

PUBLIC DISCLOSURE

September 23, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Commonwealth Business Bank
RSSD # 3337097**

**3435 Wilshire Boulevard, Suite 700
Los Angeles, California 90010**

**Federal Reserve Bank of San Francisco
101 Market Street
San Francisco, California 94105**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

Institution's Community Reinvestment Act (CRA) Rating

Commonwealth Business Bank is rated "SATISFACTORY"

The following table shows the performance level of Commonwealth Business Bank (CBB or the bank) with respect to the lending, investment, and service tests.

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

- CBB's lending activity reflects adequate responsiveness to assessment area credit needs.
- An adequate percentage of the bank's small business loans are originated within its assessment areas.
- The geographic distribution of loans reflects good penetration.
- The bank's distribution of loans among businesses of different income levels is adequate.
- CBB originated an adequate level of community development loans during the evaluation period.
- The bank has an adequate level of qualified community development investments that help support community needs.
- CBB provided an adequate level of qualified community development services during the review period.

INSTITUTION

Description of Institution

CBB is a \$1.7 billion (as of March 31, 2024) bank headquartered in Los Angeles, California, and operates a total of eleven branches. CBB is a state-chartered commercial bank that commenced operations in March 2005 in the contiguous Los Angeles and Orange Counties in California. Historically, the bank has focused on the Korean American community, but the bank continues to expand with a multi-cultural focus. The bank operates four branches in Los Angeles County and two in Orange County. The bank also operates two branches in the Dallas, Texas area. In July 2021 the bank acquired Ohana Pacific Bank (OPB), located in Honolulu, Hawaii, adding an additional two branches and a new market area for the bank. In July 2023, the bank opened an additional de novo branch in Honolulu, bringing the total to eleven branches. CBB also has two Loan Production Offices (LPOs); one in Duluth, Georgia and the other in Bellevue, Washington.

CBB provides commercial banking products and services primarily to small- and medium-sized businesses. Credit product offerings include facilities for working capital, accounts receivable, equipment financing, commercial real estate, construction, and Small Business Administration (SBA) loans. Consumer loan products are primarily offered to existing business customers on an accommodation basis. In addition, the bank partners with a third-party vendor to offer business and consumer credit cards. Deposit products include certificates of deposit, consumer- and business-purpose checking, savings, and money market accounts. Banking services include on-line banking and remote deposit capture. With the acquisition of OPB, the bank acquired a small residential real estate portfolio; however, the bank did not make residential real estate loans and had no originations in 2023. Exhibit 1 below illustrates the composition of the bank's loan portfolio.

EXHIBIT 1 LOANS AND LEASES AS OF MARCH 31, 2024		
Loan Type	\$ ('000s)	%
Commercial/Industrial & Non-Farm Non-Residential Real Estate	1,197,143	86.0
Construction & Land Development	41,874	3.0
Secured by 1-4 Family Residential Real Estate	61,759	4.4
Multi-Family Residential Real Estate	66,336	4.8
Farm Land & Agriculture	0	0.0
Consumer Loans & Credit Cards	25,297	1.8
State, Political Subdivisions and All Other	197	0.0
Total (Gross)	1,392,606	100.0

The bank currently has delineated the following three assessment areas:

- The Los Angeles-Orange assessment area consists of the Los Angeles-Long Beach-Anaheim Metropolitan Statistical Area (MSA), which includes Los Angeles County and Orange County in their entirety.
- The Dallas assessment area, which includes Dallas County in its entirety.

- The Honolulu assessment area, which includes Honolulu County in its entirety. (New since July 2021).

The bank received a satisfactory rating at its previous CRA examination conducted as of September 30, 2018, by the Federal Reserve Bank of San Francisco, using the *Interagency Intermediate Small Institution Examination Procedures*. CBB faces no legal or financial impediments that would prevent it from helping to meet the credit needs of its assessment areas consistent with its business strategy, size, financial capacity, and local economic conditions. The bank did not receive any CRA-related complaints during the current evaluation period.

Scope of Examination

CBB was evaluated using the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Large Bank Examination Procedures* to evaluate the bank's CRA performance. The CRA performance evaluation assesses the bank's responsiveness and effectiveness in meeting the credit and community development needs in its assessment areas within the lending, investment, and services tests. This evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy, and market competition, as well as assessment area demographic, economic characteristics, and credit needs.

On January 1, 2023, the bank officially exceeded the intermediate small bank examination threshold. Examiners considered this as part of the performance context that prior to this date, the bank operated as an intermediate small bank.

The lending test evaluation was based on a representative sample of small business loans originated from October 1, 2018, through December 31, 2023. A total of 875 small business loans were considered in the evaluation. Of that total, 527 small business loans were extended within the bank's assessment areas, including 459 loans within the bank's Los Angeles-Orange assessment area, 57 loans within the Dallas assessment area, and 11 in the Honolulu assessment area. These loans were used in the evaluation of the bank's lending by geography and by business revenue. The evaluation period for community development activities was from February 12, 2019, through September 23, 2024.

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

This evaluation primarily focuses on small business lending reported by the bank during the evaluation period. The bank did not originate any small farm 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. 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, community representatives were contacted to provide information about local economic conditions, credit needs, and market conditions.

Full-scope reviews were conducted on all three market areas in which the bank operates. The Los Angeles-Orange Counties, Dallas County and Honolulu County all received full-scope reviews. These reviews were used to determine overall performance in the three states in which the bank has branch locations: California, Texas and Hawaii and are presented in the report in that order. The Los Angeles-Orange County assessment area received the greatest weight in the overall performance rating of the bank, as the bank's lending volume in this area comprises approximately 85.0 percent of its overall lending volume.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The following sections contain conclusions regarding CBB's overall performance and are followed by individual performance conclusions for the states of California, Texas, and Hawaii. Conclusions with respect to the lending and community development tests were heavily influenced by the conclusions reached for California, as a significant majority of the bank's lending and deposit activities take place in this state. 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 low satisfactory. This rating is driven by the bank's adequate level of lending overall, an adequate percentage of lending concentrated within its assessment areas, a good geographic dispersion of loans, and adequate penetration among businesses of different sizes. The bank also demonstrated an adequate level of community development lending overall, particularly in the state of California. The bank generally made a poor level of lending activity in both Texas and Hawaii.

LENDING ACTIVITY

Overall, the bank's lending levels reflect adequate responsiveness to credit needs, driven primarily by activity in the Los Angeles-Orange assessment area. Lending activity in the Dallas County, and Honolulu County assessment area was poor. The bank's overall loan volumes are detailed in Exhibit 2 below.

EXHIBIT 2 SUMMARY OF LENDING ACTIVITY OCTOBER 1, 2018 – DECEMBER 31, 2023				
Loan Type	#	%	\$(000s)	%
Small Business	875	100	\$398,448	100
TOTAL LOANS	875	100	\$398,448	100

ASSESSMENT AREA CONCENTRATION

An adequate percentage of the bank's small business loans were made within its assessment areas during the evaluation period, as reflected in Exhibit 3 below.

EXHIBIT 3 LENDING INSIDE AND OUTSIDE THE ASSESSMENT AREAS OCTOBER 1, 2018 – DECEMBER 31, 2023								
Loan Type	Inside				Outside			
	#	%	\$('000s)	%	#	%	\$ ('000s)	%
Small Business	527	60.2	224,816	56.4	348	39.8	173,631	43.6
Total Loans	527	60.2	224,816	56.4	348	39.8	173,631	43.6

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 good. This assessment is driven by the bank's adequate geographic distribution of loans in California. The Honolulu assessment area was rated adequate, and the Dallas assessment area was rated as poor.

The distribution of CBB's loans represents adequate penetration among businesses of different sizes. Borrower distribution performance is adequate in California and Texas, while the bank's performance in Hawaii is rated poor. Further details with respect to the geographic and borrower distributions are provided within each assessment area discussion below.

To meet the credit needs of its various assessment areas, CBB offers loan products and participates in loan programs that have flexible criteria or are designated to meet specific credit needs that often promote economic development. The following is a commonly used example of a loan programs the bank utilizes in an effort to be responsive to community credit needs.

- SBA 7a loans.
- SBA 504 loans.

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

COMMUNITY DEVELOPMENT LENDING

CBB made an adequate level of community development loans during the review period. Specifically, the bank extended 90 community development loans totaling nearly \$225.0 million throughout its assessment areas. Additionally, the bank extended 20 loans totaling \$53.8 million that benefited areas outside of a designated assessment area. This assessment is driven particularly by the bank's performance in the Los Angeles-Orange assessment area. A majority of these loans helped to address economic development needs within the assessment areas while a limited number helped address affordable housing needs. Community development lending in the Dallas and Honolulu assessment areas was limited due to the bank's relatively small presence and limited market share.

Investment Test

CBB's investment performance rating is low satisfactory. The bank's level of responsiveness to credit and community development needs through its investment activities is adequate. The bank made an adequate level of qualified community development investments and donations. The bank's activity includes investments in low-income mortgage-backed securities (MBS), certificates of deposit to low-income credit unions and minority-owned institutions, low-income housing tax credits (LIHTC), and equity investments in Community Development Financial Institutions (CDFIs). CBB's qualified investments during the evaluation period totaled approximately \$14.3 million, including \$8.4 million in current period investments and donations, and \$5.9 million in prior period investments that remain on its books. These investments demonstrate adequate 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 \$171,000 on a combined assessment area basis.

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

- MBS – The bank purchased a new MBS totaling \$2.5 million secured by mortgages to low- and moderate-income individuals in the California assessment area.
- CDFI – The bank retained a \$1 million investment in CDFI stock.
- MBS - The bank retained four separate MBS totaling \$8.9 million purchased during the prior period that remained on the books. The MBS is secured by mortgages to low- and moderate-income individuals in the bank's assessment areas in California and Texas.

Qualified investments, including donations, targeting specific statewide areas and/or assessment areas are discussed in conjunction with the evaluation of those areas. This assessment is driven particularly by the bank's performance in the Los Angeles-Orange assessment area. The bank's performance was limited in both the Dallas and Honolulu assessment areas.

Service Test

The bank's overall performance under the service test is low satisfactory. Its delivery systems are reasonably accessible to the bank's geographies and individuals of different income levels across the assessment areas, 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 an adequate level of community development services. The bank's record of opening and closing of branches has improved the accessibility of its delivery systems, particularly to low- and moderate-income geographies and individuals in the Honolulu assessment area.

RETAIL BANKING SERVICES

The bank's retail services and delivery systems are reasonably 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 commercial lender. Of the bank's 11 full-service branch offices, two are located in low-income census tracts, and four are located in moderate-income tracts. Branch openings and closings since the previous evaluation have improved the accessibility of its delivery systems particularly to low- and moderate-income areas, as no branches were closed, but two branches were acquired in the 2021 OPB acquisition, and one additional branch opened in 2023 in a moderate-income census tract in the Honolulu assessment area.

COMMUNITY DEVELOPMENT SERVICES

CBB provides an adequate level of services to community development organizations. During the review period, employees provided 1,642 community development service hours through nine different organizations. Activities were focused on economic development initiatives that support community needs related to financial literacy training. This rating is based primarily on the bank's performance within its Los Angeles-Orange assessment area. Both the Dallas and Honolulu assessment areas provided

a limited level of services and were rated poor. 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 the 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: Low Satisfactory
The investment test is rated: Low Satisfactory
The service test is rated: Low Satisfactory

The major factors supporting the institution's rating include:

- CBB's lending activity reflects adequate responsiveness to community credit needs.
- The geographic distribution of loans reflects good penetration.
- The bank's distribution of loans among businesses of different income levels is adequate.
- The bank maintains an adequate level of qualified community development investments.
- While the bank makes no 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 California assessment area during the review period.

