



Comptroller of the Currency
Administrator of National Banks

LARGE BANK

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Community Reinvestment Act Performance Evaluation

**First Professional Bank, N.A.
Charter Number: 17423**

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NOTE: 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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General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the CRA performance of **First Professional Bank, N.A.** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **July 10, 2000**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. 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 by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Block Numbering Area (BNA) - Statistical subdivisions of counties in which census tracts have not been established. The United States Census Bureau has established BNAs in conjunction with state agencies.

Census Tract (CT) - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten-year census and an average population of four thousand.

Community Development (CD) - Affordable 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.

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.

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

Geography - A census tract or a block numbering area 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 applicants, the amount of loan requested, and the disposition of the application.

Home Mortgage Loans - Such loans include 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 refinancing of home improvement and home purchase loans.

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

Low-Income - Income levels that are less than 50% of the median family income.

Median Family Income (MFI) - The median income determined by the United States Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development 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 Statistical Area (MSA) - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Middle-Income - Income levels that are at least 80% and less than 120% of the MFI.

Moderate-Income - Income levels that are at least 50% and less than 80% of the MFI.

Small Business Loans - Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

Small Farm Loans - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland or (2) to finance agricultural production and other loans to farmers.

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

Upper-Income - Income levels that are 120% or more of the MFI.

Overall CRA Rating

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

The following table shows the performance level of First Professional Bank, N.A. (FPB), with respect to the Lending, Investment, and Service Tests:

Performance Levels	First Professional Bank, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory	X		X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

(*) Note: The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- FPB's small business lending activity, based on volume, is excellent. The geographic distribution of small business loans is adequate and the distribution based on business income is good. Community development lending performance is excellent.
- The volume of FPB's qualified investments is excellent. These investments are also very responsive to the affordable housing and essential service needs of the assessment areas. And the bank has been a leader in providing innovative, sometimes complex investments to the community.
- Considering elements of the bank's performance context, the distribution of branches is adequate. The extent and responsiveness of the bank's community development services is excellent. FPB often acts in a leadership role in many of these activities.

Description of First Professional Bank, N.A.

FPB is a business-oriented, intrastate bank headquartered in Santa Monica, California. Since its inception in August 1982, the bank's primary focus has been the healthcare industry and meeting the financial needs of the medical service community. It is a wholly owned subsidiary of Professional Bancorp Incorporated, a single-bank holding company. There are no other affiliates.

As of March 31, 2000, FPB reported total assets of \$286 million and Tier 1 Capital of \$13.8 million. Net loans total slightly over \$147 million, representing 51% of total assets. Based on dollar volume, the bank's loan portfolio is comprised of 63% commercial loans and 24% real estate loans. The healthcare emphasis is reflected in the bank's loan portfolio, as a substantial number of loans are to small healthcare businesses, physicians, related service providers, and other medical professionals. The vast majority of the bank's CRA reportable loans are in the Los Angeles-Long Beach MSA.

FPB operates five branch offices located in Beverly Hills, Pasadena, Redlands, Santa Monica, and Tarzana. These locations are strategically located in or near significant health centers in Southern California. The offices are full service commercial branches, with automatic teller machine (ATMs) services, and extended operating hours. The branches offer a variety of lending products, with a focus on the healthcare industry. Mortgage loans and consumer loans are primarily of an accommodation nature to existing customers, and the bank does not advertise these products.

The bank's defined assessment area includes the urban, heavily developed portions of five adjacent Southern California counties, that in aggregate form the Los Angeles Consolidated Metropolitan Statistical Area (CMSA). Although the bank's branches are located only in the Los Angeles (4) and Riverside counties (1), FPB also operates a courier service to serve the deposit needs of bank clientele. This courier service is a licensed branch with over 800 designated stops in the five counties. The bank's assessment area delineation meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies. For the purpose of our analysis, we consider each of the bank's four MSAs as separate assessment areas.

FPB was rated "Satisfactory" at the previous CRA examination as of December 18, 1997. Financial impediments that have had a moderate affect on the bank's CRA performance this period include the net operating loss incurred in 1999, and decline in Tier 1 Capital the same year.

Scope of the Evaluation

Evaluation Period and Products Evaluated

The evaluation period used for the Lending Test evaluation included 1997, 1998, and 1999. Although the prior CRA examination is dated December 18, 1997, it did not include any mortgage or small business loans reported in 1997. The Tables in the Appendix report both small business loans, and loans subject to the Home Mortgage Disclosure Act (HMDA). The bank did not report any small loans to farms. Because 97% of the volume of loans are small business loans compared to three percent HMDA loans, our analysis focuses on the small business lending performance.

For the Investment Test, Service Test, and community development loans, our assessment period began the day following the previous CRA examination (December 19, 1997). The period ends as of our CRA examination date (July 10, 2000).

Data Integrity

We performed a data integrity examination in March 2000. Examiners found that FPB has adequate systems and controls to ensure the accuracy of reported data. To ensure data integrity, examiners sampled small business loans as well as community development loans. We detected geocoding and revenue errors in a small percentage of the loans reviewed, but these do not have a material affect on the data used in this evaluation.

Selection of Areas for Full-Scope Review

The only assessment area selected for a full-scope review is the Los Angeles-Long Beach MSA assessment area. This assessment area is FPB's most significant market based on the number of branches (80%), volume of deposits (88.6%), and volume of reportable loans (86.4%).

We performed a limited-scope review of the Orange County MSA, Riverside-San Bernardino MSA, and Ventura County MSA assessment areas. Together, the limited-scope areas contain just one branch, but are serviced by the mobile branch/ courier service. Deposits in these areas are just 11.4%, and the bank's reportable loans are 13.6%.

