



**CRA Public File**



## CRA Public File

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# CRA Public File

## Public Comments

12 CFR 25.43(a)(1); 12 CFR 228.43(a)(1); 12 CFR 345.43(a)(1); 12 CFR 195.43(a)(1)

All written comments received from the public for the current year and each of the prior two calendar years related to the institution’s performance in helping to meet community credit needs and any response to the institution’s comments are included below.

2021-2023: None

## Branch & Office Locations

12 CFR 25.43(a)(3); 12 CFR 228.43(a)(3); 12 CFR 345.43(a)(3); 12 CFR 195.43(a)(3)

A list of the institution’s branches, street addresses, and geographies.

### Headquarters Branch

41391 Kalmia Street, Suite 100  
Murrieta, CA 02562

MSA Code: 40140  
State Code: 06  
County Code: 065  
Tract Code: 0506.00  
Tract Income: Upper

## Branch Openings and Closures

12 CFR 25.43(a)(4); 12 CFR 228.43(a)(4); 12 CFR 345.43(a)(4); 12 CFR 195.43(a)(4)

A list of branches opened or closed by the bank during the current year and each of the prior two calendar years, their street addresses, and geographies.

OPENED	CLOSED
<b>June 10, 2022</b> Headquarters Branch 41391 Kalmia Street, Suite 100 Murrieta, CA 02562	None



# CRA Public File

## Offerings

12 CFR 25.43(a)(5); 12 CFR 228.43(a)(5); 12 CFR 345.43(a)(5); 12 CFR 195.43(a)(5)

A list of services (including hours of operation, available loan and deposit products, and transaction fees) generally offered at the branches and descriptions of material differences in the availability or cost of services at particular branches, if any.

Headquarters Branch Hours: Monday-Friday, 9 AM to 5 PM

<b>CONSUMER BANKING</b>	
<b>DEPOSITORY PRODUCTS</b>	<b>LOANS AND CREDIT PRODUCTS</b>
Checking Accounts	Consumer Installment Loans
Interest Checking Accounts	Auto Loans
Savings Accounts	
Money Market Accounts	
Certificate of Deposits	
Gold Checking (50+)	
Foundation Checking	
Individual Retirement Accounts	

<b>COMMERCIAL BANKING</b>	
<b>DEPOSITORY PRODUCTS</b>	<b>LOANS AND CREDIT PRODUCTS</b>
Checking Accounts	Commercial Term Loans
Interest Checking Accounts	Commercial Revolving Lines
Savings Accounts	SBA Commercial Loans
Money Market Accounts	SBA Real Estate- Owner Occupied
Certificate of Deposits	Agricultural Product & Other Farming Loans
	State Gtd. Commercial Loans
	State Gtd. Real Estate- Owner Occupied
	Construction Loans
	Farmland Loans
	Letter of Credit
	Credit Cards

<b>CONVENIENCE BANKING SERVICES</b>	
ACH Origination	Mobile Banking
ATM Services	Night Depository
Bill Payment	Online Banking
Cashier's Checks	Positive Pay
Debit Cards	Remote Deposit Capture
Electronic Statements	Wire Transfers



## CRA Public File

### CRA Performance Evaluation

*12 CFR 25.43(a)(2); 12 CFR 228.43(a)(2); 12 CFR 345.43(a)(2); 12 CFR 195.43(a)(2)*

A copy of the public section of the bank's most recent CRA performance evaluation must be placed in the public file within 30 business days after its receipt.

Status: None

### CRA Strategic Plan

*12 CFR 25.43(b)(4); 12 CFR 228.43(b)(4); 12 CFR 345.43(b)(4); 12 CFR 195.43(b)(4)*

This requirement is for banks that have been approved to be assessed under a strategic plan; the public file must also contain a copy of the Plan. The Bank does not need to include information submitted on a confidential basis in conjunction with the Plan.