Scope of Examination

The scope of examination for the state of California is consistent with the overall scope of the CRA examination. The California assessment area (made up of Los Angeles-Orange counties in their entirety) received a full-scope review and received the greatest weight in the overall assessment based on a strong majority of the bank's lending (87.1 percent), branching, and deposit activities (50 percent) falling in this assessment area. As mentioned above, examiners utilized the FFIEC *Interagency Large Bank Examination Procedures* to evaluate the bank's CRA performance. The CRA performance evaluation assesses the bank's responsiveness and effectiveness in meeting the credit and community development needs in its assessment areas within the lending, investment, and services tests. This evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy, and market competition, as well as assessment area demographic and economic characteristics, and credit needs.

On January 1, 2023, the bank officially exceeded the intermediate small bank examination threshold. Examiners considered this as part of the performance context that prior to this date, the bank operated as an intermediate small bank. Therefore, while the bank's lending throughout the review period was considered, the review focused primarily on CBB's small business loans from calendar year 2023 to determine geographic and borrower distributions of the bank's lending, with mention made where the bank's performance differed in the years it was considered an intermediate small bank. 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 California

California is CBB's primary market. As of June 30, 2023, the bank operated six of its 11 branches within the state of California. California is a highly competitive market for financial services with a strong presence of national, regional, and non-bank lenders. As of June 30, 2023, there were 181 FDIC-insured institutions operating 5,770 branches within the state, holding \$1.8 trillion in deposits.¹ The market is dominated by three large national banks that together hold 57.0 percent of deposits within the state. CBB's deposits of \$1.2 billion represent a market share of less than 0.10 percent within the state.²

The Los Angeles-Orange assessment area consists of Los Angeles and Orange Counties in their entirety, which make up the Los Angeles-Long Beach-Anaheim MSA. Los Angeles County is located along the Pacific Coast in Southern California, south of Kern County and north of Orange County. Orange County is located south of Los Angeles County and is bordered by San Bernadino County and Riverside County on the northeast and San Diego County to the south. In 2020, the assessment area was home to more than 13.2 million people.³ Los Angeles County, with a population of 10.0 million is the most populous county in California, while Orange County is the third-most populous with over 3.2 million people.⁴

Conclusions with Respect to Performance Tests in California

Conclusions regarding CBB's performance in California with respect to lending, investment, and service tests are consistent with the overall conclusions for the bank as a whole. As mentioned above, the Los Angeles-Orange County assessment area accounts for 85 percent of the bank's overall loan volume by dollar volume and 50 percent of overall deposits. As such, overall conclusions in this report were heavily influenced by the performance in California.

With regard to community development lending, \$29.1 million in community development loans benefited a broader statewide or regional area that includes the California assessment area. Examples of community development loans that benefit broader statewide area include the following:

- A \$1.9 million SBA 7a loan to a certified CDFI with an economic development impact located in a moderate-income census tract that helped retain 14 employees.
- A \$5.0 million SBA 7a loan to a certified CDFI with an economic development impact to a moderate income-census tract.

The following sections contain specific comments regarding the Los Angeles-Orange County assessment area.

¹ Federal Deposit Insurance Corporations, Deposit Market Share Report, June 30, 2023; available from [Summary of Deposits - Market Share \(fdic.gov\)](#).

² IBID.

³ 2011-2015 U.S. Census Bureau American Community Survey; 202 U.S. Census Bureau Decennial Census.

⁴ U.S. Census Bureau, Quick Facts, Population Estimates July 31, 2023, available from [U.S. Census Bureau QuickFacts: United States](#).

Los Angeles-Orange County Assessment Area Conclusions

DESCRIPTION OF OPERATIONS IN LOS ANGELES-ORANGE COUNTY

The Los Angeles-Orange assessment area consists of the Los Angeles-Long Beach-Anaheim MSA, which includes Los Angeles County and Orange County in their entirety.

The assessment area is highly competitive. As of June 30, 2023, there were 108 institutions operating 2,027 branches in the assessment area. CBB ranked 36th out of 108 financial institutions in local deposit market share with 0.18 percent.⁵ The bank operates six branches across its Los-Angeles-Orange assessment area, which account for approximately \$299.2 million of the bank's \$1.5 billion total deposit base.⁶

The bank has two branches located in low-income census tracts, two branches located in moderate-income census tracts, and two branches located in middle-income census tracts.

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

EXHIBIT 4 ASSESSMENT AREA DEMOGRAPHICS ⁷ LOS ANGELES-LONG BEACH-ANAHEIM CA MSA (LOS ANGELES AND ORANGE COUNTIES)								
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
Tract not reported	81	2.6	14,506	0.5	1,991	13.7	0	0
Total AA	3,112	100.0	2,9553,482	100.0	283,901	9.6	2,953,482	100.0
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	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

⁵ Federal Deposit Insurance Corporations, Deposit Market Share Report, June 30, 2023; available from [Summary of Deposits - Market Share \(fdic.gov\)](#).

⁶ Federal Deposit Insurance Corporations, Deposit Market Share Report, June 30, 2023; available from [Summary of Deposits - Market Share \(fdic.gov\)](#).

⁷ 2000 U.S. Census and 2007 Dun & Bradstreet Data.

Tract not reported	58,695	7,284	0.3	12.4	44,424	75.7	6,987	11.9
Total AA	4,661,034	2,129,700	100.0	45.7	2,242,805	48.1	288,529	6.2
Income Categories	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	24,833	3.5	22,469	3.4	2,239	4.3	125	2.9
Moderate-income	138,904	19.6	126,184	19.3	12,061	23.0	659	15.3
Middle-income	198,869	28.0	182,251	27.9	15,514	29.6	1,104	25.6
Upper-income	330,393	46.5	307,942	47.1	20,149	38.4	2,302	53.4
Tract not reported	17,221	2.4	14,650	2.2	2,450	4.7	121	2.8
Total AA	710,220	100.0	653,496	100.0	52,413	100.0	4,311	100.0
Percentage of Total Businesses			92.0		7.4		0.6	

Economic Conditions

The local economy is driven primarily by tourism, logistics and medical services.⁸ A strong healthcare base and a growing tech presence provide well-paying jobs within the area.⁹ The region also has global ties to entertainment, tourism and fashion.¹⁰ Despite these positive economic factors, the area has seen decades of more residents leaving than newcomers arriving, along with slowing immigration, and below-average birth rates which have resulted in population losses for the sixth consecutive year in 2022.¹¹ Among California's large economies, Los Angeles has arguably the bleakest population outlook.¹²

Los Angeles was in the at-risk stage of the business life cycle in 2023.¹³ The economy is cooling in step with California as a whole.¹⁴ Job growth is slowing on a year-ago basis.¹⁵ Healthcare remains the leading source of new jobs with support from construction and leisure/hospitality.¹⁶ Mount Sinai and UCLA Medical Center consistently rank among the nation's best hospitals and prominent in medical research.¹⁷

Employment Statistics

Exhibit 5 on the next page, reflects the unemployment rate of the bank's assessment area, the counties that comprise the overall assessment area and the state of California.

⁸ Moody's Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA – November 2023.

⁹ Moody's Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA – November 2023.

¹⁰ Moody's Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA – November 2023.

¹¹ Moody's Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA – November 2023.

¹² Moody's Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA – November 2023.

¹³ Moody's Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA – November 2023.

¹⁴ Moody's Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA – November 2023.

¹⁵ Moody's Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA – November 2023.

¹⁶ Moody's Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA – November 2023.

¹⁷ Moody's Analytics Precis Report – Los Angeles-Long Beach-Glendale, CA – November 2023.

EXHIBIT 5 LOS ANGELES-LONG BEACH-ANAHEIM CA MSA 2022 UNEMPLOYMENT RATES					
Area	2018	2019	2020	2021	2022
Los Angeles-Long Beach-Anaheim CA MSA 2022	4.2%	4.1%	11.5%	8.2%	4.5%
Los Angeles County, CA	4.6%	4.5%	12.3%	8.9%	4.9%
Orange County, CA	3.0%	2.8%	8.9%	6.0%	3.2%
Anaheim-Santa Ana-Irvine, CA MD	3.0%	2.8%	8.9%	6.0%	3.2%
California	4.2%	4.1%	10.1%	7.3%	4.2%

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

The employment rate increased significantly in 2020, reflecting the effects of the COVID-19 pandemic. The 2020 unemployment rate of 11.5 percent for the assessment area was larger than the overall unemployment rate for the state of California at 10.1 percent. As the economy recovered and normalized, the unemployment rate fell to 4.5 percent for the bank's assessment area, which was in line with the overall unemployment rate for the state of California at 4.2 percent.

Population Change

As of 2020, the population in the bank's assessment area represented 33.9 percent of the total population of California. As reflected in Exhibit 6 below, while the overall assessment area population saw minor growth of 0.4 percent from 2015 to 2020, the population in Los Angeles County actually declined by 0.2 percent over the review period. Orange County experienced a 2.3 percent increase from 2015 to 2022, more in line with overall population growth in the state of 2.9 percent.

EXHIBIT 6 LOS ANGELES-LONG BEACH-ANAHEIM CA MSA 2022 POPULATION CHANGE			
Area	2015 Population	2020 Population	Percent Change
Los Angeles-Long Beach-Anaheim CA MSA 2022	13,154,457	13,200,998	0.4%
Los Angeles County, CA	10,038,388	10,014,009	-0.2%
Orange County, CA	3,116,069	3,186,989	2.3%
Anaheim-Santa Ana-Irvine, CA MD	3,116,069	3,186,989	2.3%
California	38,421,464	39,538,223	2.9%

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

Median Family Income

Exhibit 7 on the next page, details the median family income change for the assessment area and broader statewide area. Between 2015 and 2020, the median family income of the assessment area increased, although to a lesser degree than the state of California as a whole. Los Angeles County saw the largest increase in median family income. Reflecting some of the demographic differences between Los Angeles County and Orange County, in dollars, the median family income in Orange County was 32.5 percent higher than Los Angeles County.

EXHIBIT 7 LOS ANGELES-LONG BEACH-ANAHEIM CA MSA 2022 MEDIAN FAMILY INCOME CHANGE			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Los Angeles-Long Beach-Anaheim CA MSA 2022	\$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%
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.

Small Business Lending

As depicted in Exhibit 8 below, the number of small business loans originated within the assessment area has increased steadily since the prior examination in 2018, with the pace of loan growth exceeding the statewide trend. Specifically, small business loans in the assessment area increased by 43.2 percent between 2017 and 2021, ahead of the statewide growth of 39.7 percent. The growth in small business lending was more pronounced in Los Angeles County growing at 43.4 percent in the same time period, while Orange County's growth in small business lending was below overall growth for the state at 38.7 percent compared to the state-wide growth rate of 39.7 percent.