Ratings

FPB's overall rating is based primarily on the assessment area receiving a full-scope review. In addition, the loan products most heavily weighted are the small business loans and community development loans. HMDA loans received no weight in this analysis as they represent just 33 loans for the period, or three

percent of the reportable loans. The bank did not submit consumer loans for our review, but did provide commercial and standby letters of credit for qualitative consideration.

CRA performance in the limited-scope assessment areas did not materially affect the bank's overall ratings. Generally speaking, performance in the limited-scope areas was not inconsistent with the full-scope assessment area.

Assessment Area Credit Needs

The bank's assessment area is very large for an institution of its size. The area covers portions of five adjacent Southern California counties, that in the aggregate form the Los Angeles Consolidated Metropolitan Statistical Area (CMSA). MSAs included in this assessment area include the Los Angeles-Long Beach MSA, Orange County MSA, Riverside-San Bernardino MSA, and Ventura County MSA. Because the vast majority of CRA reportable loans originate in the Los Angeles-Long Beach MSA (Los Angeles assessment area), our community contacts focused on identifying the credit needs in this full-scope area.

From our discussions with community contacts and knowledge of the community, we determined that there are many opportunities for community development lending and investment within the assessment area.

To help in assessing the community's credit needs, we spoke with healthcare representatives of a nonprofit organization and reviewed recent contacts initiated by other regulatory agencies. These contacts were primarily with organizations involved in housing, healthcare, and community services. Representatives of these organizations identified low-income/affordable housing, start-up and micro loans for small businesses, financing for first time homebuyers, and community health services as the most pressing needs. Community contacts stated that FPB is one of the few banks that have expressed a strong interest in healthcare issues. The bank actively participates with various nonprofits' health initiatives by providing financing, financial technical assistance, training, and counseling to the organizations and their clients.

Information provided to the bank by the Los Angeles Department of Health indicated that healthcare services for the under-served communities is a unique need in the Los Angeles assessment area. There is a significant disparity in the number of physicians located in low- and moderate-income areas compared to other areas. In addition, a large percentage of residents are uninsured and there is more reliance on public assistance for healthcare coverage. County hospitals, nonprofit community clinics, and other public assistance providers help address this healthcare need. This "public provider" healthcare system is funded mainly through federal, state, and county programs, which often provide rate-subsidized loans. As such, demand for conventional healthcare financing in the low- and moderate-income communities is not as strong.

Fair Lending Review

Examiners did not identify any violations of the antidiscrimination laws during their fair lending review in February 2000. The bank has a proactive fair lending program, which includes a secondary review of all declined loan applications.

The scope of the fair lending review did not include a comparative file analysis because of the limited volume of home mortgage applications (totaled 16 in 1999). Examiners reviewed the bank's policies, training, loan underwriting guidelines, and selected a sample of 10 diverse loans to test for disparity of treatment. There was no evidence of overt discrimination or violations of antidiscrimination laws.

Conclusions with Respect to Performance Tests

LENDING TEST

Please refer to the Tables in Appendix D of this report for the supporting facts and data used in this analysis.

Because small business loans represent 97% of the reportable loans during the assessment period, they are weighted most heavily in this evaluation. HMDA loans are only 3% of the reportable loans, and do not have a material affect the bank's CRA performance.

Conclusions for Area Receiving Full-Scope Review

Lending Test performance is rated "High Satisfactory." This is based on the following factors.

- FPB's small business lending activity, based on volume, is excellent.
- The geographic distribution of small business loans is adequate.
- The distribution of loans to businesses with revenues of \$1 million or less is good.
- Community development lending performance is excellent. The loans represent a substantial amount relative to Tier 1 Capital, and are responsive to essential needs of the low- and moderate-income communities. FPB makes good use of innovative and flexible loan products.

Lending Activity

Refer to Table 1 in Appendix D for the facts and data used to evaluate the bank's lending activity.

Small Business Loans

FPB's small business lending volume is excellent. This is based on the bank's market share and rank of small business loans compared to the market share and rank of the bank's deposits. This market share analysis compares the bank's small business lending to all other reporting institutions in the Los Angeles-Long Beach MSA for 1998. Deposit share is based on the June 1999 reporting of all insured institutions in the MSA. Lending market share that exceeds deposit share indicates strong performance.

FPB's market share and rank in small businesses loans greatly exceeds their deposit market share and rank. In the Los Angeles assessment area, the bank's market share of deposits in 1999 was just 0.15%, ranking the bank 65th in market share. In contrast, FPB's small business loan share for 1998 was 0.31%, ranking 33rd in the Los Angeles market. In terms of dollars, FPB's market share of small business loans is quite high at 1.09%.

Distribution of Loans by Income Level of the Geography

Refer to Table 5 in Appendix D for the facts and data used to evaluate the distribution of the bank's origination/ purchase of small loans to businesses.

FPB's geographic distribution of small business loans is adequate. This analysis considers the bank's poor performance when compared to the demographic information and relative market share. Mitigating this performance are the challenges of financing healthcare providers in the low- and moderate-income geographies, and the exceptional volume of community development loans. We did not identify any unexplained, conspicuous gaps in the bank's small business lending. FPB's percentage of small business loans within the assessment area is good (78%).

Looking solely at the geographic distribution of small business loans noted in Table 5, the bank's performance is poor. The percentage of loans in low- and moderate-income geographies is substantially below the percent of businesses in each geography. And FPB's market share in the low- and moderate-income geographies is below their overall market share. However, this performance must be understood in light of the demand for healthcare financing in the low- and moderate-income communities, and the bank's community development lending.