Not Applicable

### HMDA Disclosure Statement

*12 CFR 25.43(b)(2); 12 CFR 228.43(b)(2); 12 CFR 345.43(b)(2); 12 CFR 195.43(b)(2)*

*Not applicable; the bank is not a HMDA reporter.*

2021 - 2022	None
2023	None



## CRA Public File

### Area Assessment Maps and Income Demographics

12 CFR 25.43(a)(6); 12 CFR 228.43(a)(6); 12 CFR 345.43(a)(6); 12 CFR 195.43(a)(6)

A map of each assessment area showing the area's boundaries to identify the geographies within the assessment area, either on the map or in a separate list

See Appendix A for

- Bank financial ratios
- Geocode summary census demographic information
- Bank assessment area
- GeoDataVision census information



## Appendix A

### Loan-to-Deposit Ratios

12 CFR 25.43(b)(3); 12 CFR 228.43(b)(3); 12 CFR 345.43(b)(3); 12 CFR 195.43(b)(3)

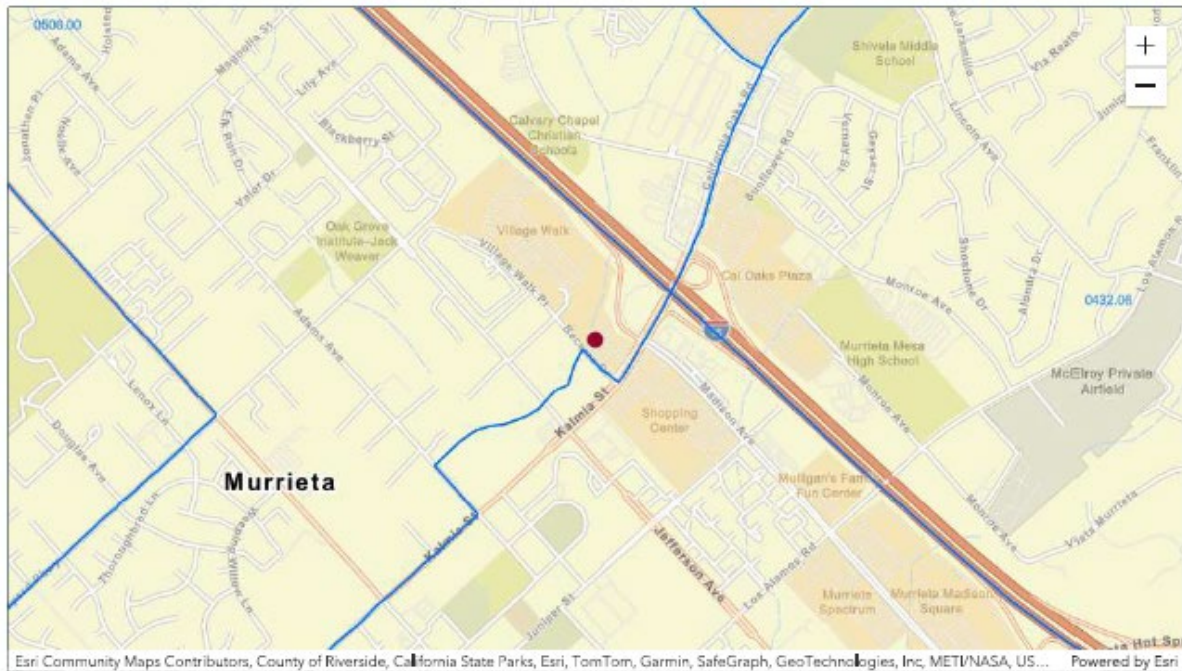
For Small Banks, the loan-to-deposit ratio for each quarter of the prior calendar year and, at its option, additional data on its loan-to-deposit ratio.

2022 1 <sup>st</sup> Quarter	Not applicable, Bank opened June 10, 2022
2022 2nd Quarter	0%
2022 3rd Quarter	78.83%
2022 4th Quarter	176.4%
2023 1 <sup>st</sup> Quarter	52.1%
2023 2 <sup>nd</sup> Quarter	51.3%
2023 3 <sup>rd</sup> Quarter	64.2%
2023 4 <sup>th</sup> Quarter	76.6%

Data Source: Net Loans and Leases to Deposits from [FDIC's BankFind Suite](#), accessed February \_\_ 2024

## Geocode summary census demographic information

FFIEC FFIEC Geocoding/Mapping System -- 2023



● Matched Address: 41391 Kalima St, Murrieta, California, 92562  
 MSA: 40140 • RIVERSIDE-SAN BERNARDINO-ONTARIO, CA || State: 06 • CALIFORNIA || County: 065 • RIVERSIDE COUNTY || Tract Code: 0506,00