EXHIBIT 8 LOS ANGELES-LONG BEACH-ANAHEIM CA MSA 2022 SMALL BUSINESS LOAN TRENDS					
Area	2017	2018	2019	2020	2021
Los Angeles-Long Beach-Anaheim CA MSA 2022	405,442	452,081	482,794	499,559	576,377
Los Angeles County, CA	298,116	330,693	354,890	365,864	427,499
Orange County, CA	107,326	121,388	127,904	133,695	148,878
Anaheim-Santa Ana-Irvine, CA MD	107,326	121,388	127,904	133,695	148,878
California	961,046	1,072,551	1,146,375	1,182,917	1,342,194

Source: FFIEC Community Reinvestment Act Aggregate Data

In March of 2020, the federal Paycheck Protection Program (PPP) was launched by the Treasury Department with the goal of helping small businesses survive the pandemic-related lockdowns.¹⁸ Overall, small banks increased lending to small businesses and small farms by an average of 23 percentage points more than expected during the first half of 2020, and lending by medium and large banks increased by 38.0 and 35.0 percentage points more than expected, respectively, during the same time period.¹⁹ According to the borrower firms that elected to report their industry, most loans under \$1.0 million made as of August 2020 were made to businesses in the professional, scientific, and

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

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

technical services industry, followed by other services (except public administration) industry, the health, automobile and social assistance industry, and the construction industry.²⁰

Housing Cost Burden

Exhibit 9 below reflects the percentage of cost burdened renters and owners within the assessment area and statewide. In particular, the cost burden for all renters illustrates that over half of those renters are spending more than 30.0 percent of their household income on rent. These statistics highlight the need for more affordable housing, especially for low-income households, where 81.3 percent are spending more than 30.0 percent of their household income for housing. For owners, the numbers are better with 32.3 percent of all owners in the assessment area paying more than 30.0 percent of their household income on housing costs. However, low-income homeowners continue to pay a significant amount of their household income on housing costs.

EXHIBIT 9 LOS ANGELES-LONG BEACH-ANAHEIM CA MSA 2022 HOUSING COST BURDEN						
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	81.3%	48.3%	52.2%	66.7%	47.1%	32.3%
Los Angeles County, CA	80.9%	46.5%	52.4%	67.7%	47.4%	33.4%
Orange County, CA	83.0%	55.1%	51.2%	63.9%	46.2%	29.5%
Anaheim-Santa Ana-Irvine, CA MD	83.0%	55.1%	51.2%	63.9%	46.2%	29.5%
California	80.6%	52.0%	49.5%	65.8%	46.4%	29.3%

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

Source: U.S. Department of Housing and Urban Development (HUD), 2016-2020 Comprehensive Housing Affordability Strategy

Credit and Community Development Needs

Community representatives from multiple organizations providing support services to area small businesses located within the bank's Los Angeles-Orange County assessment area were contacted to provide context for local economic conditions and opportunities for participation by local financial institutions. Multiple contacts indicated small business credit as a primary credit need in the community, especially for new and very small businesses for both start-up costs and working capital. One contact indicated that the area has many low- and moderate-income census tracts and Opportunity Zones wherein financial institutions could be more involved in financial literacy training and education, including offering industry specific education. One contact also stated the opportunity for financial institutions to invest more and affordable capital into CDFIs as traditional banks are not suited for the type of lending CDFIs can offer. Affordable housing was also identified as a critical need within the community.

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

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN LOS ANGELES-ORANGE COUNTY

Lending Test

CBB's lending performance within the Los Angeles-Orange assessment area is low satisfactory. The bank's geographic distribution was good. Its distribution to borrowers of different revenue levels was adequate. The bank made an adequate level of community development loans during the evaluation period.

Lending Activity

The bank's overall lending activity is considered adequate. The percentage of CBB's small business lending within the assessment area is in line with the percentage of its area deposits. Approximately 87.1 percent in number of the bank's small business loans during the evaluation period were originated within this assessment area.

Lending Distribution by Geography

Overall lending distribution by geography is good. CBB's 2023 level of small business lending in low-income census tracts was consistent with both the aggregate lending levels and the percentage of small businesses in such tracts. The bank's lending in moderate-income census tracts exceeded both the aggregate lending levels and the percentage of small businesses in these tracts. Similar results are found in years 2018 through 2022.

Lending Distribution by Borrower Income and Business Revenue

Overall lending distribution by borrower income is adequate. The bank's lending to small businesses is slightly below aggregate lending by number of loans in 2023, and slightly above aggregate by dollar volume. Both the bank's lending and aggregate lending were below demographic indicators, as 92 percent of assessment area businesses had revenues of \$1 million or less per year. Results for the years 2018 through 2022 were similar.

Of the bank's 46 small business loans made in 2023, six were made in amounts of \$100,000 or less. 14 loans were between \$100,000 and \$250,000, and the majority (26 loans) of its loans in amounts over \$250,000.

Community Development Lending

During the evaluation period, the bank extended an adequate level of community development loans within this assessment area. The bank originated 79 community development loans totaling \$192.6 million during the evaluation period. The community development loans support both economic development and housing targeted to low- and moderate-income individuals. 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.

Notable loans in the Los Angeles-Orange assessment area include the following:

- A \$1.6 million loan that provides affordable housing to low- and moderate-income individuals. The loan financed 21 rent restricted apartment units located in a moderate-income census tract.
- A \$3.8 million loan to purchase an existing assisted living facility located in a low-income census tract. The loan helped to retain 61 employees.

In addition to the community development loans within the assessment area, the bank also extended 10 loans totaling \$29.1 million in other areas of California not located within the designated assessment area.

Investment Test

CBB's investment performance rating is low satisfactory. The bank's level of responsiveness to credit and community development needs is adequate. In addition to the previously mentioned investments that benefit a regional or statewide area, the bank holds 14 investments totaling \$5.1 million that directly benefit the Los Angeles-Orange assessment area. This total includes \$2.9 million in new investments and \$2.2 million in prior period investments that remained on the books. Additionally, the bank made \$215,500 in qualified community development donations impacting this assessment area. The bank made no use of innovative or complex investments. The following are examples of the bank's investment activities:

- 12 investments in minority owned institutions totaling \$2.9 million.
- \$2.5 million was invested in an MBS that supports affordable housing by providing mortgages to low- and moderate-income borrowers including in this assessment area.

Service Test

The institution's performance under the service test within this assessment area is low satisfactory. 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 not adversely affected the accessibility of its delivery systems in this assessment area. Additionally, the bank provided an adequate level of community development services in this 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, the bank operates six full-service branch locations. Two branches are located in low-income census tracts, two are located in moderate-income tracts, and two are located in middle-income tracts. Branch locations and business hours are considered convenient and meet the needs of the assessment area. CBB has not closed or opened any branches in this assessment area during the review period.

Community Development Services

CBB provided an adequate level of community development services within the assessment area. Employees provided 1,323.5 service hours to five organizations during the evaluation period. A majority

of the service hours were in support of financial literacy to both students and adults within 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.
- Several employees helped to provide assistance in the preparation of tax returns for low-and moderate-income individuals.

STATE OF TEXAS

CRA Rating for Texas

Performance in Texas is rated “NEEDS TO IMPROVE”

The lending test is rated: Needs to Improve
The investment test is rated: Low Satisfactory
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 geographic distribution is poor.
- The bank’s borrower distribution performance is adequate.
- The bank’s level of qualified community development investments is poor.
- The bank made no use of innovative and/or complex investments to support community development initiatives, and it exhibited adequate responsiveness to credit and community development needs through its investment activity.
- The bank and its employees provided a limited level of community development services within its Dallas assessment area during the review period.

Scope of Examination

The scope of examination for the state of Texas is consistent with the overall scope of the CRA examination. The bank has designated a single assessment area that consists of Dallas County in its entirety. Examination procedures require that a full-scope review be conducted on one or more assessment areas in each state the bank operates branch locations in. As CBB only has a single assessment area in the state of Texas, it received a full-scope review. It is noted that while the bank has one less branch in its Dallas assessment area than in its Honolulu, Hawaii assessment area (three branches), Dallas is a more mature market for the bank and was generating more small business loans compared to the activity in Hawaii. However, the deposit volume in the state of Texas is substantially lower than both California and Hawaii.

On January 1, 2023, the bank officially exceeded the intermediate small bank examination threshold. Examiners considered this as part of the performance context that prior to this date, the bank operated as an intermediate small bank. Therefore, while the bank’s lending throughout the review period was considered, the review focused primarily on CBB’s small business loans from calendar year 2023 to determine geographic and borrower distribution of the bank’s lending. The institution’s efforts to serve its assessment area through qualified community development loans, investments, and services during the review period were also reviewed.

Description of Operations in Texas

Like California, the Texas market for financial services is highly competitive with 475 FDIC-Insured financial institutions operating 6,236 branches, holding \$1.5 trillion in deposits as of June 30, 2023.²¹ The top four banks hold 54.1 percent of deposits; however they only represent 13.2 percent of the total branches operating within the state.²² Unlike California, Texas has a large number of community banks which serve small markets, cities or towns throughout the state. CBB held \$79.0 million in deposits within the state of Texas, representing a market share of only 0.01 percent.

Conclusions with Respect to Performance Tests in Texas

The Dallas assessment area accounts for 11.3 percent of the bank's overall loans by dollar volume, and 13.1 percent of its total deposits. As a result, performance in Dallas had a relatively low influence in determining overall conclusions for the institution. Conclusions regarding CBB's performance in Texas with respect to the lending, investment, and service tests are based on the bank's performance in the single assessment area which is comprised of Dallas County in its entirety.

CBB did not engage in any community development lending activities within Texas that had a broader statewide or regional impact. However, the bank did engage in community development lending outside the assessment area.

Dallas Assessment Area Conclusions

DESCRIPTION OF OPERATIONS IN DALLAS COUNTY

The Dallas assessment area consists of the entirety of Dallas County, which is the second-most populated county in Texas and the ninth most populated county in the United States.²³ Its county seat is Dallas, which is also the third-largest city in Texas and the ninth-largest city in the United States.²⁴ Portions of the city extend into neighboring Collin, Denton, Kaufman, and Rockwall counties. Dallas County is approximately 873 square miles with an estimated population of 2,606,358,²⁵ making up 8.5 percent of the total population of Texas.²⁶

CBB operates two branches in the Dallas assessment area, both located in middle-income census tracts. Of these, one branch is located in Carrollton, Texas, a suburb of Dallas. Carrollton occupies parts of Dallas, Denton and Collin counties. Due to this geographic anomaly, the Carrollton branch data is captured in the FDIC data of Denton County.²⁷ As of June 30, 2023, the Dallas and Denton counties together had 127 financial institutions operating 8,937 branches holding \$598.2 billion in deposits. CBB with its two branches and \$78.6 million in total deposits had a market share of 0.1 percent.²⁸

²¹ Federal Deposit Insurance Corporations, Deposit Market Share Report, June 30, 2023; available from [Summary of Deposits - Market Share \(fdic.gov\)](#).

²² IBID.

²³ [Dallas County, Texas - Wikipedia](#).

²⁴ IBID.

²⁵ [Dallas County, Texas - Wikipedia](#).

²⁶ [U.S. Census Bureau QuickFacts: United States](#).

²⁷ Federal Deposit Insurance Corporations, Deposit Market Share Report, June 30, 2023; available from [Summary of Deposits - Market Share \(fdic.gov\)](#).

²⁸ IBID.

