in Riverside County. The following chart provides demographic information for the Riverside County AA.

<b>Demographic Information for Riverside 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)	343	3.79	27.70	41.11	27.11	0.29
Population by Geography	1,545,387	3.33	26.86	40.21	29.60	0.00
Owner-Occupied Housing by Geography	348,479	1.19	20.76	41.61	36.44	0.00
Business by Geography	168,442	2.63	23.10	39.16	31.76	0.80
Farms by Geography	3,728	2.01	26.42	39.81	31.76	0.26
Family Distribution by Income Level	375,207	2.68	24.55	40.62	32.15	0.00
Distribution of Low-and Moderate-Income Families throughout AA Geographies	143,613	5.26	38.51	40.90	15.32	0.00
Median Family Income (MFI)		\$50,541	Median Housing Value		\$211,350	
HUD Adjusted Median Family Income		\$62,500	(California Association of			
Households Below the Poverty Level		12.03%	Realtors - March 2012)			

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2000 U.S. Census, 2010 HUD updated MFI, and California Association of Realtors

Economic output and employment in Riverside County is well distributed among various sectors. The largest industries include education, utilities, professional and business services, and leisure and hospitality. The major employers include the County of Riverside, March Air Reserve Base, Stater Bros. Markets, University of California, Riverside and Wal-Mart. Riverside County along with San Bernardino County comprise an area commonly known as the Inland Empire. The Kyser Center for Economic Research commented that the region has had a prolonged recovery from a long and deep recession marked by a surge in the number of foreclosures along with plummeting home values and soaring joblessness.

The Inland Empire registered more defaults and foreclosures per capita during the economic downturn than any other area of the Southern California Region. The National Bankruptcy Research Center reported that the County of Riverside had 13,159 bankruptcies filed as of December 2011. RealtyTrac reported 41,319 foreclosures for Riverside County during 2011. The Kyser Center also stated that with the economy stabilizing, the decline in migration has abated, leading demand for housing, retail and services to grow again, but very slowly through 2013. The California EDD reported that the unemployment rate in the AA was 12.8 percent in March 2012, exceeding the state unemployment rate of 11.5 percent and the national unemployment rate of 8.2 percent.

## **Conclusions with Respect to Performance Tests**

Also refer to the “Institution’s CRA Rating” section of this report for summary conclusions regarding PTB’s performance under each test. The following sections of this evaluation present the data that support our conclusions under the Lending Test and the Community Development Test, respectively.

### **LENDING TEST**

PTB’s performance is satisfactory overall under the CRA Lending Test.

The bank exceeds the standard for satisfactory performance in two of the tests which compensates for some weaker performance in other tests.

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

PTB’s loan-to-deposit (LTD) ratio is more than reasonable and exceeds the standard of satisfactory performance.

We evaluated the bank’s quarterly average net LTD ratio for the last 12 quarters, following the bank’s last CRA examination, through December 2011. During this period, the bank’s LTD ratio averaged 105 percent. We compared the bank’s average LTD ratio with that of peer banks that are similar in asset size. The combined average quarterly LTD ratio of peer banks was 89 percent over the same period. PTB’s average LTD ratio well exceeds the peer average and reflects a strong level of lending.

#### **Lending in Assessment Area**

PTB granted a substantial majority of the number and dollar volume of sampled loans inside its AAs and exceeds the standard for satisfactory performance. The bank granted 97% of the number of loans and 97% of the dollar volume within its delineated AAs.

The following chart reflects the volume of the bank’s HMDA loan originations granted inside and outside its combined AAs (Los Angeles, San Diego and Riverside).

<b>Table 1 - Lending in Los Angeles County, San Diego County and Riverside County (Combined) Pacific Trust Bank January 1, 2010 through December 31, 2011</b>										
Loan Type	Number of Loans					Dollars of Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Mortgage Loans	62	96.88	2	3.12%	64	51,630	96.89	1,656	3.11	53,286

Source: Data reported under HMDA from January 2010 through December 2011.

## Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

### Lending to Borrowers of Different Incomes and Geographic Distributions

Note that the distribution analyses that follow below exclude originations in PTB’s Riverside AA, because the volume was too low to yield any meaningful results. Our conclusions for lending distributions are based on the HMDA data for the bank’s Los Angeles and San Diego AAs, respectively.

In the distribution analyses which follow, we compared the bank’s loan distribution performance to the area demographics. For further context, we also compared PTB’s performance to the HMDA aggregate data (other financial institutions in the AA that also report HMDA loan data) where applicable.