● Selected Tract  
 MSA: || State: || County: || Tract Code:





# CRA Public File

## FFIEC 2023 FFIEC Geocode Census Report

Matched Address: 41391 Kalmia St, Murrieta, California, 92502  
 MSA: 40140 - RIVERSIDE-SAN BERNARDINO-ONTARIO, CA  
 State: 06 - CALIFORNIA  
 County: 065 - RIVERSIDE COUNTY  
 Tract Code: 0506.00

### Summary Census Demographic Information

Tract Income Level	Upper
Underserved or Distressed Tract	No
2023 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$94,500
2023 Estimated Tract Median Family Income	\$138,745
2020 Tract Median Family Income	\$112,596
Tract Median Family Income %	146.82
Tract Population	7869
Tract Minority %	46.80
Tract Minority Population	3683
Owner-Occupied Units	1661
1- to 4- Family Units	1886

### Census Income Information

Tract Income Level	Upper
2020 MSA/MD/statewide non-MSA/MD Median Family Income	\$76,686
2023 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$94,500
% below Poverty Line	7.73
Tract Median Family Income %	146.82
2020 Tract Median Family Income	\$112,596
2023 Estimated Tract Median Family Income	\$138,745
2020 Tract Median Household Income	\$94,659

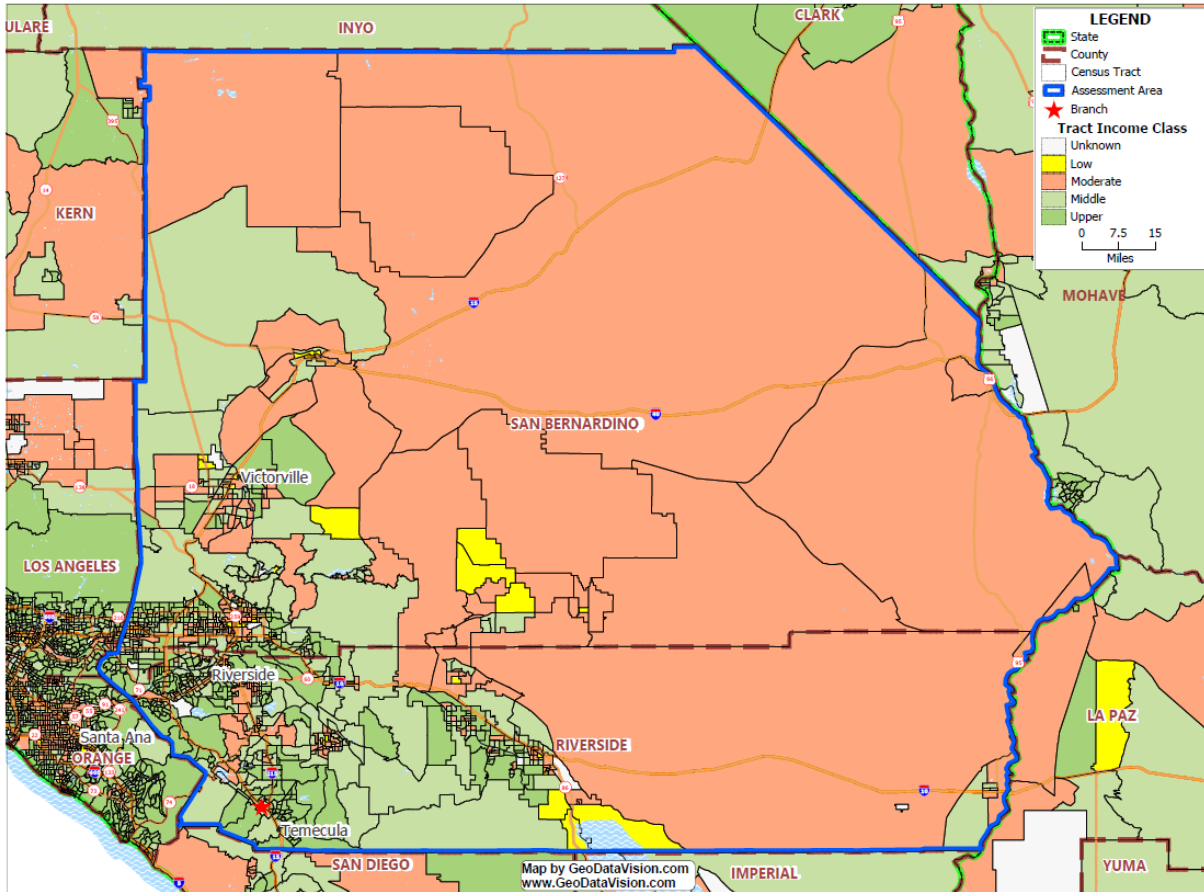
### Census Population Information

Tract Population	7869
Tract Minority %	46.80
Number of Families	1699
Number of Households	2230
Non-Hispanic White Population	4186
Tract Minority Population	3683
American Indian Population	30
Asian/Hawaiian/Pacific Islander Population	535
Black Population	378
Hispanic Population	2227
Other/Two or More Races Population	513

### Census Housing Information

Total Housing Units	2330
1- to 4- Family Units	1886
Median House Age (Years)	20
Owner-Occupied Units	1661
Renter Occupied Units	569
Owner Occupied 1- to 4- Family Units	1636
Inside Principal City?	NO
Vacant Units	100

## LEGACY BANK- ASSESSMENT AREA 2024



Riverside-San Bernardino-Ontario, CA MSA (40140)



## CRA Public File

# **PUBLIC DISCLOSURE**

April 15, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Legacy Bank  
Certificate Number: 59204

41391 Kalmia St  
Murrieta, California 92562

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
San Francisco Regional Office

25 Jessie Street at Ecker Square, Suite 2300  
San Francisco, California 94105

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

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## INSTITUTION RATING

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The following points summarize the bank's Lending Test performance.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's asset size, financial condition, and assessment area credit needs.
- The institution originated and purchased a majority of its small business loans within the assessment area.
- The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration of loans among businesses of different revenue sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

