

CRA PERFORMANCE EVALUATION

The Community Reinvestment Act regulation requires each financial institution to include in the public file a copy of the public section of the institution's most recent CRA Performance Evaluation prepared by its regulatory agency. The institution must include a copy of this document within 30 business days after its receipt from its regulatory agency.

A copy of Chino Commercial Bank's most recent CRA Performance Evaluation follows this page.



PUBLIC DISCLOSURE

October 2, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Chino Commercial Bank, N.A.
Charter Number 23950

14245 Pipeline Avenue
Chino, California 91710

Office of the Comptroller of the Currency

Santa Ana Field Office
1551 N Tustin Avenue, Suite 1050
Santa Ana, California 92705

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

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Overall CRA Rating

The Lending Test is rated Satisfactory.

The major factors that support this rating include:

- A majority of the bank's lending activity is within its delineated assessment areas.
- The bank's distribution of loans to businesses of different sizes reflects reasonable penetration compared to area demographics.
- The geographic distribution of business loans reflects reasonable dispersion throughout the assessment areas compared to area demographics.
- The bank's loan-to-deposit ratio is reasonable given the bank's size, financial condition, and business strategy.

Definitions and Common Abbreviations

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

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

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 MA/assessment area.

Census Tract (CT): 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 areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. 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: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under Housing and Urban Development (HUD) Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, 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 Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

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

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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

Low-Income: Individual 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 MA/assessment area.

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

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

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

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

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

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

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

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 multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state 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) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

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

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

Description of Institution

Chino Commercial Bank, N.A. (CCB or the bank) is a full-service community bank headquartered in Chino, California. CCB opened for business in September 2000. The bank is wholly-owned by Chino Commercial Bancorp, a one-bank holding company located in Chino, California, that formed in July 2006. The main branch is located in Chino, California, in an upper-income census tract. CCB also has branches in Ontario and Rancho Cucamonga, California, located in middle-income and moderate-income census tracts, respectively.

CCB offers a variety of commercial loan products to meet the credit needs of small- and mid-size businesses with an emphasis on commercial real estate and commercial/industrial lending. The bank offers consumer loans primarily as an accommodation to certain business customers. Consumer lending products include automobile, home equity, and personal loans. The bank has a history of providing services to the escrow and real estate industries as well as various manufacturers in its market area. This has allowed the bank to accumulate a relatively high percentage of non-interest bearing demand accounts with a lower cost of funds. CCB offers traditional services at all branches. Each branch has an automated teller machine (ATM). All branches are open for business Monday through Thursday from 9:00 AM to 5:00 PM, Friday 9:00 AM to 6:00 PM, and Saturday 9:00 AM to 12:00 PM.

The bank serves two designated assessment areas (AAs), a portion of the Riverside-San Bernardino-Ontario, CA Metropolitan Statistical Area (MSA) and a small portion of the Los Angeles-Long Beach-Anaheim, CA MSA. The banking environment is highly competitive and CCB ranks 24th out of 45 institutions in its market area with 0.31 percent deposit market share. Several independent banks compete for market share, including Citizens Business Bank, Compass Bank, and Pacific Western Bank. Large banks with branches in the area, such as Bank of America, Wells Fargo, and JPMorgan Chase, are an increasing source of competition. These banks are pursuing small-sized businesses historically served by the smaller community banks.

The CCB Report of Condition and Income reported total assets of \$180 million, total loans of \$111 million, total deposits of \$142 million, and total equity capital of \$17 million as of June 30, 2017. Total loans represented approximately 62 percent of total assets. The following chart summarizes the loan portfolio by major loan type.

Chino Commercial Bank, N.A. Loan Portfolio by Major Product Type June 30, 2017		
Loan Type	(\$000's)	Percent
Commercial Real Estate (CRE)	84,946	76.5%
1-4 Family Residential RE	15,157	13.6%
Multifamily Residential RE	4,196	3.8%
Commercial-Industrial	3,348	3.0%
Construction	3,062	2.8%
Consumer	383	0.3%
Other	8	0.0%
Total	111,100	100%

There are no financial or legal factors that impede the bank's ability to meet the credit needs of the community. CCB received a "Satisfactory" rating under the "Small Bank" rating criteria at the last CRA examination, dated May 14, 2012.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation (PE) assesses CCB's CRA performance using the lending test criteria for small bank examinations. We performed a full-scope examination of the bank's two AAs. We analyzed a random sample of commercial loans the bank originated or purchased between January 1, 2015 and December 31, 2016. We focused our review on commercial loans because they represent the major portion of the bank's lending activity.

Data Integrity

We determined the accuracy of the bank's business loan data while onsite. We then evaluated the bank's lending patterns using applicable loan data for the evaluation period.