The assessment area is highly competitive. As of June 30, 2023, there were 127 institutions operating 731 branches in the assessment area. CBB ranked 84th out of 127 financial institutions in local deposit market share at 0.01 percent.²⁹

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

EXHIBIT 10 ASSESSMENT AREA DEMOGRAPHICS³⁰ DALLAS COUNTY								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	118	10.1	108,302	8.9	27,112	25.0	272,167	22.5
Moderate-income	294	25.1	284,491	23.5	37,735	13.3	208,060	17.2
Middle-income	338	28.9	359,294	29.7	20,693	5.8	228,134	18.8
Upper-income	402	34.3	452,237	37.4	12,514	2.8	501,963	41.5
Tract not reported	19	1.3	6,000	0.5	1,115	18.6	0	0.0
Total AA	1,171	100.0	1,210,324	100.0	99,169	8.2	1,210,324	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	199,841	52,049	5.1	2.6	127,353	63.7	20,439	10.2
Moderate-income	467,718	203,104	19.7	43.4	226,859	48.5	37,845	8.1
Middle-income	568,550	319,743	31.1	56.2	210,586	37.0	38,221	6.7
Upper-income	646,411	450,006	43.8	69.6	160,285	24.8	36,120	5.6
Tract not reported	19,153	3,451	0.3	17.7	13,415	68.7	2,647	13.6
Total AA	1,902,033	1,028,263	100.0	54.1	738,498	38.8	135,272	7.1
Income Categories	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	16,118	5.7	14,775	5.7	1,231	6.8	112	3.3
Moderate-income	52,869	18.38	48,705	18.8	3,728	20.6	436	12.7
Middle-income	87,765	31.2	80,748	31.1	6,123	33.9	894	26.0
Upper-income	121,556	43.3	112,919	43.5	6,677	36.9	1,970	57.4
Tract not reported	2,573	0.9	2,238	0.9	312	1.7	23	0.7
Total AA	280,891	100.0	259,385	100.0	18,071	100.0	3,435	100.0
Percentage of Total Businesses			92.3		6.4		1.2	

²⁹ Federal Deposit Insurance Corporations, Deposit Market Share Report, June 30, 2023; available from [Summary of Deposits - Market Share \(fdic.gov\)](#).

³⁰ 2000 U.S. Census and 2007 Dun & Bradstreet Data.

Economic Conditions

The local economy is driven primarily by shipping, high tech, and financial services.³¹ The area has a well-positioned distribution center for Southwest airlines as international trade grows.³² High tech jobs tend to be more sensitive and volatile to the business cycle.³³ There has been a stable demand for professional services because the area holds many corporate headquarters.³⁴

The area's economy was in the mid expansion stage of the business life cycle in 2023.³⁵ Job growth has strengthened to twice that of the national gain with financial services leading the way.³⁶ In 2023, both Goldman Sachs and Wells Fargo began construction on large scale offices bringing thousands of new jobs to the area.³⁷ Dallas has grown over the years to become the nation's second major financial hub after New York City.³⁸ Some of the largest employers in the area's financial services sector include Bank of America Corp., and JPMorgan Chase & Co.³⁹

New residential construction permits fell by 40.0 percent in 2022, and recovered by about 30.0 percent from January through April of 2023, but has remained flat since.⁴⁰ However, the rise in mortgage interest rates has contributed to further declines in affordability leading to an increase in multi-family construction in recent years.⁴¹ Furthermore, office development lags longer than expected because of potential for remote work opportunities.⁴²

Employment Statistics

As reflected in Exhibit 11 below, Dallas County and Texas as a whole, experienced low unemployment rates in 2019.

EXHIBIT 11					
DALLAS PLANO IRVING TX MD 2022 UNEMPLOYMENT RATES					
Area	2018	2019	2020	2021	2022
Dallas Plano Irving TX MD 2022	3.6%	3.3%	7.1%	5.0%	3.5%
Collin County, TX	3.4%	3.1%	6.3%	4.4%	3.2%
Dallas County, TX	3.8%	3.5%	7.8%	5.6%	3.7%
Denton County, TX	3.2%	3.0%	6.4%	4.4%	3.2%
Texas	3.9%	3.5%	7.7%	5.6%	3.9%

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

³¹ Moody's Analytics Precis Report – Dallas-Plano-Irving, TX – November 2023.

³² Moody's Analytics Precis Report – Dallas-Plano-Irving, TX – November 2023.

³³ Moody's Analytics Precis Report – Dallas-Plano-Irving, TX – November 2023.

³⁴ Moody's Analytics Precis Report – Dallas-Plano-Irving, TX – November 2023.

³⁵ Moody's Analytics Precis Report – Dallas-Plano-Irving, TX – November 2023.

³⁶ Moody's Analytics Precis Report – Dallas-Plano-Irving, TX – November 2023.

³⁷ Moody's Analytics Precis Report – Dallas-Plano-Irving, TX – November 2023.

³⁸ Moody's Analytics Precis Report – Dallas-Plano-Irving, TX – November 2023.

³⁹ Moody's Analytics Precis Report – Dallas-Plano-Irving, TX – November 2023.

⁴⁰ Moody's Analytics Precis Report – Dallas-Plano-Irving, TX – November 2023.

⁴¹ Moody's Analytics Precis Report – Dallas-Plano-Irving, TX – November 2023.

⁴² Moody's Analytics Precis Report – Dallas-Plano-Irving, TX – November 2023.

Unemployment rates increased sharply in 2020 as a result of the pandemic, but it should be noted that Dallas County and the state of Texas fared better than many other areas of the United States, where unemployment rates exceeded 10.0% during the pandemic. (For example, California's unemployment rate for 2020 was 10.1%.) The unemployment rates declined in 2021 and 2022, improving to levels close or equal to pre-pandemic 2019 rates.

Population Change

EXHIBIT 12 DALLAS PLANO IRVING TX MD 2022 POPULATION CHANGE			
Area	2015 Population	2020 Population	Percent Change
Dallas Plano Irving TX MD 2022	4,519,004	5,129,966	13.5%
Collin County, TX	862,215	1,064,465	23.5%
Dallas County, TX	2,485,003	2,613,539	5.2%
Denton County, TX	731,851	906,422	23.9%
Texas	26,538,614	29,145,505	9.8%

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

As mentioned above, the city of Dallas is the ninth most populous city in the United States. As Exhibit 12 above illustrates, population growth has been significant, on both the state and county level. Dallas County's population grew by 5.2 percent, while the overall state population increased 9.8 percent, reflecting an increasing business base as more companies and workers relocated to Texas to take advantage of the attractive economic conditions.

Median Family Income

As reflected in Exhibit 13 below, median family income grew by a larger percentage in Dallas County at 14.1 percent compared to the 11 percent for the state of Texas as a whole. As evidenced in the Exhibit, the suburbs of Dallas (which are reflected in Collin County and Denton County numbers) show a much higher median income level; for example, Collin County with a 2020 median income level of \$118,341 is 70 percent higher than the 2020 median income of \$69,689 for Dallas County (the primary county of the city of Dallas).

EXHIBIT 13 DALLAS PLANO IRVING TX MD 2022 MEDIAN FAMILY INCOME CHANGE			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Dallas Plano Irving TX MD 2022	\$77,736	\$88,315	13.6%
Collin County, TX	\$110,174	\$118,341	7.4%
Dallas County, TX	\$61,072	\$69,689	14.1%
Denton County, TX	\$99,628	\$111,436	11.9%
Texas	\$68,523	\$76,073	11.0%

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

Small Business Lending

As depicted in Exhibit 14 below, the number of small business loans originated within the assessment area has increased steadily since the prior examination in 2018, although for Dallas County the growth in small business lending lagged the state of Texas overall, with a growth rate of 35.7 percent, compared to 39.3 percent. The Dallas-Plano Metropolitan Division which incorporates the counties adjacent to Dallas, was more in line with the state with a growth rate of 39.5 percent. Both outlying counties, Denton and Collin, exceeded both the state and Dallas County with growth rates of 44.7 percent and 40.5 percent, respectively.

EXHIBIT 14 DALLAS PLANO IRVING TX MD 2022 SMALL BUSINESS LOAN TRENDS					
Area	2017	2018	2019	2020	2021
Dallas Plano Irving TX MD 2022	105,688	117,482	129,640	143,435	163,888
Collin County, TX	25,270	28,901	31,846	34,420	40,617
Dallas County, TX	55,921	61,126	66,728	75,254	82,962
Denton County, TX	16,060	18,143	20,594	22,128	26,245
Texas	505,454	554,930	623,895	689,544	773,259
<i>Source: FFIEC Community Reinvestment Act Aggregate Data</i>					

In March of 2020, the PPP program was launched by the Treasury Department with the goal of helping small businesses survive the pandemic-related lockdowns.⁴³ PPP lending is one of the factors for the increase in small business lending during the years 2020 and 2021.

Housing Cost Burden

Exhibit 15 below details the housing cost burden for renters and owners in the Dallas-Plano-Irving, Texas MD.

EXHIBIT 15 DALLAS PLANO IRVING TX MD 2022 HOUSING COST BURDEN						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Dallas Plano Irving TX MD 2022	81.3%	47.6%	42.0%	63.0%	36.2%	20.6%
Collin County, TX	84.3%	65.1%	39.4%	68.9%	49.3%	19.1%
Dallas County, TX	80.2%	42.0%	42.7%	61.6%	31.2%	22.6%
Denton County, TX	86.7%	56.6%	41.7%	69.8%	48.1%	18.8%
Texas	78.3%	44.6%	42.7%	57.3%	31.0%	19.0%

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

Source: U.S. Department of Housing and Urban Development (HUD), 2016-2020 Comprehensive Housing Affordability Strategy

⁴³ Federal Reserve Bank of San Francisco, Economic Letter, Small Business Lending during COVID-19, November 23, 2020; available from: <https://www.frbsf.org/economicresearch/publications/economic-letter/2020/november/small-business-lending-during-covid-19/>.

The need for affordable housing is especially salient for low-income individuals living in Dallas County and the broader statewide area. As noted in the Exhibit, 80.2 percent of low-income renters spend more than 30 percent of their income on housing. While the impact to low-income homeowners is slightly lower, 63 percent of these homeowners are spending more than 30 percent of their income on housing. Housing cost burdens improve substantially for moderate-income renters and owners, where 42 percent and 31.2 percent, respectively, are paying more than 30 percent of their income on housing.

Credit and Community Development Needs

Multiple representatives from an economic development organization engaged in economic inclusion were contacted to discuss local economic conditions and opportunities for participation by local financial institutions within Dallas County. One contact identified small business credit as a primary credit need in the community. New and very small businesses are particularly in need of small dollar loans, as they do not qualify for traditional commercial loans due to lack of credit profiles or personal credit history. The contact stated that the city of Dallas is home to 15 federally designated Opportunity Zones designed to drive capital to support new businesses and investments by providing investors with a deferral of capital gains taxes and other tax benefits. The contact noted that financial institutions could be taking more advantage of opportunities to invest in these zones. One of the contacts stated that there is a significant gap in small business owners' understanding of how to secure credit through financial institutions, and to develop adequate financial planning and management strategies to support short- and long-term growth. There is great opportunity for financial institutions to provide meaningful financial literacy and education to bridge this gap.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN DALLAS COUNTY

Lending Test

CBB's lending performance within the Dallas assessment area needs to improve. The bank's lending activity within the assessment area was poor. The bank's geographic distribution was poor. Its distribution to borrowers of different revenue levels was adequate. The bank made a low level of community development loans during the evaluation period.

Lending Activity

The bank's overall lending activity is poor. The percentage of CBB's small business lending within the assessment area is in line with the percentage of its area deposits. Approximately 10.8 percent in number of the bank's small business loans during the evaluation period were originated within this assessment area.