## DESCRIPTION OF INSTITUTION

Legacy Bank (LB) is a single branch, state chartered, minority-owned depository institution located in Murrieta, California. LB is a new bank that opened for business as of June 10, 2022. This is the institution’s first CRA Performance Evaluation. The institution’s single location is in a middle-income census tract. LB is wholly owned by Legacy Bancorp, single-bank holding company owned by the Soboba Band of Luiseno Indian Tribe (Soboba). Additional LB affiliates include the Soboba Band of Luiseno Indians, the Soboba Economic Development Corporation, and Soboba Foundation. Examiner’s evaluated the bank’s CRA performance under the Interagency Small Institution Examination Procedures.

LB’s primary business focus is providing commercial lending and depository services to small and medium-sized businesses. Commercial loan products include secured loans, equipment financing, lines of credit, letters of credit, owner-occupied and investor real estate loans, Small Business Administration (SBA) loans, and credit cards. LB also has a Tribal Lending Division that offers tailored financial solutions for tribes and tribal members that includes Bureau of Indian Affairs and HUD 184 Lender Programs. The bank also offers a variety of deposit products for both business and consumer customers, including money market, checking, savings, and certificate of deposit accounts. Alternative retail banking services include online banking with bill payment, mobile banking, and P2P transfers. LB also operates two full-service ATMs, one of which is located on the Soboba Reservation. LB’s hours of operation and availability of products and services are designed to meet the convenience and needs of the institution’s customer base.

According to the December 31, 2023 Report of Condition and Income (Call Report), LB had total assets of \$62.2 million, total loans of \$34.9 million, total deposits of \$45.6 million, and total equity capital of \$14.9 million. The following table shows LB’s loan portfolio composition as of December 31, 2023.

<b>Loan Portfolio Distribution as of 12/31/2023</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	602	1.7
Secured by Farmland	94	0.3
Secured by 1-4 Family Residential Properties	0	0
Secured by Multifamily (5 or more) Residential Properties	2,277	6.5
Secured by Nonfarm Nonresidential Properties	20,852	59.8
<b>Total Real Estate Loans</b>	<b>23,825</b>	<b>68.3</b>
Commercial and Industrial Loans	9,567	27.4
Agricultural Production and Other Loans to Farmers	1,362	3.9
Consumer Loans	150	0.4
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>34,904</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the institution’s ability to meet assessment area credit needs.