It is important to note that the bank did not expand into Los Angeles County until mid-2011, late in our CRA evaluation period. Management does not avoid lending in this area, and they opened an LPO in a low-income census tract in Los Angeles to improve its lending patterns. These facts provide context for the reasonableness of borrower and geographic distributions in this AA overall.

### Lending to Borrowers of Different Incomes

For this Lending Test performance criterion (lending to “borrowers of difference incomes”) we were unable to reach a meaningful conclusion in either AA given context factors. PTB originates home mortgage loans under special programs that do not require borrowers to report income. For these loans, we were unable to determine whether they were made to low- or moderate- income borrowers since the income data is not required for HMDA reporting purposes.

## Los Angeles AA

### Home Mortgage Refinance Lending

- PTB originated 8 home refinance loans totaling \$10.9 million in the Los Angeles County AA during the evaluation period. However, only one of these loans had reported income, which was in the upper-income borrower level. We were

unable to determine the income level of the other seven loans given context explained above. As stated, we were unable to determine the percentage of loans the bank originated to low- or moderate-income borrowers.

#### Home Purchase Lending

- PTB originated 21 home purchase loans totaling \$18.9 million in the Los Angeles County AA during the evaluation period. However, only 12 of these loans reported income, which were in the upper-income borrower level. We were unable to determine the income level of the other nine loans given context explained above. As stated, we were unable to determine the percentage of loans the bank originated to low- or moderate-income borrowers.

Note: The bank did not originate any home improvement loans in Los Angeles County AA during the evaluation period.

Also note that there is no “multifamily” income distribution analysis because borrowers were entities other than individual or families. As such, income is not required to be reported for HMDA data purposes.

### **San Diego County AA**

#### Home Mortgage Refinance Lending

- PTB originated 6 home refinance loans totaling \$8.8 million in the Los Angeles County AA during the evaluation period. However, only three of these loans had reported income: one loan was in the moderate-income borrower level and two were in the upper-income borrower level. We were unable to determine the income level of the other three loans given context explained above.

#### Home Purchase Lending

- PTB originated 14 home purchase loans totaling \$6.9 million in the Los Angeles County AA during the evaluation period. However, 12 of these loans reported income: two were in the moderate-income borrower level and 10 were in the upper-income borrower level. We were unable to determine the income level of the other two loans given context explained above.

#### Home Improvement Lending

- PTB originated four home improvement loans totaling \$171,000 in the San Diego County AA during the evaluation period. Two of these loans reported income: one was in the moderate-income borrower level and one was in the upper-income borrower level. We were unable to determine the income level of the other two loans given context explained above.

Also note that there is no “multifamily” income distribution analysis because borrowers were entities other than individual or families. As such, income is not required to be reported for HMDA data purposes.

## Geographic Distribution of Loans

The overall geographic distribution of PTB's mortgage loans is reasonable.

- PTB's geographic distribution of lending in its Los Angeles County AA needs improvement, but is reasonably explained. It is important to note that the bank did not expand into Los Angeles County until mid 2011, late in our CRA evaluation period. Management does not avoid lending in this area and opened an LPO in a low-income census tract in Los Angeles to improve its lending patterns going forward.
- PTB's geographic distribution of lending in its San Diego AA is reasonable.

## Los Angeles County

PTB's geographic distribution of lending in its Los Angeles County AA needs improvement, but is reasonably explained (see above).

### Home Mortgage Refinance Lending

- PTB originated eight home refinance loans totaling \$10.9 million in the Los Angeles County AA during the evaluation period, and all eight of these loans were originated in upper-income census tracts.
- PTB granted no home refinance loans in low-income census tracts during the evaluation period. Context provides reasonable support. Owner-occupied units comprise only 1.9% of the total AA. In addition, the peer aggregate performance is very low at 0.8%. This pattern reflects the difficulty of all HMDA reporting financial institutions qualifying borrowers in low income areas.
- PTB granted no home refinance loans in moderate-income census tracts. The demographic of owner-occupied units Los Angeles County is of 15.5%. The peer aggregate performance of 8.1% of home refinance loans in moderate-income census tracts compares more favorably. However, peer performance also does not compare closely with the demographic. This pattern reflects the difficulty of all HMDA reporting financial institutions originating home loans in moderate-income areas.

### Home Purchase Lending

- PTB originated 21 home purchase loans totaling \$18.9 million in its Los Angeles County AA during the evaluation period.
- The bank made no home purchase loans in low-income census tracts during the evaluation period. As stated, deteriorated economic conditions resulted in limited opportunities for mortgage products overall. As well, owner-occupied units

comprise only 1.9% of the AA. As further context, peer aggregate performance is not much stronger than PTB. Peer aggregate performance is low at 3.3%.