Lending Distribution by Geography

Overall lending distribution by geography is poor. In 2023, the bank made no loans in low- or moderate-income census tracts and therefore was below both aggregate lending volumes and the percentage of businesses in these areas. Activity in prior years (2018 through 2022) is more favorable, though the number of loans is very limited, and limits the significance of the analysis.

Lending Distribution by Borrower Income and Business Revenue

Overall lending distribution by borrower income is adequate. CBB's lending to small businesses exceeded aggregate lending to small businesses in 2023. However, the bank's performance was below the percentage of businesses with revenues of \$1 million or less, which comprised 92.3 percent of all assessment area businesses in 2023. The distribution of lending in the years 2018 through 2022 is similar to 2023 results.

Community Development Lending

During the evaluation period, the bank extended a low level of community development loans within this assessment area. For this assessment area, the bank originated eight community development loans totaling \$25.6 million during the evaluation period. All of the community development loans support economic development within the 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.

Notable loans in the Dallas assessment area include the following:

- A \$5.0 million loan to purchase an existing limited-service hotel and property in a low-income census tract. This helped to retain 20 jobs for area employees.
- A \$3.2 million loan to finance the purchase of an existing limited-service restaurant and property. The business was able to retain five full-time and 13 part-time employees as a result.

Investment Test

CBB's level of responding to community development needs through its investment activity is low satisfactory. The bank made one investment for \$2.5 million in a MBS previously mentioned in the California assessment, which also partially benefited this assessment area. The bank made \$52,500 in qualified donations to organizations with a community development purpose within this assessment area during the review period. The bank made no use of innovative or complex investments and exhibited a poor responsiveness to community development needs through investments in this area.

Service Test

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

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, CBB operates two full-service branch locations, both located in middle-income census tracts. Branch locations and business hours are considered convenient and meet the needs of the assessment area. The bank has not closed or opened any branches in this assessment area during this evaluation period.

Community Development Services

CBB provided a limited level of community development services within the assessment area and needs to improve. Employees provided 270 service hours to a single organization over the evaluation period by supporting financial literacy to low- and moderate-income students within the assessment area.

STATE OF HAWAII

CRA Rating for Hawaii

Performance in Hawaii is rated “NEEDS TO IMPROVE”

The lending test is rated: Needs to Improve
The investment test is rated: Needs to Improve
The service test is rated: Needs to Improve

The major factors supporting the institution’s rating include:

- The bank’s lending activity reflects poor responsiveness to community credit needs.
- The bank’s geographic distribution of loans is adequate.
- Lending to borrowers of different revenue sizes is poor.
- The bank’s level of qualified community development investments and donations within the state is poor.
- The bank made no use of innovative and/or complex investments to support community development initiatives, and it exhibited poor responsiveness to credit and community development needs through its investment activity.
- The bank and its employees provided a limited level of community development services within its Honolulu assessment area during the review period.

Scope of Examination

The scope of examination for the state of Hawaii is consistent with the overall scope of the CRA examination. The Hawaii assessment area (made up of Honolulu County in its entirety, which is comprised of the whole island of Oahu) received a full-scope review. As mentioned above, examiners utilized the FFIEC *Interagency Large Bank Examination Procedures* to evaluate the bank’s CRA performance. The CRA performance evaluation assesses the bank’s responsiveness and effectiveness in meeting the credit and community development needs in its assessment areas within the lending, investment, and services tests. This evaluation considered CRA performance context, including the bank’s asset size, financial condition, business strategy, and market competition, as well as assessment area demographic and economic characteristics, and credit needs. It is noted that Hawaii is the newest market for the bank. In 2021, CBB acquired OPB, which included two branch locations and has since retained the OPB name in Hawaii. In 2023 the bank opened a De Novo branch location located in a moderate-income census tract, for a total of three branches within the area.

On January 1, 2023, the bank officially exceeded the intermediate small bank examination threshold. Examiners considered this as part of the performance context that prior to this date, the bank operated as an intermediate small bank. Therefore, while the bank’s lending throughout the review period was considered, the review focused primarily on CBB’s small business loans from calendar year 2023 to determine geographic and borrower distribution of the bank’s lending. The institution’s efforts to serve its assessment area through qualified community development loans, investments, and services during the review period were also reviewed.

Description of Operations in Hawaii

The market for bank services in Hawaii is much smaller when compared to California or Texas. As of June 30, 2023, there were thirteen financial institutions with 219 locations holding \$57.8 billion in total deposits.⁴⁴ The top two banks hold 67.0 percent of all deposits and account for 93 of the 219 bank branches in the state.⁴⁵ CBB holds a 0.47 percent market share with \$220.6 million in deposits.⁴⁶

Conclusions with Respect to Performance Tests in Hawaii

The Hawaii assessment area accounts for 1.9 percent of the bank's overall loans by dollar volume, and 36.9 percent of its total deposits. As a result, performance in Hawaii, like Texas had a relatively low influence in determining overall conclusions for the institution. Conclusions regarding CBB's performance in Hawaii with respect to the lending, investment, and service tests are based on the bank's performance in the single assessment area which is comprised of Honolulu County in its entirety stretching to all parts of the island of Oahu.

CBB did not engage in any community development lending activities within Hawaii that had a broader statewide or regional impact. The following sections contain specific comments regarding the Honolulu County assessment area.

Honolulu Assessment Area Conclusions

DESCRIPTION OF OPERATIONS IN HONOLULU COUNTY

Honolulu County (the bank's assessment area) is the primary county in the state. The assessment area is highly competitive given the small island of Oahu, HI. As of June 30, 2023, there were 13 institutions operating 146 branches in the assessment area. CBB ranked 9th out of 13 financial institutions in local deposit market share with 0.47 percent market share.⁴⁷ The bank operates three branches within the island of Oahu, HI, which account for approximately \$220.6 million of the bank's \$1.5 billion total deposit base.⁴⁸

Honolulu County, which is officially known as the City and County of Honolulu (formerly Oahu County) includes both the urban metro of Honolulu (the state's capital and largest community) as well as the rest of the neighborhoods on the island of Oahu, as well as several minor outlying islands.⁴⁹ As of the 2020 United States Census, the population of this tourism-dependent market was 1.1 million. The county has a total area of 2,128 square miles, of which 601 square miles is land. It is, by a significant margin, the

⁴⁴ Federal Deposit Insurance Corporations, Deposit Market Share Report, June 30, 2023; available from [Summary of Deposits - Market Share \(fdic.gov\)](#).

⁴⁵ IBID.

⁴⁶ IBID.

⁴⁷ Federal Deposit Insurance Corporations, Deposit Market Share Report, June 30, 2023; available from [Summary of Deposits - Market Share \(fdic.gov\)](#).

⁴⁸ Federal Deposit Insurance Corporations, Deposit Market Share Report, June 30, 2023; available from [Summary of Deposits - Market Share \(fdic.gov\)](#).

⁴⁹ [Honolulu County, Hawaii - Wikipedia](#).

widest county in the United States.⁵⁰ The total population of Hawaii is only 1.4 million, and 78.6 percent of the population lives in Honolulu County.⁵¹

The bank has two branches located in moderate-income census tracts, and one branch located in a middle-income census tract.

The following Exhibit 16 presents key demographic and business information used to help develop a performance context for the assessment area.

EXHIBIT 16 ASSESSMENT AREA DEMOGRAPHICS⁵² HONOLULU COUNTY								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	11	3.3	6,180	2.8	1,429	23.1	43,483	19.8
Moderate-income	81	24.5	49,765	22.6	4,727	9.5	39,982	18.2
Middle-income	135	40.9	99,345	45.1	4,538	4.6	50,437	22.9
Upper-income	83	25.2	63,716	28.9	1,063	1.7	86,200	39.2
Tract not reported	20	6.1	1,096	0.5	295	26.9	0	0
Total AA	330	100.0	220,102	100.0	12,052	55	220,102	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	10,746	1,850	1.0	17.2	7,530	70.1	1,366	12.7
Moderate-income	93,469	27,945	15.3	29.9	55,084	58.9	10,440	11.2
Middle-income	156,727	85,187	46.7	54.4	53,607	34.2	17,933	11.4
Upper-income	89,207	66,816	36.6	74.9	16,394	18.4	5,997	6.7
Tract not reported	2,639	562	0.3	21.3	1,953	74	124	4.7
Total AA	352,788	182,360	100.0	51.7	134,568	38.1	35,860	10.2
Income Categories	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	543	1.6	493	1.6	48	1.7	2	-
Moderate-income	9,379	28.3	8,309	27.7	1,009	35.2	61	22.5
Middle-income	13,625	41.2	12,426	41.5	1,111	38.8	88	32.5
Upper-income	8,192	24.7	7,790	26.0	339	11.8	63	23.2

⁵⁰ IBID.

⁵¹ [Hawaii - Wikipedia.](#)

⁵² 2000 U.S. Census and 2007 Dun & Bradstreet Data.

Tract not reported	1,365	4.1	952	3.2	356	12.4	57	21.0
Total AA	33,104	100.0	29,970	100.0	2,863	100.0	271	100.0
Percentage of Total Businesses			90.5		8.6		0.8	

Economic Conditions

The area's local economy relies primarily on tourism, national defense, and the state of Hawaii for employment.⁵³ Honolulu is among the nation's most tourism-dependent economies for consumer spending.⁵⁴ With favorable climate and ample recreational activities, the area attracts retirees and tourists alike.⁵⁵ The area has an extensive military presence that serves as the center of U.S. defense strategy in the Asia-Pacific region.⁵⁶ Due to the military presence, there is more infrastructure spending in the area.⁵⁷

The area's economy was in the at-risk stage of the business cycle.⁵⁸ On top of a sizable federal presence from the military, state government employment is more than three times the national share due to the presence of the state capital and the University of Hawaii.⁵⁹ The unemployment rate has been steadily moving lower; however, Honolulu is struggling to sustain momentum with retail and healthcare pulling down the top-line job growth.⁶⁰

Employment Statistics

As reflected in Exhibit 17 below, the Honolulu MSA which consists of Honolulu County in its entirety, enjoyed a low level of unemployment in 2022, in line with the bank's market in Texas, and significantly below the unemployment rate of 4.5 percent in the bank's California market. The area's unemployment rate peaked in 2020 at the height of the pandemic, reaching 10.3 percent, given Hawaii's economic dependence on the tourism industry, especially international travelers. However, the market rebounded quickly, and while the unemployment rate remained higher in 2022 than in 2019 (pre-pandemic), it is still a marked improvement from the height of the pandemic.

EXHIBIT 17 HONOLULU HI MSA 2023 UNEMPLOYMENT RATES					
Area	2018	2019	2020	2021	2022
Honolulu HI MSA 2023	2.3%	2.4%	10.3%	5.6%	3.5%
Hawaii	2.4%	2.5%	11.7%	6.0%	3.5%

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

⁵³ Moody's Analytics Precis Report – Honolulu, HI July 2023.

⁵⁴ Moody's Analytics Precis Report – Honolulu, HI July 2023.

⁵⁵ Moody's Analytics Precis Report – Honolulu, HI July 2023.

⁵⁶ Moody's Analytics Precis Report – Honolulu, HI July 2023.

⁵⁷ Moody's Analytics Precis Report – Honolulu, HI July 2023.

⁵⁸ Moody's Analytics Precis Report – Honolulu, HI July 2023.

⁵⁹ Moody's Analytics Precis Report – Honolulu, HI July 2023.

⁶⁰ Moody's Analytics Precis Report – Honolulu, HI July 2023.