## DESCRIPTION OF ASSESSMENT AREA

The bank’s assessment area consists of the entirety of Riverside and San Bernardino Counties that together make up the Riverside-San Bernardino-Ontario Metropolitan Statistical Area (MSA) #40140.

### Economic and Demographic Data

According to the 2020 U.S. Census, the assessment area consists of 48 low-, 282 moderate-, 362 middle-, 279 upper-income census tracts, and 13 census tracts with no income designation. The following table contains relevant assessment area demographic information.

<b>Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Riverside-San Bernardino MSA</b>						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	984	4.9	28.7	36.8	28.4	1.3
Population by Geography	4,599,839	4.0	27.3	37.4	30.4	1.0
Housing Units by Geography	1,566,442	4.2	27.3	37.8	29.9	0.7
Owner-Occupied Units by Geography	882,033	2.2	21.4	38.3	37.4	0.6
Occupied Rental Units by Geography	494,470	7.5	37.1	37.1	17.7	0.7
Vacant Units by Geography	189,939	4.7	29.4	37.4	26.9	1.6
Businesses by Geography	422,087	2.8	23.2	37.2	36.0	0.7
Farms by Geography	8,252	3.1	21.1	39.9	35.3	0.6
Family Distribution by Income Level	1,029,309	21.8	17.5	19.3	41.4	0.0
Household Distribution by Income Level	1,376,503	24.3	15.8	17.9	42.0	0.0
Median Family Income MSA - 40140 Riverside-San Bernardino-Ontario, CA MSA		\$76,686	Median Housing Value			\$355,170
			Median Gross Rent			\$1,427
			Families Below Poverty Level			10.5%
<i>Source: 2020 U.S. Census and 2023 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

### Riverside and San Bernardino Counties

According to the March 2024 Moody’s Analytics Report and 2020 U.S. Census Data, economic activity in Riverside and San Bernardino Counties is doing well. Job growth is demonstrating modest net gains. Overall unemployment increased from 4.1 percent in 2022 to 4.6 percent in 2023. This was due to moderate labor force gains. While the area has experienced employment reduction



in the transportation and warehousing sectors, there has been steady job growth in the healthcare, government, and construction sectors. Increased military defense spending has also positively assisted the region.

The area has seen above-average population growth. Further, the area has experienced positive net migration with most people coming from Los Angeles and Orange Counties. Elevated inflation and housing prices continue to be a concern for the area, especially due to the lack of higher paying jobs to advance economic growth. Area strengths include comparative advantage in transportation, distribution, and warehousing, lower business and housing costs than other nearby areas, a young population, and positive net migrations. Area weaknesses include lack of a vibrant central downtown core, lack of high-wage industries, and low educational achievement. Area employment is concentrated in education and health services, government, and transportation/utilities. The area's top employers are Stater Brothers Markets, Arrowhead Regional Medical Center, and U.S. Marine Corps. Air Ground Combat Center.

### **Competition**

LB operates in a highly competitive market with a significant number of institutions in the market area, many of whom are much larger than LB. According to the June 20, 2023 FDIC Deposit Market Share Report, there are 38 other financial institutions operating 467 offices in LB's assessment area with total deposits of \$76.6 billion. LB's deposit market share is 0.04 percent and ranks 33rd in the assessment area. The institution is only one of four operating in the area that has all locations within the Riverside-San Bernardino-Ontario MSA. The top five institutions control approximately 77.8 percent of the deposit market share with a combined \$59.7 billion in total deposits.

### **Community Contacts**

Examiners conducted a community contact interview with a representative from a new local nonprofit affordable housing organization serving the bank's assessment area. The organization supports the assessment area by providing safe and affordable housing alternatives through advocacy and education. The profile of those serviced include immigrants, seniors, foster youth, veterans, and other persons. The organization also supports the Bank On initiative, attempting to close the gap between the banked and unbanked communities by partnering with financial institutions to offer products and services to serve the unbanked and underbanked communities served. The contact stated that while nearly 200,000 Bank On products are open in the assessment area approximately 20 percent of the population remains unbanked or underbanked. Some of the unbanked communities' impediments in establishing a banking relationship includes relatability with banks, lack of sufficient credit history to obtain lending products, or derogatory remarks prohibiting access to deposit accounts.