As noted in the Description of the Institution, FPB is a community bank focusing on meeting the financial needs of the medical services community. We also noted that in the low- and moderate-income geographies, a large percentage of the residents are without medical insurance, though many residents qualify for assistance through the Medi-Cal and Medicare programs. Healthcare services in these areas is primarily through County facilities, nonprofit community clinics, safety net providers, and other state collaborative programs. Funding for these programs is mainly through federal, state, and county sources which include grants, federal programs, and rate subsidized loans. As a result, the number of healthcare providers and demand for conventional financing is not as strong in the low- and moderate-income communities. The bank addresses these healthcare needs through community development loans.

FPB provides an exceptional volume of community development loans that provide essential healthcare services to low- and moderate-income persons and communities. Two loans totaling \$14.3 million specifically support healthcare organizations that target individuals dependent on Medi-Cal and or Medicare. These organizations operate clinics located in low- and moderate-income communities and provide other essential services. Please refer to the Community Development comments for additional detail.

Examiners did not identify any unexplained conspicuous gaps in the bank's small business lending performance. FPB's small business loans are centered around their branches and courier stops, which are strategically located in areas with high physician density. In the Los Angeles assessment area, the bank originated small business loans in only 13.1% of the 1,610 geographies. The penetration of low-income geographies are less at 4.8% and moderate-income geographies are 7.2%. The low dispersion in low- and moderate income areas is attributed to the factors discussed above, and is offset by the high volume of community development loans.

Distribution of Loans by Income Level of the Borrower

Refer to Table 10 in Appendix D for the facts and data used to evaluate the borrower distribution of small loans to businesses.

The bank's distribution of loans to businesses with revenues of \$1 million or less is good. Although less than the demographic percentage of businesses, FPB's percentage of loans to the smaller businesses exceeds the market average. Also, the majority of small loans to businesses are less than \$100 thousand in size.

In the Los Angeles assessment area, the percentage of loans to smaller businesses (revenues of \$1 million or under) is less than the total percentage of smaller businesses operating in the assessment area. However, FPB's percentage of loans to smaller businesses greatly exceeds the market average. In addition, FPB's market share of loans to the smaller businesses exceeds their overall market share of small business loans. Because the bank captured revenue information on 97% of the small business loans reported, this data is considered reliable.

Community Development Lending

Refer to Table 1 of Appendix D for the facts and data used to evaluate the bank's level of community development lending.

FPB's community development lending performance is excellent. The loans represent a substantial amount relative to Tier 1 Capital, and the loans are responsive to essential needs in the low- and moderate-income communities. FPB also issued numerous letters of credit to support the operations of community development organizations. And several loans reported as small business loans have community development characteristics.

One measure of the bank's performance in community development lending is the volume of loans relative to the bank's Tier 1 Capital. As of March 31, 2000, the bank's Tier 1 Capital is \$13.8 million, or 4.85% leverage capital. The Uniform Bank Performance Report peer average for leverage capital is 9.04%. To reach a level commensurate with the peer bank's, FPB's (adjusted) Tier 1 Capital would be \$25.8 million. The portion of Tier 1 Capital allocated to the Los Angeles assessment area is 86.4%, which is the same as the percentage of reportable loans in this area.

In the Los Angeles assessment area, community development loans represent 179% of the allocated Tier 1 Capital. And the volume represents 96% of the adjusted Tier 1 Capital. This is an excellent level of community development lending relative to FPB's size and capacity.

The bank's community development loans are also very responsive to the community's needs. Of the five loans totaling \$21.4 million in the Los Angeles assessment area, three loans totaling \$15.6 million (73%) are to organizations that provide essential healthcare services to low- and moderate-income

families. One loan for \$3.5 million (16%) supports affordable housing and small business financing needs within the community. And one loan for \$2.3 million (11%) is to a community development organization providing residential and small business services to low- and moderate-income persons. Two of the significant community development loans in the Los Angeles assessment area are noted below.

- The bank funded \$12.8 million to a healthcare organization providing services targeted to low- and moderate-income persons in the bank's assessment area. The organization is based in Los Angeles County, but serves the Medicare and Medi-Cal populations throughout sections of California and other parts of the country. The organization operates 25 clinics in California and contracts with physicians in approximately 300 offices to provide care for enrollees. They are the largest single provider group serving Medi-Cal beneficiaries in California, and the majority of patients are covered by the Medi-Cal program. Proceeds for this loan were used to support the company's operations outside of California. Other small business loans to this organization include two loans for \$1 million for their corporate offices and working capital. In addition, FPB has issued a \$1.5 million standby letter of credit to support out-of-state operations.
- FPB provided \$1.2 million in short-term loans to a nonprofit organization providing residential care to elderly persons dependent on Medicare. The corporation manages convalescent centers, retirement centers, home health agencies, and personal care agencies in Central and Southern California.

Although they are not reported as community development loans, FPB also issued commercial and standby letters of credit to community development organizations in the assessment area. These letters of credit total \$4.5 million, all of which support organizations providing healthcare services targeting low- and moderate-income populations.

Numerous small business loans that have community development characteristics are worth considering. The majority of these are loans to healthcare organizations, some of which are nonprofits, which provide services to low- and moderate-income persons. There are 10 such small business loans totaling \$5.9 million.

Product Innovation and Flexibility

FPB frequently uses innovative and flexible loan products in response to the community's needs. Performance under this characteristic is good. The bank has developed two specific products with innovative and flexible terms that are very responsive to the healthcare needs of the community. Both programs were designed to assist clients with special underwriting needs outside of traditional banking products.