Population Changes

As indicated in Exhibit 18 below, the state experienced mild population growth from 2015 to 2020 growing at only 3.5%, while the Honolulu assessment area grew at 3.3%.

EXHIBIT 18 HONOLULU HI MSA 2023 POPULATION CHANGE			
Area	2015 Population	2020 Population	Percent Change
Honolulu HI MSA 2023	984,178	1,016,508	3.3%
Hawaii	1,406,299	1,455,271	3.5%

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

Median Family Income

Between 2015 and 2021, the median family income of the assessment area increased by 10.1 percent, which was slightly less than the statewide figure. Exhibit 19 below reflects the change in median family income that occurred in Honolulu County and the state of Hawaii during that timeframe.

EXHIBIT 19 HONOLULU HI MSA 2023 MEDIAN FAMILY INCOME CHANGE			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Honolulu HI MSA 2023	\$94,361	\$103,845	10.1%
Hawaii	\$88,256	\$97,813	10.8%

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.

Small Business Lending

As depicted in Exhibit 20 below, the number of small business loans originated within the assessment area increased during the review period and kept pace with statewide trends. Small Business loans in the assessment area increased by 56.3 percent between 2017 and 2021, with the largest increase occurring in 2020. Lending to small businesses is critical for the support of the local economy given the small businesses represented at least 90.5 percent of all businesses in the assessment area, as depicted in Exhibit 14.

EXHIBIT 20 HONOLULU HI MSA 2023 SMALL BUSINESS LOAN TRENDS					
Area	2017	2018	2019	2020	2021
Honolulu HI MSA 2023	18,341	20,576	21,803	27,947	28,659
Hawaii	27,858	31,398	33,139	41,760	43,537

Source: FFIEC Community Reinvestment Act Aggregate Data

Housing Cost Burden

As reflected in Exhibit 21 below, the need for affordable housing within the assessment area is significant. Over three-quarters of low-income renters and a majority of moderate-income renters spend more than 30.0 percent of their income for housing. While the impact to low- and moderate-income homeowners is lower than for renters, a majority of low-income owners spend more than 30.0 percent of their income for housing. It improves for homeowners, but 62.2 percent of low-income homeowners and nearly half of moderate-income owners are also spending more than 30.0 percent of their income for housing.

EXHIBIT 21 HONOLULU HI MSA 2023 HOUSING COST BURDEN						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Honolulu HI MSA 2023	77.0%	57.9%	50.9%	62.2%	45.0%	27.4%
Hawaii	75.2%	55.1%	48.5%	60.0%	43.5%	27.6%

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

Source: U.S. Department of Housing and Urban Development (HUD), 2016-2020 Comprehensive Housing Affordability Strategy

Credit and Community Development Needs

A representative from a community development organization was contacted to discuss local economic conditions and opportunities for participation by local financial institutions. The contact identified affordable housing and small business credit as primary credit needs in the community. More specifically, it was pointed out that Native Hawaiians are more likely to be below the poverty line and to suffer from economic hardships and disadvantages. Home ownership remains the most significant hurdle for Native Hawaiians. Affordable housing is extremely limited. The contact did state that financial institutions are volunteering their time and financial expertise as part of their CRA obligations; however, they felt these institutions can do more to focus on low- and moderate-income communities and mortgages that require more “handholding.” It was also stated that financial institutions have opportunities to participate in credit builder loans through a CDFI; however, the contact’s perception is that these institutions seem to see CDFIs as competition rather than a bridge to prepare borrowers to ultimately obtain a traditional mortgage from the bank.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN HONOLULU COUNTY

Lending Test

CBB’s lending performance within the Honolulu assessment area needs to improve. The bank’s lending activity within the assessment area was poor. The bank’s geographic distribution was adequate. Its distribution to borrowers of different revenue levels was poor. The bank made a poor level of community development loans during the evaluation period.

Lending Activity

The bank's overall lending activity is poor. The percentage of CBB's small business lending within the assessment area is in line with the percentage of its area deposits. Approximately 2.1 percent in number of the bank's small business loans during the evaluation period were originated within this assessment area.

Lending Distribution by Geography

The bank's lending distribution by geography is adequate. As mentioned previously, the Honolulu assessment area was added in 2021 after the purchase of OPB. The bank had no loans in low-income census tracts for 2023; however, the percentage of businesses in low-income census tracts is less than 2.0 percent, making it a difficult area to penetrate. This is evidenced by limited aggregate lending in the area. Although, in moderate-income census tracts the bank's lending exceeds the aggregate by both number and dollar volume as well as the percentage of total businesses.

Lending Distribution by Borrower Income and Business Revenue

The bank's lending distribution by borrower income is poor. CBB's lending to small businesses is well below aggregate lending to small businesses in 2023. Additionally, the bank's performance was significantly behind demographic indicators, as businesses with revenues of \$1 million or less comprised 90.5 percent of all assessment area businesses in 2023.

Community Development Lending

During the evaluation period, the bank extended a low level of community development loans within this assessment area. The bank originated three community development loans totaling \$6.7 million during the evaluation period. The community development loans helped to support economic development within the 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.

The three community development loans originated were as follows:

- Two SBA 504 loans totaling \$4.7 million to finance the purchase of an owner-occupied commercial property. The business provides restaurant equipment and supplies to food service businesses.
- A \$2.0 million SBA 7a loan to finance the purchase of commercial property to establish a bakery in a middle-income census tract that helped to create 12 new jobs.

Investment Test

CBB's performance under the investment test within this assessment area needs to improve. The level of responding to community development needs through its investment activities is poor. 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 \$24,500 in qualified donations between six organizations with a community development purpose within its assessment

area during this review period. The bank did not make use of any 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, CBB operates three full-service branch locations. Branch locations and business hours are considered convenient and meet the needs of the assessment area. The bank acquired two of the three locations during the 2021 acquisition of OPB. In 2023, a new branch location was opened in the Waikiki area. Two of the branches are located in moderate-income census tracts while the third is in a middle-income census tract. The bank has not closed any branches within the assessment area.

Community Development Services

CBB provided a limited level of community development services within the assessment area and needs to improve. Employees provided 48 service hours to a single organization during the evaluation period. Specifically, six employees volunteered to teach financial literacy at a local elementary school where a majority of students considered to be low- and moderate-income.

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	October 1, 2018 - December 31, 2023 (Retail Lending) February 12, 2019 - September 23, 2024 (Community Development)
FINANCIAL INSTITUTION	PRODUCTS REVIEWED
Commonwealth Business Bank Los Angeles, California	- Small Business

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
Assessment Area	Type of Examination	Branches Visited	Other Information
California <ul style="list-style-type: none">Los Angeles-Long Beach-Anaheim MSA	Full	0	
Texas <ul style="list-style-type: none">Dallas County	Full	0	
Hawaii <ul style="list-style-type: none">Honolulu County	Full	0	

APPENDIX B

SUMMARY OF RATINGS

SUMMARY OF RATINGS				
STATE/TERRITORY	LENDING TEST RATING	INVESTMENT TEST RATING	SERVICE TEST RATING	OVERALL RATING
California	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
Texas	Needs to Improve	Low Satisfactory	Needs to Improve	Needs to Improve
Hawaii	Needs to Improve	Needs to Improve	Needs to Improve	Needs to Improve

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

CRA CORE TABLES

STATE OF CALIFORNIA

Table 1	Lending Volume
Table 2	Geographic Distribution of Small Loans to Businesses 2018-2019
Table 3	Geographic Distribution of Small Loans to Businesses 2020-2021
Table 4	Geographic Distribution of Small Loans to Businesses 2022-2023
Table 5	Borrower Distribution of Small Loans to Businesses 2018-2019
Table 6	Borrower Distribution of Small Loans to Businesses 2020-2021
Table 7	Borrower Distribution of Small Loans to Businesses 2022-2023
Table 8	Qualified Investments
Table 9	Distribution of Branch Delivery System and Branch Openings/Closings

STATE OF TEXAS

Table 10	Lending Volume
Table 11	Geographic Distribution of Small Loans to Businesses 2018-2019
Table 12	Geographic Distribution of Small Loans to Businesses 2020-2021
Table 13	Geographic Distribution of Small Loans to Businesses 2022-2023
Table 14	Borrower Distribution of Small Loans to Businesses 2018-2019
Table 15	Borrower Distribution of Small Loans to Businesses 2020-2021
Table 16	Borrower Distribution of Small Loans to Businesses 2022-2023
Table 17	Qualified Investments
Table 18	Distribution of Branch Delivery System and Branch Openings/Closings

STATE OF HAWAII

Table 19	Lending Volume
Table 20	Geographic Distribution of Small Loans to Businesses 2021-2022
Table 21	Geographic Distribution of Small Loans to Businesses 2023
Table 22	Borrower Distribution of Small Loans to Businesses 2021-2022
Table 23	Borrower Distribution of Small Loans to Businesses 2023
Table 24	Qualified Investments
Table 25	Distribution of Branch Delivery System and Branch Openings/Closings

TABLE 1 – LENDING VOLUME								
LENDING TEST EVALUATION PERIOD: OCTOBER 1, 2018 TO DECEMBER 31, 2023								
COMMUNITY DEVELOPMENT LOANS EVALUATION PERIOD: FEBRUARY 12, 2019 TO SEPTEMBER 16, 2024								
Assessment Areas	% of Rated Area Loans	Small Business Loans		Community Development Loans		Total Loans		% of Rated Area Deposits
		#	\$(000's)	#	\$(000's)	#	\$(000's)	
Full Scope								
Los Angeles-Orange	87.1%	459	\$198,077	79	\$192,648	538	\$390,725	50.0%

TABLE 2 - GEOGRAPHIC DISTRIBUTION OF SMALL LOANS TO BUSINESSES 2018-2019													
ASSESSMENT AREA: LOS ANGELES-LONG BEACH-ANAHEIM													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2018						2019						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	%	%	#	##	##	\$(000)	%	%	
Low	4	15.4	4.5	933	9.7	5.4	13	12.1	4.8	6,761	14.7	5.6	5.1
Moderate	10	38.5	19.1	4,405	45.8	20.5	44	41.1	19.3	20,209	43.8	20.2	19.7
Middle	6	23.1	25.3	1,975	20.5	26.6	36	33.6	25.1	13,625	29.5	26.3	25.6
Upper	6	23.1	48.8	2,298	23.9	44.2	14	13.1	48.4	5,520	12.0	44.5	47.8
Unknown	0	0.0	1.5	0	0.0	2.6	0	0.0	1.6	0	0.0	2.7	1.8
Tract-Unk	0	0.0	0.8	0	0.0	0.7	0	0.0	0.7	0	0.0	0.7	
Total	26	100.0	100.0	9,611	100.0	100.0	107	100.0	100.0	46,115	100.0	100.0	100.0
Source: 2019 FFIEC Census Data 2019 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.													