### **Credit Needs**

Considering area demographics, economic data, and discussions with institution management and a community contact, examiners determined that affordable housing and small business credit are the primary area credit needs. Although affordable housing represents a community need, opportunities

are limited based on a low inventory of available housing as well as deteriorating affordability. Business demographics support the need for small business loans with 66.4 percent of business employing between 1 and 4 people and 89.3 percent of businesses with revenues of less than \$500,000.

## **SCOPE OF EVALUATION**

### **General Information**

Examiners used the Interagency Small Institution Examination Procedures to evaluate LB’s CRA performance. This evaluation covers the period from when the bank opened for business on June 10, 2022 to the current evaluation date of April 15, 2024.

### **Activities Reviewed**

Examiners determined that the institution’s major product line is small business loans. This conclusion is supported by LB’s business strategy as well as by the number and dollar volume of loans originated during the review period. LB is not a HMDA reporter originating only one multifamily residential mortgage loan for \$2.3 million during the review period. In addition, LB originated one small farm loan totaling \$100,000 during the review period. Examiner’s relied upon an electronic data download to determine loan products as well as the number and dollar volume of loans reviewed.

Examiners reviewed the universe of all small business loans originated or purchased in 2022 and 2023. During 2022 and 2023, LB originated and/or purchased 19 small business loans totaling \$12.2 million. The following table shows the number and dollar volume of small business loans by year.

<b>Loan Products Reviewed</b>				
<b>Loan Category</b>	<b>Universe</b>		<b>Reviewed</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Small Business				
2022	5	2,260	5	2,260
2023	14	10,043	14	10,043
<b>Total</b>	<b>19</b>	<b>12,303</b>	<b>19</b>	<b>12,303</b>
<i>Source: Bank Data</i>				

Examiners compared the universe of small business loans to 2022 and 2023 D&B data for borrower profile and geographic distribution of loans in the institution’s assessment area. The D&B data is based on geographic location using the 2020 U.S. Census data boundaries for the total businesses in the assessment area and the reported gross annual revenues (GAR) of those businesses.

Examiners reviewed both the number and dollar volume of small business loans. While the number and dollar volume are presented, examiners emphasized the number of loans, as it is a stronger indicator of the number of businesses served.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

LB demonstrated reasonable performance under the Lending Test. The Lending Test performance is supported by the LTD ratio, assessment area concentration, geographic distribution, and borrower profile.

#### Loan-to-Deposit Ratio

LB's LTD ratio is reasonable given the institution's asset size, financial condition, and assessment area credit needs. The bank's LTD ratio averaged 70.6 percent calculated from Call Report data over the past seven calendar quarters from June 30, 2022 to December 31, 2023. The ratio ranged from a low of 0.0 percent as of June 30, 2022 to a high of 174.1 percent as of December 31, 2022. The elevated fluctuation is attributed to the bank's opening of its first branch in June of 2022 and the need to borrow funds to support initial lending.

Examiners identified two similarly-situated institutions operating within the assessment area with a substantially similar lending focus. The following table shows LB's average net LTD ratio compared to the two similarly situated institutions.

<b>Loan-to-Deposit (LTD) Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 12/31/2023 (\$000s)</b>	<b>Average Net LTD Ratio (%)</b>
<b>Legacy Bank</b>	<b>62,155</b>	<b>70.59</b>
Similarly-Situated Institution #1	446,831	50.65
Similarly-Situated Institution #2	36,054	77.85
<i>Source: Reports of Condition and Income 06/30/2022 – 12/31/2023</i>		

LB maintained a net LTD ratio within the ratios of the identified similarly-situated institutions. The bank's deposit and loan growth have steadily increased over the previous four quarters resulting in an average net LTD ratio of 60.3 percent during that time.