- PTB made no home purchase loans in moderate-income census tracts. Management does not seek to avoid lending in these areas. As explained above, PTB opened an LPO in a low-income census tract to improve lending patterns in its Los Angeles AA.

**Multifamily Lending**

- PTB originated two multifamily dwelling loans totaling \$3.5 million in its Los Angeles County AA. While this is a low level of lending for this product type on which to conclude, results indicate positive performance.
- PTB originated 50% of multifamily loans in low-income census tracts. This well exceeds the demographic of 13.0% of multi-family units in the bank’s Los Angeles County area. The peer aggregate of 12.8% compares closely with the demographic.
- PTB originated no multifamily loans in moderate-income census tracts.

The bank did not originate any home improvement loans in its Los Angeles AA during the evaluation period.

The charts which follow summarize the “Geographic Distribution” data for PTB’s HMDA lending by product type during the evaluation period in its Los Angeles County AA.

<b>Geographic Distribution of Home Mortgage Refinance Loans Los Angeles County AA</b>			
<b>Census Tract Designation</b>	<b>Review Period 2010-2011</b>		<b>Peer Aggregate 2010 %</b>
	<b>% of Owner Occupied Units</b>	<b>% Number of Bank Loans</b>	
Low	1.9	0.0	0.8
Moderate	15.5	0.0	8.1
Middle	31.3	0.0	24.4
Upper	51.3	100.0	66.7

Source: All 8 home refinance loans PTB originated within its Los Angeles County AA between 1/1/2010 and 12/31/2011.

<b>Geographic Distribution of Home Purchase Loans Los Angeles County AA</b>			
<b>Census Tract Designation</b>	<b>Review Period 2010-2011</b>		<b>Peer Aggregate 2010</b>
	<b>% of Owner Occupied Units</b>	<b>% Number of Bank Loans</b>	<b>%</b>
Low	1.9	0.0	3.3
Moderate	15.5	0.0	17.3
Middle	31.3	9.5	32.7
Upper	51.3	90.5	46.7

Source: All 21 home purchase loans PTB originated within its Los Angeles County AA between 1/1/2010 and 12/31/2011.

<b>Geographic Distribution of Multifamily Residential Loans Los Angeles County AA</b>			
<b>Census Tract Designation</b>	<b>Review Period 2010-2011</b>		<b>Peer Aggregate 2010</b>
	<b>% of Multifamily Units</b>	<b>% Number of Bank Loans</b>	<b>%</b>
Low	13.0	50.0	12.8
Moderate	31.7	0.0	36.4
Middle	28.3	50.0	27.3
Upper	27.0	0.0	23.5

Source: Both of the multifamily residential real estate loans PTB originated within its Los Angeles County AA between 1/1/2010 and 12/31/2011.

### **San Diego County AA**

PTB's geographic distribution of lending in its San Diego AA is reasonable overall.

#### Home Mortgage Refinance Lending

- PTB originated six home refinance loans totaling \$8.8 million in the San Diego County AA during the evaluation period.
- PTB granted no home refinance loans in low-income census tracts during the evaluation period. In this AA, the demographic of owner-occupied units is only 2.3%. In comparison, the peer aggregate performance is very low at 1.2%. This pattern reflects the difficulty of all HMDA reporting financial institutions qualifying borrowers in low income areas.
- PTB granted 16.7% of its home refinance loans in moderate-income census tracts. This compares favorably to the demographic of owner-occupied units of 14.0% in the AA. It also compares very favorably to the peer aggregate performance of 7.2% in moderate-income census tracts.

### Home Purchase Lending

- PTB originated 14 home purchase loans totaling \$6.9 million in its San Diego County AA during the evaluation period.
- PTB granted 7.2% of its home purchase loans in low-income census tracts. This compares very favorably to the demographic of owner-occupied units of 2.3% in the AA. It also compares very favorably to the peer aggregate performance of 3.8% in low-income census tracts.
- PTB granted 21.4% of its home purchase loans in moderate-income census tracts. This compares very favorably to the demographic of owner-occupied units of 14.0% in the AA. It also compares very favorably to the peer aggregate performance of 13.2% in moderate-income census tracts.

### Home Improvement Lending

- PTB originated four home improvement loans totaling \$171,000 in the San Diego County AA during the evaluation period.
- PTB granted no home improvement loans in low-income census tracts during the evaluation period. Context provides reasonable support. The area demographic of owner-occupied units is only 2.3%. In addition, the peer aggregate performance is comparable to the demographic at 2.1%. This pattern reflects the difficulty of all HMDA reporting financial institutions qualifying borrowers in low income areas.