TABLE 3 - GEOGRAPHIC DISTRIBUTION OF SMALL LOANS TO BUSINESSES 2020-2021
ASSESSMENT AREA: LOS ANGELES-LONG BEACH-ANAHEIM

Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2020						2021						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	№%	№%	\$(000)	№%	№%	#	№%	№%	\$(000)	№%	№%	
Low	12	12.0	5.1	3,456	8.3	5.1	16	15.7	4.8	7,954	16.1	5.4	5.1
Moderate	40	40.0	19.3	21,232	51.1	20.0	40	39.2	19.8	20,753	42.1	20.5	19.7
Middle	28	28.0	25.2	8,694	20.9	27.7	28	27.5	25.4	12,249	24.8	27.0	25.5
Upper	18	18.0	48.4	7,522	18.1	44.0	17	16.7	48.2	8,099	16.4	44.3	48.0
Unknown	2	2.0	1.7	655	1.6	2.8	1	1.0	1.5	269	0.5	2.7	1.8
Tract-Unk	0	0.0	0.4	0	0.0	0.4	0	0.0	0.4	0	0.0	0.1	
Total	100	100.0	100.0	41,559	100.0	100.0	102	100.0	100.0	49,324	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Table 4 - Geographic Distribution of Small Loans to Businesses 2022-2023
Assessment Area: Los Angeles-Long Beach-Anaheim

Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	\$%	\$%	#	##	##	\$(000)	\$%	\$%	
Low	7	9.0	3.3	3,373	9.9	3.9	2	4.3	3.2	650	3.8	3.4	3.5
Moderate	36	46.2	19.9	16,215	47.5	21.1	18	39.1	19.6	6,853	39.6	20.2	19.6
Middle	17	21.8	28.4	6,428	18.8	28.1	11	23.9	28.6	5,648	32.6	28.2	28.0
Upper	16	20.5	46.0	7,639	22.4	43.4	15	32.6	46.3	4,165	24.1	44.8	46.5
Unknown	2	2.6	2.2	497	1.5	3.4	0	0.0	2.1	0	0.0	3.3	2.4
Tract-Unk	0	0.0	0.3	0	0.0	0.1	0	0.0	0.2	0	0.0	0.1	
Total	78	100.0	100.0	34,152	100.0	100.0	46	100.0	100.0	17,316	100.0	100.0	100.0

Source: 2023 FFIEC Census Data
2023 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Table 5 - Borrower Distribution of Small Loans to Businesses 2018-2019
Assessment Area: Los Angeles-Long Beach-Anaheim

	Bank And Aggregate Loans By Year												Total Businesses %
	2018						2019						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
By Revenue													
\$1 Million or Less	9	34.6	46.8	2,504	26.1	31.5	36	33.6	50.8	12,963	28.1	32.9	91.3
Over \$1 Million	13	50.0		6,005	62.5		63	58.9		32,035	69.5		8.1
Revenue Unknown	4	15.4		1,102	11.5		8	7.5		1,117	2.4		0.5
Total	26	100.0		9,611	100.0		107	100.0		46,115	100.0		100.0
By Loan Size													
\$100,000 or Less	2	7.7	95.9	200	2.1	49.3	11	10.3	96.0	867	1.9	50.1	
\$100,001 - \$250,000	12	46.2	2.2	2,372	24.7	12.6	28	26.2	2.2	4,691	10.2	12.9	
\$250,001 - \$1 Million	12	46.2	1.9	7,039	73.2	38.1	68	63.6	1.9	40,557	87.9	37.0	
Total	26	100.0	100.0	9,611	100.0	100.0	107	100.0	100.0	46,115	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	2	22.2		200	8.0		4	11.1		300	2.3		
\$100,001 - \$250,000	5	55.6		925	36.9		17	47.2		2,714	20.9		
\$250,001 - \$1 Million	2	22.2		1,379	55.1		15	41.7		9,949	76.7		
Total	9	100.0		2,504	100.0		36	100.0		12,963	100.0		
Source: 2019 FFIEC Census Data 2019 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.													

Table 6 - Borrower Distribution of Small Loans to Businesses 2020-2021
Assessment Area: Los Angeles-Long Beach-Anaheim

	Bank And Aggregate Loans By Year												Total Businesses %
	2020						2021						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
By Revenue													
\$1 Million or Less	32	32.0	41.6	12,523	30.1	24.0	20	19.6	45.2	9,297	18.8	23.5	91.8
Over \$1 Million	60	60.0		28,061	67.5		75	73.5		39,117	79.3		7.7
Revenue Unknown	8	8.0		975	2.3		7	6.9		910	1.8		0.5
Total	100	100.0		41,559	100.0		102	100.0		49,324	100.0		100.0
By Loan Size													
\$100,000 or Less	14	14.0	90.1	1,105	2.7	37.9	13	12.7	93.8	940	1.9	41.3	
\$100,001 - \$250,000	26	26.0	5.9	5,178	12.5	19.4	17	16.7	3.6	3,732	7.6	17.2	
\$250,001 - \$1 Million	60	60.0	4.0	35,276	84.9	42.7	72	70.6	2.6	44,652	90.5	41.5	
Total	100	100.0	100.0	41,559	100.0	100.0	102	100.0	100.0	49,324	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	3	9.4		270	2.2		4	20.0		300	3.2		
\$100,001 - \$250,000	14	43.8		2,869	22.9		2	10.0		400	4.3		
\$250,001 - \$1 Million	15	46.9		9,384	74.9		14	70.0		8,597	92.5		
Total	32	100.0		12,523	100.0		20	100.0		9,297	100.0		

Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Table 7 - Borrower Distribution of Small Loans to Businesses 2022-2023
Assessment Area: Los Angeles-Long Beach-Anaheim

	Bank And Aggregate Loans By Year												Total Businesses %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	\$%	\$%	#	##	##	\$(000)	\$%	\$%	
By Revenue													
\$1 Million or Less	21	26.9	51.7	8,757	25.6	32.3	21	45.7	53.6	6,892	39.8	33.0	92.0
Over \$1 Million	49	62.8		24,570	71.9		16	34.8		8,323	48.1		7.4
Revenue Unknown	8	10.3		825	2.4		9	19.6		2,101	12.1		0.6
Total	78	100.0		34,152	100.0		46	100.0		17,316	100.0		100.0
By Loan Size													
\$100,000 or Less	8	10.3	96.1	550	1.6	50.8	6	13.0	96.5	370	2.1	54.0	
\$100,001 - \$250,000	17	21.8	2.3	3,136	9.2	14.1	14	30.4	2.1	2,861	16.5	13.7	
\$250,001 - \$1 Million	53	67.9	1.6	30,466	89.2	35.1	26	56.5	1.4	14,085	81.3	32.3	
Total	78	100.0	100.0	34,152	100.0	100.0	46	100.0	100.0	17,316	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	0	0.0		0	0.0		1	4.8		100	1.5		
\$100,001 - \$250,000	7	33.3		1,242	14.2		9	42.9		1,862	27.0		
\$250,001 - \$1 Million	14	66.7		7,515	85.8		11	52.4		4,930	71.5		
Total	21	100.0		8,757	100.0		21	100.0		6,892	100.0		
Source: 2023 FFIEC Census Data 2023 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 - Qualified Investments									
Evaluation Period: FEBRUARY 12, 2019 TO SEPTEMBER 16, 2024									
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-Orange	2	\$299,252	40	\$3,036,151	42	\$3,335,403	32.4%	0	\$0
Broader Regional and Statewide	1	\$2,829,487	1	\$245,000	2	\$3,074,487	29.9%	0	\$0
Multi-state	2	\$1,366,569	1	\$2,517,215	3	\$3,883,784	37.7%	0	\$0

Table 9 - Distribution of Branch Delivery System and Branch Openings/Closings																	
Evaluation Period: OCTOBER 1, 2018 TO DECEMBER 31, 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 ¹			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Scope																	
Los Angeles-Orange	50.0%	6	54.5%	2	2	2	0	0	0	0	0	0	0	3.5%	19.6%	28.0%	46.5%

Table 10 - Lending Volume								
Lending Test Evaluation Period: OCTOBER 1, 2018 TO DECEMBER 31, 2023								
Community Development Loans Evaluation Period: FEBRUARY 12, 2019 TO SEPTEMBER 16, 2024								
Assessment Areas	% of Rated Area Loans	Small Business Loans		Community Development Loans		Total Loans		% of Rated Area Deposits
		#	\$(000's)	#	\$(000's)	#	\$(000's)	
Full Scope								
Dallas	10.8%	57	\$25,054	8	\$25,578	65	\$50,632	13.1%

¹ Does not include % unknown

Table 11 - Geographic Distribution of Small Loans to Businesses 2018-2019
Assessment Area: Dallas-Plano-Irving

Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2018						2019						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	\$%	\$%	#	##	##	\$(000)	\$%	\$%	
Low	0	0.0	7.0	0	0.0	8.7	2	12.5	7.0	631	10.4	8.1	7.8
Moderate	0	0.0	18.4	0	0.0	21.3	4	25.0	18.3	1,787	29.4	20.8	19.3
Middle	1	50.0	24.6	528	49.7	23.5	1	6.3	24.7	65	1.1	23.5	26.7
Upper	1	50.0	47.9	535	50.3	43.7	9	56.3	48.0	3,585	59.1	45.2	45.5
Unknown	0	0.0	1.0	0	0.0	2.1	0	0.0	0.9	0	0.0	1.8	0.7
Tract-Unk	0	0.0	1.2	0	0.0	0.6	0	0.0	1.2	0	0.0	0.6	
Total	2	100.0	100.0	1,063	100.0	100.0	16	100.0	100.0	6,068	100.0	100.0	100.0
Source: 2019 FFIEC Census Data 2019 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.													

Table 12 - Geographic Distribution of Small Loans to Businesses 2020-2021
Assessment Area: Dallas-Plano-Irving

Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2020						2021						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	\$%	\$%	#	##	##	\$(000)	\$%	\$%	
Low	0	0.0	7.3	0	0.0	8.8	2	16.7	7.2	1,311	25.9	8.3	8.0
Moderate	3	42.9	18.5	1,869	50.9	20.8	3	25.0	18.2	1,125	22.2	21.0	19.0
Middle	3	42.9	25.4	1,639	44.6	24.8	4	33.3	25.7	1,517	29.9	24.4	26.8
Upper	1	14.3	47.4	164	4.5	43.3	3	25.0	47.7	1,118	22.0	44.4	45.4
Unknown	0	0.0	0.9	0	0.0	2.0	0	0.0	0.8	0	0.0	1.8	0.8
Tract-Unk	0	0.0	0.4	0	0.0	0.3	0	0.0	0.5	0	0.0	0.1	
Total	7	100.0	100.0	3,672	100.0	100.0	12	100.0	100.0	5,071	100.0	100.0	100.0
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.													

Table 13 - Geographic Distribution of Small Loans to Businesses 2022-2023													
Assessment Area: Dallas-Plano-Irving													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	\$%	\$%	#	##	##	\$(000)	\$%	\$%	
Low	1	7.1	4.6	475	6.8	5.0	0	0.0	4.6	0	0.0	4.7	5.7
Moderate	2	14.3	17.1	907	13.0	16.8	0	0.0	16.7	0	0.0	16.7	18.8
Middle	7	50.0	29.8	3,317	47.6	30.1	3	50.0	29.1	924	41.8	29.8	31.2
Upper	3	21.4	47.2	1,271	18.2	46.8	2	33.3	48.3	330	14.9	47.4	43.3
Unknown	1	7.1	1.0	1,000	14.3	1.2	1	16.7	1.0	956	43.3	1.3	0.9
Tract-Unk	0	0.0	0.3	0	0.0	0.1	0	0.0	0.3	0	0.0	0.1	
Total	14	100.0	100.0	6,970	100.0	100.0	6	100.0	100.0	2,210	100.0	100.0	100.0
Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.													