- California Association of Health Care Facilities Emergency Lending Initiative. During the State budget crises in August 1997 and 1998, many healthcare providers, particularly those nonprofits relying on government-assisted health insurance, were financially strapped. This was due to the budget stalemate and cessation of state revenue. These providers primarily served low- and moderate-income families dependent on Medi-Cal and/or Medicare. FPB responded quickly by providing gap financing to many nonprofit facilities. In 1998, the bank approved six gap-loans totaling \$550 thousand to nonprofit providers, even though these providers banked elsewhere. This product was innovative in that it was developed and made available on very short notice in response to a critical need. Underwriting was flexible in qualifying the nonprofit providers operating on tight budgets, with banking relationships elsewhere.
- Medi-Cal Managed Care Access Plan. FPB implemented this product in 1998 to provide financing to Traditional/Safety Net Healthcare providers to help the providers transition from a fee-for-service to a prepaid environment. The providers benefitting from this product were primarily serving low- and moderate-income clients dependent on Medi-Cal reimbursement. FPB originated three loans under this program in 1998 for \$50 thousand. This product was designed in response to Medi-Cal reimbursement changes affecting healthcare providers in Los Angeles County. Flexible aspects of this program include the initial 12-month rate at prime, and flexible underwriting guidelines covering projections, the quality of financial statements, and alternative credit histories.

Conclusion for Areas Receiving Limited-Scope Reviews

Lending performance in the Riverside- San Bernardino MSA assessment area is not inconsistent with the bank's High Satisfactory rating under the Lending Test. Performance in the Orange County MSA and Ventura County MSA assessment areas is weaker than the bank's overall performance. Because of the small percentage of reportable loans in these areas, the overall Lending Test rating is not affected.

The geographic distribution of small businesses loans in the Orange County and Ventura County assessment areas is poor relative to the demographic information, and this performance is not offset by community development lending. In these assessment areas, the borrower distribution of small loans to businesses is also weak when compared to market performance. Management attributes this to the relatively low number of loans made in these limited-scope assessment areas, and a higher proportion of large business clients.

INVESTMENT TEST

Conclusions for Area Receiving Full-Scope Review

The bank's performance under the Investment Test is rated "Outstanding."

- The dollar volume of qualified investments compared to the bank's capital is excellent.
- Qualified investments are very responsive to the affordable housing and essential healthcare needs of the assessment area.
- The bank has been a leader in providing innovative and sometimes complex investments to the community.

Dollar Amount of Qualified Investments

Refer to Table 12 in Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Performance in the Los Angeles assessment area is excellent. In the Los Angeles assessment area, qualified investments are \$1.1 million, which represents 9.4% of the allocated Tier 1 Capital, and 5.04% of the adjusted Tier 1 Capital. Please refer to the Community Development Loans comment under the Lending Test for an explanation of the "adjusted" Tier 1 Capital, and the allocation of capital between the assessment areas. Nearly all of the qualified investments originated during this assessment period, with only one investment of \$40 thousand from a prior period.

Responsiveness to Credit and Community Development Needs

FPB's investments are very responsive to the affordable housing and community service needs of the community. In the Los Angeles assessment area, 44% of investment dollars are for the creation, retention, or support of affordable housing. The bank purchased a \$1.5 million mortgage-backed security that is secured entirely by mortgages to low- and moderate-income families residing in the assessment areas. Thirty-two percent of the underlying mortgage loans are located in the Los Angeles assessment area.

The remaining dollars were invested in minority-owned financial institutions that primarily lend in low- and moderate-income areas (34%), nonprofit organizations that provide essential community services to low- and moderate-income individuals (18%), and agencies that promote economic development in distressed areas (4%). During the evaluation period, the bank made many donations to various community service and affordable housing organizations totaling more than \$224 thousand. These donations helped the various nonprofit organizations provide essential services such as healthcare, day care, and other community services to low- and moderate-income individuals.

Innovation and Complexity

The following investments, which benefit the Los Angeles-Long Beach MSA, are examples of investments that are complex or innovative:

- FPB was a founding bank and provided an initial investment of \$100 thousand to a nonprofit foundation dedicated to ending poverty through investment and community development. The foundation is a Community Development Financial Institution (CDFI), and has created a local community development investment that is sold to individual and institutional investors at below-market rates. The funds generated by the securities are given to local nonprofit community organizations for low-income housing, community development, and micro loans for small businesses in Southern California. This concept has proven effective in other parts of the United States in building affordable housing, creating jobs, and generating economic activity in disadvantaged communities. This investment is considered complex based on the extended time necessary to bring the CDFI investment to this area, and the complex terms. The investment is a long-term, unsecured general obligation which is subordinated to other debt, and cannot be accelerated.
- In April 1999, the bank donated \$25 thousand to a specialized healthcare provider in South Central Los Angeles. FPB also took a leadership role in establishing this nonprofit corporation. The corporation's mission is to provide clinical and community health services to preserve and restore vision for underserved, and disadvantaged populations of South Central Los Angeles. Bank personnel provided valuable assistance in the development of the comprehensive business plan, and assisted in the grant writing proposal. As a result of FPB's efforts, the healthcare provider obtained grant funds from a bankers' collaborative committee as well as a \$500 thousand grant from the California Endowment.
- In June 1999, the bank committed \$25 thousand to establish the Individual Development Account (IDA) program in partnership with the Los Angeles Neighborhood Housing Services (LANHS). The IDA program is a federally authorized matching grant program that helps low- and moderate-income individuals save money for future home ownership. Additionally, the bank provides a service-free savings account to each program participant. To date, the bank has contributed over \$19 thousand. This is the first program of its kind in the community. A Senior Vice President of FPB played an active part in developing guidelines and contracts for participating banks, structuring the IDA program, and encouraging other banks' participation. She was honored by LANHS in 1999 for her contributions to the organization.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on the limited-scope reviews, the bank's performance in the Orange County MSA and Riverside-San Bernardino County MSA is not inconsistent with the overall "Outstanding" performance under the Investment Test.