### Multifamily Lending

- PTB originated three multifamily dwelling loans totaling \$1.4 million in its San Diego AA. While this is a low level of lending for this product type on which to conclude, results indicate positive performance.
- PTB originated 100% of multifamily loans in low-income census tracts. This well exceeds the demographic of 11.8% of multi-family units in the bank's San Diego County AA. PTB well exceeds the peer aggregate of 18.4% in low-income census tracts.
- PTB originated no multifamily loans in moderate-income census tracts.

The charts which follow summarize the "Geographic Distribution" data for PTB's HMDA lending by product type during the evaluation period in its San Diego AA.

<b>Geographic Distribution of Home Mortgage Refinance Loans San Diego County AA</b>			
<b>Census Tract Designation</b>	<b>Review Period 2010-2011</b>		<b>Peer Aggregate 2010</b>
	<b>% of Owner Occupied Units</b>	<b>% Number of Bank Loans</b>	<b>%</b>
Low	2.3	0.0	1.2
Moderate	14.0	16.7	7.2
Middle	41.0	50.0	31.9
Upper	42.7	33.3	59.7

Source: All 6 home refinance loans PTB originated within its San Diego County AA between 1/1/2010 and 12/31/2011.

<b>Geographic Distribution of Home Purchase Loans San Diego County AA</b>			
<b>Census Tract Designation</b>	<b>Review Period 2010-2011</b>		<b>Peer Aggregate 2010</b>
	<b>% of Owner Occupied Units</b>	<b>% Number of Bank Loans</b>	<b>%</b>
Low	2.3	7.2	3.8
Moderate	14.0	21.4	13.2
Middle	41.0	21.4	39.1
Upper	42.7	50.0	43.9

Source: All 14 home purchase loans PTB originated within its San Diego County AA between 1/1/2010 and 12/31/2011.

<b>Geographic Distribution of Home Improvement Loans San Diego County AA</b>			
<b>Census Tract Designation</b>	<b>Review Period 2010-2011</b>		<b>Peer Aggregate 2010</b>
	<b>% of Owner Occupied Units</b>	<b>% Number of Bank Loans</b>	<b>%</b>
Low	2.3	0.0	2.1
Moderate	14.0	0.0	10.6
Middle	41.0	25.0	34.2
Upper	42.7	75.0	53.1

Source: All 4 home improvement loans PTB originated within its San Diego County AA between 1/1/2010 and 12/31/2011.

<b>Geographic Distribution of Multifamily Residential Loans San Diego County AA</b>			
<b>Census Tract Designation</b>	<b>Review Period 2010-2011</b>		<b>Peer Aggregate 2010</b>
	<b>% of Multifamily Units</b>	<b>% Number of Bank Loans</b>	<b>%</b>
Low	11.8	100.0	18.4
Moderate	32.6	0.0	40.2
Middle	37.3	0.0	31.8
Upper	18.3	0.0	9.6

Source: All 3 multifamily residential real estate loans PTB originated within its San Diego County AA between 1/1/2010 and 12/31/2011.

### **Responses to Complaints**

The bank has not received any complaints associated with its CRA performance.

### **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

### **COMMUNITY DEVELOPMENT TEST**

PTB’s level of community development (CD) activities reflects adequate responsiveness in its AAs and we consider performance to be satisfactory.

- The bank made two qualified CD loans in its Los Angeles AA totaling \$10.6 million. An \$8.8 million community redevelopment loan refinanced a mixed-use building in a low-income area. The building houses residences for low-income seniors, as well as a medical center that provides healthcare to these low-income residents; a large market in the building also provides much needed jobs in a protracted period of high unemployment. Another \$1.8 million CD loan financed the purchase of affordable housing, a 44-unit apartment building in a low-income geography.
- The bank made qualifying CD investments totaling \$8.8 million for affordable housing during the evaluation period. This is highly responsive to an identified community development credit need in all of the bank’s AAs. This total includes \$3.3 million of investments in affordable housing mortgage-back securities. The remaining amount of \$5.5 million consists of investments in affordable housing loan-pools that benefited low- and moderate-income persons in the bank’s Los Angeles, San Diego, and Riverside AAs.

- PTB employees contributed 335 hours of qualified CD services to a variety of nonprofit organizations that provide a broad range of economic development activities and community services for low- and moderate-income residents in the AAs. During the evaluation period, bank employees and senior management were involved in 12 CD organizations that are related to community services, financial education, and economic development. One primary example is the bank's CEO serves on the board of directors for an organization that seeks to bring economic self-sufficiency and revitalization to inner-city, low- and very-low income, disadvantaged residents and their communities.