Table 14 - Borrower Distribution of Small Loans to Businesses 2018-2019													
Assessment Area: Dallas-Plano-Irving													
	Bank And Aggregate Loans By Year												Total Businesses %
	2018						2019						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
By Revenue													
\$1 Million or Less	1	50.0	41.9	535	50.3	32.9	6	37.5	47.2	1,533	25.3	33.7	91.7
Over \$1 Million	1	50.0		528	49.7		8	50.0		3,970	65.4		7.1
Revenue Unknown	0	0.0		0	0.0		2	12.5		565	9.3		1.2
Total	2	100.0		1,063	100.0		16	100.0		6,068	100.0		100.0
By Loan Size													
\$100,000 or Less	0	0.0	93.6	0	0.0	38.9	1	6.3	94.0	65	1.1	40.7	
\$100,001 - \$250,000	0	0.0	3.2	0	0.0	14.4	5	31.3	3.0	923	15.2	14.6	
\$250,001 - \$1 Million	2	100.0	3.2	1,063	100.0	46.7	10	62.5	3.0	5,080	83.7	44.7	
Total	2	100.0	100.0	1,063	100.0	100.0	16	100.0	100.0	6,068	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	0	0.0		0	0.0		0	0.0		0	0.0		
\$100,001 - \$250,000	0	0.0		0	0.0		3	50.0		508	33.1		
\$250,001 - \$1 Million	1	100.0		535	100.0		3	50.0		1,025	66.9		
Total	1	100.0		535	100.0		6	100.0		1,533	100.0		
Source: 2019 FFIEC Census Data 2019 Dun & Bradstreet Data 2011-2015 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 2020-2021
Assessment Area: Dallas-Plano-Irving

	Bank And Aggregate Loans By Year												Total Businesses %
	2020						2021						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	№%	№%	\$(000)	\$%	\$%	#	№%	№%	\$(000)	\$%	\$%	
By Revenue													
\$1 Million or Less	4	57.1	37.6	1,803	49.1	24.1	4	33.3	43.0	1,500	29.6	26.9	92.4
Over \$1 Million	3	42.9		1,869	50.9		8	66.7		3,571	70.4		6.5
Revenue Unknown	0	0.0		0	0.0		0	0.0		1.2			
Total	7	100.0		3,672	100.0		12	100.0		5,071	100.0		100.0
By Loan Size													
\$100,000 or Less	0	0.0	87.9	0	0.0	33.0	0	0.0	92.4	0	0.0	37.2	
\$100,001 - \$250,000	1	14.3	6.9	164	4.5	19.9	3	25.0	4.2	625	12.3	17.5	
\$250,001 - \$1 Million	6	85.7	5.2	3,508	95.5	47.2	9	75.0	3.4	4,446	87.7	45.3	
Total	7	100.0	100.0	3,672	100.0	100.0	12	100.0	100.0	5,071	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	0	0.0		0	0.0		0	0.0		0	0.0		
\$100,001 - \$250,000	1	25.0		164	9.1		3	75.0		625	41.7		
\$250,001 - \$1 Million	3	75.0		1,639	90.9		1	25.0		875	58.3		
Total	4	100.0		1,803	100.0		4	100.0		1,500	100.0		

Source: 2021 FFIEC Census Data
2021 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 2022-2023													
Assessment Area: Dallas-Plano-Irving													
	Bank And Aggregate Loans By Year												Total Businesses %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
By Revenue													
\$1 Million or Less	5	35.7	49.4	1,798	25.8	33.1	4	66.7	52.6	904	40.9	33.4	92.3
Over \$1 Million	8	57.1		4,172	59.9		2	33.3		1,306	59.1		6.4
Revenue Unknown	1	7.1		1,000	14.3		0	0.0		0	0.0		1.2
Total	14	100.0		6,970	100.0		6	100.0		2,210	100.0		100.0
By Loan Size													
\$100,000 or Less	0	0.0	94.6	0	0.0	42.2	0	0.0	94.9	0	0.0	44.1	
\$100,001 - \$250,000	4	28.6	2.9	860	12.3	15.0	2	33.3	2.8	330	14.9	15.5	
\$250,001 - \$1 Million	10	71.4	2.5	6,110	87.7	42.7	4	66.7	2.3	1,880	85.1	40.4	
Total	14	100.0	100.0	6,970	100.0	100.0	6	100.0	100.0	2,210	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	0	0.0		0	0.0		0	0.0		0	0.0		
\$100,001 - \$250,000	3	60.0		710	39.5		2	50.0		330	36.5		
\$250,001 - \$1 Million	2	40.0		1,088	60.5		2	50.0		574	63.5		
Total	5	100.0		1,798	100.0		4	100.0		904	100.0		
Source: 2023 FFIEC Census Data 2023 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: FEBRUARY 12, 2019 TO SEPTEMBER 16, 2024									
Assessment Areas	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments	
	#	\$(000)	#	\$(000)	#	\$(000)	% of Total by dollar amount	#	\$ (000's)
Full Scope									
Dallas	0	\$0	11	\$52,500	11	\$52,500	1.3%	0	\$0
Broader Regional and Statewide	1	\$366,569	0	\$0	1	\$366,569	9.3%	0	\$0
Multi-state	1	\$1,000,000	1	\$2,517,215	2	\$3,517,215	89.4%	0	\$0

Table 18 - Distribution of Branch Delivery System and Branch Openings/Closings Evaluation Period: OCTOBER 1, 2018 TO DECEMBER 31, 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
Full Scope																	
Dallas	13.1%	2	18.2%	0	0	2	0	0	0	0	0	0	0	5.7%	18.8%	31.2%	43.3%

Table 19 - Lending Volume								
Lending Test Evaluation Period: OCTOBER 1, 2018 TO DECEMBER 31, 2023								
Community Development Loans Evaluation Period: FEBRUARY 12, 2019 TO SEPTEMBER 16, 2024								
Assessment Areas	% of Rated Area Loans	Small Business Loans		Community Development Loans		Total Loans		% of Rated Area Deposits
		#	\$(000's)	#	\$(000's)	#	\$(000's)	
Full Scope								
Honolulu	2.1 %	11	\$1,696	3	\$6,748	14	\$8,444	36.9%

Table 20 – Geographic Distribution of Small Loans to Businesses 2021-2022													
Assessment Area: Honolulu													
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	4.9	0	0.0	8.2	0	0.0	4.9	0	0.0	8.8	5.3
Moderate	0	0.0	19.1	0	0.0	19.8	0	0.0	18.2	0	0.0	19.7	19.1
Middle	0	0.0	35.6	0	0.0	30.5	0	0.0	37.7	0	0.0	31.5	35.9
Upper	0	0.0	36.2	0	0.0	33.3	0	0.0	35.3	0	0.0	32.7	35.9
Unknown	0	0.0	3.8	0	0.0	8.1	0	0.0	3.4	0	0.0	7.3	3.8
Tract-Unk	0	0.0	0.2	0	0.0	0.1	0	0.0	0.4	0	0.0	0.1	
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.													

² Does not include % unknown

Table 21 - Geographic Distribution of Small Loans to Businesses 2023
Assessment Area: Honolulu

Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	\$%	\$%	#	##	##	\$(000)	\$%	\$%	
Low	0	0.0	1.4	0	0.0	1.1	0	0.0	1.6	0	0.0	2.0	1.6
Moderate	3	75.0	25.0	364	87.9	29.2	5	71.4	24.1	691	54.4	28.2	28.3
Middle	0	0.0	44.7	0	0.0	43.5	1	14.3	45.4	330	26.0	44.0	41.2
Upper	1	25.0	25.4	50	12.1	18.9	1	14.3	25.6	250	19.7	18.9	24.7
Unknown	0	0.0	3.2	0	0.0	7.2	0	0.0	2.8	0	0.0	6.8	4.1
Tract-Unk	0	0.0	0.4	0	0.0	0.1	0	0.0	0.5	0	0.0	0.2	
Total	4	100.0	100.0	414	100.0	100.0	7	100.0	100.0	1,271	100.0	100.0	100.0
Source: 2023 FFIEC Census Data 2023 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 2021-2022													
Assessment Area: Honolulu													
	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	%%	%%	#	##	##	\$(000)	%%	%%	
By Revenue													
\$1 Million or Less	0	0.0	43.4	0	0.0	24.3	1	25.0	48.3	50	12.1	29.4	90.5
Over \$1 Million	0	0.0		0	0.0		1	25.0		300	72.5		8.7
Revenue Unknown	0	0.0		0	0.0		2	50.0		64	15.5		0.8
Total	0	0.0		0	0.0		4	100.0		414	100.0		100.0
By Loan Size													
\$100,000 or Less	0	0.0	91.9	0	0.0	38.9	3	75.0	95.2	114	27.5	44.5	
\$100,001 - \$250,000	0	0.0	4.7	0	0.0	18.5	0	0.0	2.5	0	0.0	13.4	
\$250,001 - \$1 Million	0	0.0	3.4	0	0.0	42.6	1	25.0	2.4	300	72.5	42.1	
Total	0	0.0	100.0	0	0.0	100.0	4	100	100.0	414	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	0	0.0		0	0.0		1	100.0		50	100.0		
\$100,001 - \$250,000	0	0.0		0	0.0		0	0.0					
\$250,001 - \$1 Million	0	0.0		0	0.0		0	0.0					
Total	0	0.0		0	0.0		1	100.0		50	100.0		
Source: 2021 FFIEC Census Data 2021 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 2023													
Assessment Area: Honolulu													
	Bank And Aggregate Loans By Year												Total Businesses %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
By Revenue													
\$1 Million or Less	1	25.0	48.3	50	12.1	29.4	1	14.3	53.9	327	25.7	31.5	90.5
Over \$1 Million	1	25.0		300	72.5		1	14.3		250	19.7		8.6
Revenue Unknown	2	50.0		64	15.5		5	71.4		694	54.6		0.8
Total	4	100.0		414	100.0		7	100.0		1,271	100.0		100.0
By Loan Size													
\$100,000 or Less	3	75.0	95.2	114	27.5	44.5	3	42.9	95.4	114	9.0	46.3	
\$100,001 - \$250,000	0	0.0	2.5	0	0.0	13.4	2	28.6	2.5	500	39.3	14.1	
\$250,001 - \$1 Million	1	25.0	2.4	300	72.5	42.1	2	28.6	2.2	657	51.7	39.6	
Total	4	100.0	100.0	414	100.0	100.0	7	100.0	100.0	1,271	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	1	100.0		50	100.0		0	0.0		0	0.0		
\$100,001 - \$250,000	0	0.0		0	0.0		0	0.0					
\$250,001 - \$1 Million	0	0.0		0	0.0		1	100.0		327	100.0		
Total	1	100.0		50	100.0		1	100.0		327	100.0		
Source: 2023 FFIEC Census Data 2023 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: FEBRUARY 12, 2019 TO SEPTEMBER 16, 2024									
Assessment Areas	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments	
	#	\$(000)	#	\$(000)	#	\$(000)	% of Total by dollar amount	#	\$(000's)
Full Scope									
Honolulu	0	\$0	6	\$24,500	6	\$24,500	100.0%	0	\$0
Broader Regional and Statewide	0	\$0	0	\$0	0	\$0	0.0%	0	\$0
Multi-state	0	\$0	0	\$0	0	\$0	0.0%	0	\$0

Table 25 - Distribution of Branch Delivery System and Branch Openings/Closings Evaluation Period: OCTOBER 1, 2018 TO DECEMBER 31, 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
Full Scope																	
Honolulu	36.9%	3	27.3%	0	2	1	0	1	0	0	1	0	0	1.6%	28.3%	41.2%	24.7%

³ Does not include % unknown