Performance in the Ventura County MSA is weaker than the bank's overall performance. This is due to the lack of qualified investments in this assessment area. This weaker performance did not materially affect the bank's overall Investment Test rating.

SERVICE TEST

Conclusions for Area Receiving Full-Scope Review

The bank's performance under the Service Test is rated "High Satisfactory."

- The bank's distribution of branches by income level of the community is adequate. This analysis considers the bank's strategic focus, demand for their loan products, and mobile branch/ courier service. The bank has not opened or closed any offices during the evaluation period.
- Banking products and services are primarily designed for the healthcare industry. FPB has been flexible in the branch hours and courier services in response to their customers' needs. FPB offers an alternative deposit product for low- and moderate-income persons.
- The extent and responsiveness of the bank's community development services is excellent. FPB often acts in a leadership role in these activities.

Retail Banking Services

Refer to Table 13 in Appendix D for the facts and data used to evaluate the distribution of the bank's branch and branch openings and closings.

The bank's distribution of branches by income level of the community is adequate. In our analysis, we considered the bank's strategic focus, demand for their loan products, and mobile branch/ courier service.

As Table 13 indicates, the bank operates just four branches in the Los Angeles assessment area. The branches are strategically located close to significant health centers, where the majority of FPB clients are located. As discussed under the Lending Test and Assessment Area Credit Needs, the number of healthcare providers and demand for conventional financing is not as strong in the low- and moderate-income communities. The bank addresses these healthcare needs through community development loans.

In the Los Angeles area, the distribution of geographies for the mobile branch/ courier service is adequate. To provide service to their clients, FPB operates a fleet of vans that collect and deliver deposits to the bank's processing center. This is a licensed branch, serving clients in 224 geographies in the Los Angeles assessment area. The distribution of these geographies is 5% low-income, 17% moderate-income, 34% middle-income, and 44% upper-income.

Except for the mobile branch, the Los Angeles assessment area branches are full-service, offering a variety of loan and deposit products to their clientele. Mortgage loans and consumer credit are offered as an accommodation to existing clients and employees, and are not actively marketed. Business hours

at the branches are reasonable and two branches provide seven-day-per-week access to financial services. Four of the branches have ATMs onsite.

FPB offers a Lifeline Checking Account targeted to low- and moderate-income persons. This account offers reduced fees, low opening balance amounts, and no minimum balance requirement. The bank presently has 73 of these accounts totaling \$173 thousand.

Community Development Services

The extent and responsiveness of the bank's community development services is excellent. FPB often acts in a leadership role in these activities. Bank officers provide services in the form of financial expertise and technical assistance to a variety of community organizations.

FPB management is committed to delivering banking and financial services to organizations serving low- and moderate-income persons. During the evaluation period, management provided financial advice, training sessions on business planning, and assistance in grant proposal writing to numerous community development organizations. In addition, the CRA Officer and Senior Management have provided a valuable service by researching the types of state programs dedicated to assisting healthcare businesses in obtaining financing. They have become "resources" by informing organizations of funding availability and connecting them with state and nationwide programs.

Of the 68 employees at the Los Angeles branches, 23 are actively involved in CRA activities. These activities involve 24 community development organizations providing essential services (70%), affordable housing assistance (22%), and small business development (8%). Three of these community development activities are highlighted below.

- The bank's CRA Officer took a leadership role in the formation of a business advisory board for a local housing authority. The "Family Self Sufficiency Program" helps low-income, Section 8 families become independent of government assistance. The CRA Officer chairs meetings, advises, and provides financial expertise, leadership, and technical support for the program. He also assists in securing commitments of public and private resources for the program. In his role on the advisory board, the CRA Officer facilitated the establishment of a revolving loan fund and Lifeline Checking account programs. FPB has also replicated this program with two other housing authorities in the Los Angeles area, and these programs were the first of their kind in the communities.
- Bank officers participate on the Loan and Small Business Development Committees of a community development organization addressing affordable housing and small business needs of the community. Bank officers have held these positions since 1996. The Small Business Loan Development committee developed a \$250 thousand loan pool for micro small business loans. FPB officers assisted in developing underwriting procedures, application forms, loan documents, and marketing materials for the loan pool. Bank officers have also taught applicants about the loan application process and the basics of business loan underwriting.

- The CRA Officer works with a nonprofit organization that focuses on finding employment and teaching basic work-skills to homeless persons. This unique organization provides services in downtown Los Angeles, Hollywood, and Santa Monica. Bank officers serve as motivational speakers for the organization, and also provide mock interviews for participants to improve their job skills.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on the limited-scope reviews, performance in the Orange County MSA and the Ventura County MSA assessment areas is not inconsistent with the overall “High Satisfactory” performance under the Service Test. Although there are no branches located in these limited-scope assessment areas, customers residing in low- and moderate-income communities are adequately served by the bank’s mobile branch.

The branch distribution in the Riverside-San Bernardino MSA assessment area is stronger than the bank’s overall performance. This is based on the single branch location in a middle-income geography, and the mobile branch reaching low- and moderate- income geographies. Performance in the limited-scope areas did not materially affect the overall Investment Test rating.

Appendix A: Scope of Examination

The following table identifies the period covered in this evaluation, any affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received a comprehensive examination review (“Full-Scope”) and those that received a less comprehensive review (“Limited-Scope”).