#### Assessment Area Concentration

LB made a majority of its small business loans within its assessment area by both number and dollar volume. The following table shows the lending performance during the evaluation period.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business										
2022	4	80.0	1	20.0	5	1,439,800	63.7	820,000	36.3	2,259,800
2023	8	57.1	6	42.9	14	5,775,000	57.5	4,268,200	42.5	10,043,200
<b>Subtotal</b>	<b>12</b>	<b>63.2</b>	<b>7</b>	<b>36.8</b>	<b>19</b>	<b>7,214,800</b>	<b>58.6</b>	<b>5,088,200</b>	<b>41.4</b>	<b>12,303,000</b>
<b>Total</b>	<b>12</b>	<b>63.2</b>	<b>7</b>	<b>36.8</b>	<b>19</b>	<b>7,214,800</b>	<b>58.6</b>	<b>5,088,200</b>	<b>41.4</b>	<b>12,303,000</b>
<i>Source: Bank Data; Due to rounding, totals may not equal 100.0%; Dollar amounts for Small Business, Small Farm and Consumer loans are multiplied by 1000.</i>										

The decrease in 2023 lending inside the assessment area is reflective of the bank's status as a new institution competing with already established institutions serving the assessment area.

### **Geographic Distribution**

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. The following table illustrates the bank's geographic distribution for 2022 and 2023 small business loans within the assessment area compared to D&B data.

<b>Geographic Distribution of Small Business Loans</b>					
<b>Assessment Area: Riverside-San Bernardino MSA</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>					
2022	2.8	1	25.0	19,800	1.4
2023	2.8	0	0.0	0	0.0
<b>Moderate</b>					
2022	23.3	0	0.0	0	0.0
2023	23.2	3	37.5	1,920,000	33.2
<b>Middle</b>					
2022	37.1	2	50.0	720,000	50.0
2023	37.2	3	37.5	2,155,000	37.3
<b>Upper</b>					
2022	36.1	1	25.0	700,000	48.6
2023	36.0	2	25.0	1,700,000	29.4
<b>Not Available</b>					
2022	0.7	0	0.0	0	0.0
2023	0.7	0	0.0	0	0.0
<b>Totals</b>					
<b>2022</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>	<b>1,439,800</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>5,775,000</b>	<b>100.0</b>
<i>Source: 2022 &amp; 2023 D&amp;B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

LB's lending in low-income census tracts is approximately 22.0 percentage points higher than the percentage of businesses; however, this percentage is made up of only one loan. Further, the bank did not originate any loans in moderate-income census tracts in 2022. LB was only in business for approximately six months in 2022, of which the first three months were largely focused on establishing operations and bringing in deposits. In 2023, the bank did not originate any loans in low-income census tracts; however, lending exceeded the percentage of businesses in moderate-income census tracts by 14.3 percentage points. Further, the number of loans originated in moderate-income tracts supported the higher percentage. Overall, LB's geographic distribution of small business loans is reasonable considering its limited time in business.

### **Borrower Profile**

The distribution of borrowers reflects, given the assessment area demographics, reasonable penetration among businesses of different revenue sizes. The following table illustrates the bank's 2022 and 2023 small business loans by GAR.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Assessment Area: Riverside-San Bernardino MSA</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>					
2022	90.3	0	0.0	0	0.0
2023	91.3	4	50.0	2,545,000	44.1
<b>&gt;\$1,000,000</b>					
2022	3.0	4	100.0	1,439,800	100.0
2023	2.7	4	50.0	3,230,000	55.9
<b>Revenue Not Available</b>					
2022	6.6	0	0.0	0	0.0
2023	6.0	0	0.0	0	0.0
<b>Totals</b>					
<b>2022</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>	<b>1,439,800</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>5,775,000</b>	<b>100.0</b>
<i>Source: 2022 &amp; 2023 D&amp;B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

In 2022, the bank did not make any loans to businesses with gross annual revenues of less than a million. This is largely attributed to the bank’s limited operations in 2022. With the bank opening in June 2022, it took a few months to establish operations and be able to start boarding loans; however, in 2023 the bank significantly improved its lending to businesses with GARs of one million or less. While the percentage is 41.3 percent below D&B, it is considered reasonable based on the bank’s new status in the community.

**Response to Complaints**

The bank did not receive any CRA-related complaints; therefore, this criterion did not affect the CRA Rating.

**DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

The bank’s compliance with laws relating to discrimination and other illegal credit practices was reviewed, including the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

## APPENDICES

### SMALL BANK PERFORMANCE CRITERIA

#### **Lending Test**

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**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.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**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. Other family 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).



**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, 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 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 (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities 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 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 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area (also known as non-MSA):** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**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.

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

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

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

**Small Farm Loan:** 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

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

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.