Selection of Areas for Full-Scope Review

Management has designated two AAs, a portion of the Riverside-San Bernardino-Ontario, CA MSA and a small portion of the Los Angeles-Long Beach-Anaheim, CA MSA. They both received a full-scope review. The AAs meet the requirements of the regulation and do not arbitrarily exclude any low- or moderate-income geographies. Refer to the table in Appendix A for more information.

Ratings

The bank's overall rating is based on the areas that received full-scope reviews. The Riverside-San Bernardino-Ontario MSA was weighted more heavily due to a substantial majority of deposits and loans being from this area.

Discriminatory or Other Illegal Credit Practices Review

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

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

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

Conclusions with Respect to Performance Tests

LENDING TEST

CCB’s performance under the lending test is rated satisfactory. Each of the areas considered in the lending test is described below.

Loan-to-Deposit Ratio

CCB’s loan-to-deposit (LTD) ratio is reasonable given the bank’s size, financial condition, and local economic conditions, and meets the standard for satisfactory performance. The ratio is calculated on a bank-wide basis. We evaluated the bank’s quarterly average LTD ratio for the 21 quarters since the prior CRA examination through March 2017. During this period, the bank’s LTD ratio averaged 64 percent. This ratio ranged from a quarterly low of 54 percent to a quarterly high of 78 percent during this period. The bank’s LTD ratio reasonably compares with other banks of similar asset size in the AAs. The average LTD ratio for peer banks was 76 percent over the same period, and the ratio ranged from 68 percent to 84 percent. While the bank’s average ratio was lower than the peer bank average, this is attributed to (1) conservative loan underwriting practices despite increasing competitive pressures and (2) management seeks to maintain a comparatively higher level of liquidity given CCB’s high level of escrow deposits from its particular client base.

Lending in Assessment Area

CCB originated a majority of its loans within its delineated AAs and meets the standard for satisfactory performance. This proportion of lending inside versus outside the bank’s AA is calculated on a bank-wide basis. The bank originated 55 percent of the number of commercial loans in our random sample and approximately 53 percent of the dollar amount within the AAs during our evaluation period. See Table 1 for details.

Table 1 - Lending in the Defined CRA Area Riverside-San Bernardino and Los Angeles Assessment Areas Commercial Loans January 2015 through December 2016										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total #	Inside		Outside		Total \$(000's)
	#	%	#	%		\$(000's)	%	\$(000's)	%	
Commercial Loan Sample	11	55.0	9	45.0	20	5,111	52.5	4,619	47.5	9,730

Source: Random sample of 20 bank commercial loan originations from January 2015 through December 2016.

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

The bank’s distribution of loans to businesses of different sizes reflects reasonable penetration compared to area demographics and meets the standard for satisfactory performance. The bank’s lending performance for commercial lending reflects reasonable penetration in the Riverside-San Bernardino AA. We could not perform a

meaningful analysis for the Los Angeles AA due to the low number of business loans originated.

Performance in the Riverside-San Bernardino AA

The distribution of loans to businesses of different sizes reflects reasonable penetration in the AA. The bank originated 65 percent of loans by number and 66 percent by dollar volume to small business borrowers in the Riverside-San Bernardino AA. The percentage of the number and dollar volume of sampled loans reasonably compares to small business demographics in the AA. See Table 2A for details.

Table 2A – Lending to Businesses of Different Sizes - Borrower Distribution				
Commercial Loans				
Riverside-San Bernardino Assessment Area				
January 2015 through December 2016				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	84%	7%	9%	100%
% of Bank Loans in AA by #	65%	35%	0%	100%
% of Bank Loans in AA by \$	66%	34%	0%	100%

Sources: Dun and Bradstreet reported revenue data. Random sample of 20 commercial loan originations from January 2015 through December 2016.

Performance in the Los Angeles AA

The bank was only able to make five commercial loans in this AA during the review period due to its limited presence and competition from other lenders. This small volume of loans makes it difficult to perform a meaningful analysis. Based on our sample within the AA, the bank originated 40 percent of its loans by number and 56 percent by dollar volume to these businesses. While the percentages are somewhat below the area demographics, lending to small businesses within the AA is highly competitive and CCB competes with a number of large national financial institutions as well as regional and local lenders. See Table 2B for details.

Table 2B – Lending to Businesses of Different Sizes - Borrower Distribution				
Commercial Loans				
Los Angeles Assessment Area				
January 2015 through December 2016				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Business	87%	6%	7%	100%
% of Bank Loans in AA by #	40%	60%	0%	100%
% of Bank Loans in AA by \$	56%	44%	0%	100%

Source: Dun and Bradstreet reported revenue data. Five commercial loans (100 percent of originations) from January 2015 through December 2016.