Time Period Reviewed	Lending Test: 01/01/ 97 to 12/31/99 Investment Test: 12/19/97 to 7/10/00 Service Test: 12/19/97 to 7/10/00	
Financial institution		Products reviewed
First Professional Bank, N.A. Santa Monica, California		Small Business and Residential Loans, Investments
Affiliates	Affiliate relationship	Products reviewed
Professional Bancorp, Inc.	Single bank holding company	None.
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
California: Los Angeles-Long Beach MSA	Full-Scope	
Orange County MSA	Limited-Scope	
Riverside-San Bernardino County MSA	Limited-Scope	
Ventura County MSA	Limited-Scope	

Appendix B: Market Profiles for Full-Scope Areas

Market Profiles for Full-Scope Areas

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)	1,610	9.0	23.0	33.0	34.0	1.0
Population by Geography	8,517,852	9.0	28.0	34.0	29.0	0.0
Owner-Occupied Housing by Geography	1,359,240	3.0	15.0	34.0	48.0	0.0
Businesses by Geography	339,634	10.0	20.0	33.0	37.0	0.0
Farms by Geography	2,809	3.0	13.0	38.0	46.0	0.0
Family Distribution by Income Level	1,949,227	23.0	17.0	20.0	40.0	0.0
Distribution of Low- and Moderate-Income families throughout AA Geographies	784,988	16.0	38.0	32.0	14.0	0.0
Median Family Income	= \$39,035	Median Housing Value		= \$223,825		
HUD Adjusted Median Family Income for 1999	= \$51,300	Unemployment Rate (1998)		= 4.94%		
Households Below the Poverty Level	= 11.87%					

FPB's largest assessment area includes most of the Los Angeles-Long Beach MSA. The location of the bank's main office and most of the customer base is in this assessment area. The area provides the bank with 86% of its CRA loans, and 86% of its deposits. The bank is among the smaller institutions doing business in the MSA, with just 0.15% of the market share of deposits (1999), and 0.31% of the number of small business loans (1998). Competition is very strong with 255 institutions in the area competing for deposits and loans.

The Los Angeles MSA is a complex, highly diverse urban area that includes eighty cities and a number of unincorporated areas. The City of Los Angeles, with a 1997 estimated population of 3.7 million is the county's largest city and the second largest city in the country. There are over 80 separate languages and dialects spoken in the area presenting challenges for financial service providers in meeting the needs of large immigrant populations.

The MSA contains 1,652 geographies, with 1,610 geographies included in FPB's assessment area. Census data as of 1990 showed a median housing value of \$224 thousand, with only 46% of the housing units owner-occupied. The median family income for 1999 was just over \$51 thousand. The affordability index is 38%, which means that only 38% of households are able to afford the median housing price.

In the late eighties and early nineties, structural changes in the economy, natural disasters, and other events combined to undermine the area's general prosperity. Defense spending cuts caused substantial reductions in aerospace and defense manufacturing jobs; the motion picture production industry lost business opportunities as a result of concessions from other states and Canada; and a major civil disturbance in 1992 followed by the 1994 Northridge Earthquake further aggravated business and community problems. Despite federal and state assistance, many of the businesses destroyed during the disturbances and the earthquake never reopened. Thousands of area jobs were lost during this period. However, two of the strongest contributors to the area's economy, the Ports of Los Angeles and Long Beach remained viable during the economic decline. The ports are part of the largest publicly owned domestic port complex in the nation.

The Los Angeles economy has now rebounded and the rate of unemployment has declined. Los Angeles' largest industries are services, retail trade, finance, insurance, and real estate. Dunn and Bradstreet business demographic data for 1999 shows that 75% of the businesses and farms located within the MSA have annual revenues of less than \$1 million.

Refer to the "Assessment Area Credit Needs" section for information on our community contacts and credit needs identified within the assessment area.

Appendix C: Tables of Performance Data

Content of Standardized Tables

The tables cover the entire CRA evaluation period. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations; market rank is based on the number of loans made by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated by the bank as a percentage of the aggregate number of reportable loans originated by all lenders in the MSA/assessment area. The following is a listing and brief description of the tables included in each set:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated by the bank over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of HMDA Home Purchase Loan Originations** - Compares the percentage distribution of the number of loans originated by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of HMDA Home Improvement Loan Originations** - See Table 2.
- Table 4. Geographic Distribution of HMDA Refinance Loan Originations** - See Table 2.
- Table 5. Geographic Distribution of Small Business Loan Originations** - The percentage distribution of the number of small loans (< \$1 million) to businesses originated by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Farm Loan Originations** - The percentage distribution of the number of small loans (< \$500 thousand) to farms originated by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 7. Borrower Distribution of HMDA Home Purchase Loan Originations** - Compares the percentage distribution of the number of loans originated by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income

level in each MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.

Table 8. Borrower Distribution of HMDA Home Improvement Loan Originations - See Table 7.

Table 9. Borrower Distribution of HMDA Refinance Loan Originations - See Table 7.

Table 10. Borrower Distribution of Small Business Loan Originations - Compares the percentage distribution of the number of small loans (< \$1 million) originated by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. The table also presents the percentage distribution of the number of loans originated by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

Table 11. Borrower Distribution of Small Farm Loan Originations - Compares the percentage distribution of the number of small loans (< \$500 thousand) originated by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. The table also presents the percentage distribution of the number of loans originated by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

Table 12. Qualified Investments - Presents the number and dollar amount of qualified Investments made by the bank in each MSA/assessment area.

Table 13. Distribution of Branch and ATM Delivery System - Compares the percentage distribution of the number of the bank's retail branches and ATMs in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography.