Geographic Distribution of Loans

The geographic distribution of commercial loans reflects reasonable dispersion throughout the AAs compared to area demographics and meets the standard for satisfactory performance.

The bank's lending performance for commercial lending reflects reasonable dispersion in the Riverside-San Bernardino AA. We could not perform a meaningful analysis for the Los Angeles AA due to the low number of business loans originated.

Performance in the Riverside-San Bernardino AA

The geographic distribution for commercial loans reflects reasonable dispersion in the Riverside-San Bernardino AA. CCB's lending to businesses in low-income tracts is below the demographic data for the AA. However, the percentage of businesses in low-income census tracts composes only 0.91 percent of the total AA. The bank's lending to businesses in moderate-income census tracts exceeds the demographic data for the AA. See Table 3A for details.

Table 3A - Geographic Distribution of Commercial Loans Riverside-San Bernardino Assessment Area January 2015 through December 2016								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial Loan Sample	0.91%	0%	19.46%	25%	27.17%	40%	52.46%	35%

Sources: Dun and Bradstreet business data by geographic location. Random sample of 20 commercial loan originations from January 2015 through December 2016.

Performance in the Los Angeles AA

The bank was only able to make five commercial loans in this AA during the review period due to its limited presence and competition from other lenders. This small volume of loans makes it difficult to perform a meaningful analysis. However, the geographic distribution for commercial loans reflects excellent dispersion in the Los Angeles AA. CCB's lending to businesses in both low- and moderate-income tracts exceeds the demographic data for the AA. See Table 3B for details.

Table 3B - Geographic Distribution of Commercial Loans Los Angeles Assessment Area January 2015 through December 2016								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial Loan Sample	2.42%	40%	6.39%	60%	28.11%	0%	62.05%	0%

Sources: Dun and Bradstreet business data by geographic location. Five commercial loans (100 per cent of originations) from January 2015 through December 2016. (Note: 1.03 percent of census tracts in geo-demographic data are not income-designated tracts).

Responses to Complaints

CCB has not received any complaints about its performance under the Community Reinvestment Act during this evaluation period.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test: 1/1/15 to 12/31/16	
Financial Institution		Products Reviewed
Chino Commercial Bank, N.A. (CCB) Chino, California		Commercial Loans
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A		N/A
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Riverside-San Bernardino-Ontario, CA MSA	Full-Scope	
Los Angeles-Long Beach-Anaheim, CA MSA	Full-Scope	

Appendix B: Community Profiles for Full-Scope Areas

CCB's AAs include portions of two adjacent MSAs: the Riverside-San Bernardino-Ontario MSA (the bank's Riverside-San Bernardino AA) and the Los Angeles-Long Beach-Anaheim MSA (the bank's Los Angeles AA). The area consists of whole and contiguous geographies within an approximate 20-mile radius of the branch locations where the bank has established lending opportunities, and areas the bank determined it can reasonably serve. The AAs meet the requirements of the regulation and do not arbitrarily exclude low- and moderate-income geographies.

In conjunction with this CRA examination, examiners contacted a nonprofit organization in the Riverside-San Bernardino AA to determine primary credit needs in the AA. This organization constructs and rehabilitates homes to eliminate substandard housing locally while providing training and access to resources to help families improve their shelter conditions. The contact felt there is a need for affordable housing and home ownership, lending for home repairs for seniors, and food and supplies for in-need families. The contact also stated that there are numerous opportunities for bank involvement. This includes organizational support and financial education.

Examiners also contacted a nonprofit organization in the Los Angeles AA to determine primary needs in the AA. This organization provides food and groceries for low- and moderate-income households and homeless individuals. The contact stated that there is an ongoing need for food and shelter for the homeless.

Riverside-San Bernardino Assessment Area

Demographic Information for Full Scope Area: Riverside-San Bernardino Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	212	1.89	23.11	27.83	47.17	0.00
Population by Geography	1,189,313	1.39	20.08	28.60	49.93	0.00
Owner-Occupied Housing by Geography	225,367	0.49	12.71	25.78	61.03	0.00
Business by Geography	67,668	0.91	19.46	27.17	52.46	0.00
Farms by Geography	1,157	0.52	15.21	28.61	55.66	0.00
Family Distribution by Income Level	263,386	15.53	15.69	19.13	49.65	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	82,235	2.65	34.83	33.92	28.60	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		63,176 61,400 9%	Median Housing Value Unemployment Rate (2010 US Census)	396,533 5.08%		

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 US Census and 2016 FFIEC updated MFI

The AA includes a portion of the Riverside-San Bernardino-Ontario MSA which consists of Riverside and San Bernardino Counties. It has the Los Angeles County and Orange County lines on the west and the foothills of the Angeles and San Bernardino National Forests to the north. The southern boundary extends along the border for the City of Corona. The eastern boundary extends along the communities adjacent to the Cities of Riverside and San Bernardino. It is commonly known as the Inland Empire region of Southern California. There are 45 FDIC insured financial institutions in the AA with 562 offices. CCB's main competitors include Bank of America, Wells Fargo, JP Morgan Chase, and U.S. Bank. Combined, they hold over 62 percent of the deposit market share. CCB operates three branches with deposit taking ATMs in the AA.