Table 1. Lending Volume

LENDING VOLUME												
Evaluation Period 01/01/1997 TO 12/31/1999												
MSA/Assessment Area	% of Rating Area Deposits in AA *	Home Mortgage		Small Business		Small Farm		Community Development		Total Reported Loans		% of Rating Area Loans in AA (% of #)
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full-Scope:												
Los Angeles-Long Beach MSA	88.59	30	4,564	873	145,748	0	0	5	21,423	903	171,735	86.41
Limited-Scope:												
Orange County MSA	0.00	1	250	61	15,756	0	0	0	0	62	16,006	5.90
Riverside-San Bernardino County MSA	0.00	1	100	52	12,957	0	0	0	1,500	53	14,557	5.07
Ventura County MSA	0.00	1	7	26	5,137	0	0	0	0	27	5,144	2.58

* Deposit Data as of June 30, 1999

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Evaluation Period 01/01/1997 TO 12/31/1999													
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*				Total Home Purchase Loans % of Total**	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid		Upp
Full-Scope:															
Los Angeles-Long Beach MSA	2	0	15	0	34	0	48	0	0	0.0	0.0	0.0	0.0	0	0
Limited-Scope:															
Orange County MSA	1	0	17	0	45	0	37	0	0	0.0	0.0	0.0	0.0	0	0
Riverside-San Bernardino County MSA	1	0	10	0	49	0	40	0	0	0.0	0.0	0.0	0.0	0	0
Ventura County MSA	1	0	20	0	47	0	32	0	0	0.0	0.0	0.0	0.0	0	0

* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.
 ** Home purchase loans within an MSA/AA as a % of all home purchase loans in the rating area.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Evaluation Period 01/01/1997 TO 12/31/1999																		
		Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography				Total Home Improvement Loans					
		% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**			
Full-Scope:																				
Los Angeles-Long Beach MSA		2	0	15	0	34	12	48	88	111	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25	93
Limited-Scope:																				
Orange County MSA		1	0	17	0	45	100	37	0	189	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1	4
Riverside-San Bernardino County MSA		1	0	10	0	49	0	40	100	155	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1	4
Ventura County MSA		1	0	20	0	47	0	32	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0

* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.
 ** Home improvement loans within an MSA/AA as a % of all home improvement loans in the rating area.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Evaluation Period 01/01/1997 TO 12/31/1999														
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography				Total Home Mortgage Refinance Loans		
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mld	Upp	#	% of Total**
Full-Scope:																
Los Angeles-Long Beach MSA	2	0	15	20	34	20	48	60	533	0.0	0.0	0.0	0.0	0.0	5	100
Limited-Scope:																
Orange County MSA	1	0	17	0	45	0	37	0	0	0.0	0.0	0.0	0.0	0	0	0
Riverside-San Bernardino County MSA	1	0	10	0	49	0	40	0	0	0.0	0.0	0.0	0.0	0	0	0
Ventura County MSA	1	0	20	0	47	0	32	0	0	0.0	0.0	0.0	0.0	0	0	0

* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

** Refinance loans within an MSA/AA as a % of all refinance loans in the rating area.

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL BUSINESS																
Evaluation Period 01/01/1997 TO 12/31/1999																
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*				Total Small Business Loans % of Total**		
	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans		Overall	Low	Mod	Mid		Upp	
Full-Scope:																
Los Angeles-Long Beach MSA	10	2	20	11	33	26	37	60	33	0.3	0.1	0.2	0.3	0.4	874	86
Limited-Scope:																
Orange County MSA	4	0	28	15	39	44	24	38	48	0.1	0.0	0.0	0.1	0.1	61	6
Riverside-San Bernardino County MSA	3	0	22	25	48	37	26	38	46	0.1	0.0	0.1	0.0	0.2	52	5
Ventura County MSA	4	4	30	4	45	42	21	50	28	0.1	0.0	0.0	0.1	0.3	26	3

* Based on 1998 Aggregate Small Business Data only. Market rank is for all income categories combined.

** Small Business loans within an MSA/AA as a % of all Small Business loans in the rating area.

Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL FARM		Evaluation Period 01/01/1997 TO 12/31/1999															
		Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*				Total Loans Small Farm Loans		
		% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																	
Los Angeles-Long Beach MSA		3	0	13	0	38	0	46	0	229	0.0	0.0	0.0	0.0	0.0	0	0
Limited-Scope:																	
Orange County MSA		3	0	23	0	44	0	29	0	123	0.0	0.0	0.0	0.0	0.0	0	0
Riverside-San Bernardino County MSA		1	0	13	0	43	0	43	0	118	0.0	0.0	0.0	0.0	0.0	0	0
Ventura County MSA		1	0	38	0	45	0	16	0	59	0.0	0.0	0.0	0.0	0.0	0	0

* Based on 1998 Aggregate Small Business Data only. Market rank is for all income categories combined.

** Small Farm loans within an MSA/AA as a % of all Small Farm loans in the rating area.

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HMDA HOME PURCHASE		Evaluation Period 01/01/1997 TO 12/31/1999														
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share by Borrower Income*				Total Home Purchase Loans		
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mld	Upp	#	% of Total
Full-Scope:																
Los Angeles-Long Beach MSA	23	0	17	0	19	0	40	0	0	0.0	0.0	0.0	0.0	0	0	0
Limited-Scope:																
Orange County MSA	19	0	19	0	24	0	39	0	0	0.0	0.0	0.0	0.0	0	0	0
Riverside-San Bernardino County MSA	19	0	16	0	23	0	43	0	0	0.0	0.0	0.0	0.0	0	0	0
Ventura County MSA	18	0	19	0	25	0	38	0	0	0.0	0.0	0.0	0.0	0	0	0

* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available.