The bank's AA has 212 census tracts. Approximately two percent are low-income, 23 percent are moderate-income, 28 percent are middle-income, and 47 percent are upper-income census tracts. The 2010 Census median housing value in the AA was \$396,533. According to the National Association of Realtors, the median home price in June 2017 was \$342,100. Approximately 61 percent of all housing units in the AA are owner occupied. The 2010 MSA median family income was \$63,176. The 2016 FFIEC adjusted median family income is \$61,400 for the AA. Approximately 12 percent of the households are living below the poverty level.

Based on the 2010 Census, the population of the AA is over 1.1 million. The AA is the 13th most populous metropolitan area in the United States, and the third most populous in California. Most of the area's population is located in the southwest of San Bernardino County and the northwest of Riverside County. Major cities in the region include Riverside, San Bernardino, Moreno Valley, Rancho Cucamonga, Ontario, and Corona. Major employers in the AA include the University of California, Riverside, Riverside Unified School District, Loma Linda University, County of San Bernardino, and Kaiser Permanente.

According to the State of California Employment Development Department, the unemployment rate in the Riverside-San Bernardino-Ontario MSA was 5.4 percent in September 2017. This compares with an unadjusted unemployment rate of 4.7 percent for California and 4.1 percent for the nation. According to Moody's Investors Service, the expansion in the AA is still solid, yet no longer as impressive as in recent years. Job creation has slowed and earnings growth is still lagging California and the U.S. because many jobs pay only low to medium wages. Strong demographics have pushed up housing prices moderately, but affordability remains high compared with the Pacific coast.

Los Angeles Assessment Area

Demographic Information for Full Scope Area: Los Angeles Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	100	2.00	11.00	27.00	58.00	2.00
Population by Geography	458,288	1.69	12.16	30.16	55.48	0.51
Owner-Occupied Housing by Geography	95,054	0.60	5.47	25.35	68.57	0.00
Business by Geography	29,472	2.42	6.39	28.11	62.05	1.03
Farms by Geography	330	1.82	5.15	33.03	60.00	0.00
Family Distribution by Income Level	106,911	15.75	13.94	18.55	51.75	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	31,746	3.82	22.87	35.07	38.24	0.00
Median Family Income		61,622	Median Housing Value		484,044	
FFIEC Adjusted Median Family Income for 2016		62,400	Unemployment Rate		3.99%	
Households Below Poverty Level		9%				

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The majority of the bank's Los Angeles AA census tracts are located in the East San Gabriel Valley region. The western boundary extends from Glendora to Rowland Heights, and the northern boundary is against the Angeles National Forest foothills. The southern boundary is the Orange County line, and the Counties of Riverside and San Bernardino lie to the east. The delineated area has a comparatively small population of 458 thousand per the 2010 U.S. Census. Since the geographies are within reasonable distance and adjacent, the bank's Chino, Ontario, and Rancho Cucamonga branches can readily service the Los Angeles AA.

The AA includes 100 census tracts of which two percent are low-income, 11 percent are moderate-income, 27 percent are middle-income, 58 percent are upper-income, and two percent have not been assigned an income classification. The 2010 Census median housing value was \$484,044. According to CoreLogic, the median home price in September 2017 was \$575,000 for Los Angeles County. The 2010 weighted average of the MSA median family income was \$61,622. The 2016 HUD updated MSA median family income is \$62,400 for the Los Angeles AA. Approximately nine percent of the households are living below the poverty level.

The employment environment in the San Gabriel Valley has been marked by continued expansion in recent years. Growth in the higher education, healthcare, professional and business services, manufacturing, retail trade, and tourism industry sectors contributed to the employment gains. The major employers in the AA include the Pomona Unified School District, Pomona Valley Hospital Medical Center, and California State Polytechnic University at Pomona. The California Employment Development

Department reported that the unemployment rate in Los Angeles County was 4.8 percent in September 2017. This compares with an unadjusted unemployment rate of 4.7 percent for California and 4.1 percent for the nation.