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Evaluation Period 01/01/1997 TO 12/31/1999															
		Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share By Borrower Income*				Total Home Improvement Loans		
		% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mld	Upp	#	% of Total
Full-Scope:		23	0	17	0	19	0	40	100	111	0.0	0.0	0.0	0.0	0.1	25	93
Limited-Scope:																	
Orange County MSA		19	0	19	0	24	0	39	100	189	0.0	0.0	0.0	0.0	0.0	1	4
Riverside-San Bernardino County MSA		19	0	16	0	23	0	43	100	155	0.0	0.0	0.0	0.0	0.0	1	4
Ventura County MSA		18	0	19	0	25	0	38	0	0	0.0	0.0	0.0	0.0	0.0	0	0

* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available.

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Evaluation Period 01/01/1997 TO 12/31/1999														
MSA/Assessment Area	Low Income Families		Moderate Income Families		Middle Income Families		Upper Income Families		Overall Market Rank*	Market Share by Borrower Income*				Total Loans		
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mld	Upp	#	% of Total
Full-Scope:																
Los Angeles-Long Beach MSA	23	0	17	0	19	0	40	100	533	0.0	0.0	0.0	0.0	0.0	5	100
Limited-Scope:																
Orange County MSA	19	0	19	0	24	0	39	0	0	0.0	0.0	0.0	0.0	0.0	0	0
Riverside-San Bernardino County MSA	19	0	16	0	23	0	43	0	0	0.0	0.0	0.0	0.0	0.0	0	0
Ventura County MSA	18	0	19	0	25	0	38	0	0	0.0	0.0	0.0	0.0	0.0	0	0

* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available.

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL BUSINESS		Evaluation Period 01/01/1997 TO 12/31/1999									
MSA/Assessment Area	Businesses With Revenues of \$1 million or less			% Distribution of Loans by Original Amount of Business Size		Market Share*		Total Small Business Loans			
	% Business**	% Bank Loans***	% Market Loans*	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$ 1 Million or Less	#	% of Total	
Full-Scope:											
Los Angeles-Long Beach MSA	74	58	47	62	89	81	0.3	0.4	873	86	
Limited-Scope:											
Orange County MSA	73	35	46	45	19	35	0.1	0.0	61	6	
Riverside-San Bernardino County MSA	72	34	48	46	19	35	0.1	0.1	52	5	
Ventura County MSA	75	52	50	65	19	15	0.1	0.1	26	3	

* The market consists of all other Small Business reporters in Bank's assessment area and is based on 1998 Aggregate Small Business Data only

** Businesses with revenues of \$1 million or less as a percentage of all businesses.

*** Loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No revenue information was available for 3% of small loans to businesses reported by the Bank.

Table 1. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL FARM		Evaluation Period 01/01/1997 TO 12/31/1999									
MSA/Assessment Area	% Farms**	Businesses With Revenues of \$ 1million or less		% Distribution Loans by Original Amount Regardless of Farm Size		Market Share*		Total Small Farm Loans			
		% Bank Loans***	% Market Loans*	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All		Rev \$ 1 Million or Less	#	% of Total
Full-Scope:											
Los Angeles-Long Beach MSA	91	0	67	0	0	0	0.0	0.0	0	0	0
Limited-Scope:											
Orange County MSA	87	0	77	0	0	0	0.0	0.0	0	0	0
Riverside-San Bernardino County MSA	85	0	38	0	0	0	0.0	0.0	0	0	0
Ventura County MSA	81	0	23	0	0	0	0.0	0.0	0	0	0

* The market consists of all other Small Farm reporters in Bank's assessment area and is based on 1998 Aggregate Small Business Data only

** As a Percentage of Farms with known revenues.

*** As a percentage of loans with borrower income information available.

Table 12. Qualified Investments

QUALIFIED INVESTMENTS		Evaluation Period 12/19/1997 TO 7/10/2000									
MSA/Assessment Area	Prior Period Investments*		Current Period Investments		Total Investment			Unfunded Commitments**			
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)		
Full-Scope:											
Los Angeles-Long Beach MSA	1	40	50	1,082	51	1,122	53.38	0	0		
Limited-Scope:											
Orange County MSA	0	0	1	669	1	669	31.82	0	0		
Riverside-San Bernardino County MSA	0	0	1	311	1	311	14.80	0	0		
Ventura County MSA	0	0	0	0	0	0	0.00	0	0		

* 'Prior Period Investments' means investments made in a previous evaluation period that remain outstanding as of the examination date.

** "Unfunded Commitments" means legally binding commitments reported on Report of Condition Schedule L-"Off-Balance Sheet Items".

Table 13. Distribution of Branch and ATM Delivery System

DISTRIBUTION OF BRANCH DELIVERY SYSTEM																
Evaluation Period: 12/19/1997 TO 7/10/2000																
MSA/Assessment Area	Deposits		Branches				Branch Openings/Closings				Population					
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)			# of Branch Closings	# of Branch Openings	Net gain(+) / loss(-) of branches due to openings/closings			% of the Population with Each Geography*				
				Low (%)	Mod (%)	Mid (%)			Upp (%)	Low	Mod	Upp	Low	Mod	Upp	
Los Angeles-Long Beach MSA	88.59	4	0.00	0.00	0.00	50.00	50.00	0	0	0.00	0.00	0.00	9.36	27.72	33.41	29.31
Limited-Scope:																
Orange County MSA	0.00	0	0.00	0.00	0.00	0.00	0.00	0	0	0.00	0.00	0.00	3.61	26.73	42.01	27.64
Riverside-San Bernardino County MSA	0.00	1	0.00	100.00	0.00	0.00	0.00	0	0	0.00	0.00	0.00	2.39	15.71	48.57	32.57
Ventura County MSA	0.00	0	0.00	0.00	0.00	0.00	0.00	0	0	0.00	0.00	0.00	2.70	29.10	43.98	24.22

* The percentage of the population in the MSA/AA that resides in these geographies.