



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

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Community Reinvestment Act Performance Evaluation

**Pacific Western National Bank
Charter Number: 17423**

**120 Wilshire Boulevard
Santa Monica, California 90401**

Office of the Comptroller of the Currency

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

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Overall CRA Rating

Institution’s CRA Rating: This institution is rated “**Satisfactory**”.

The following table indicates the performance level of **Pacific Western National Bank** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Pacific Western National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory			
Low Satisfactory	X		X
Needs to Improve			
Substantial Noncompliance			

* 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:

- The bank’s level of originated loans is adequate. The bank originated an excellent level of community development loans that had a positive impact on the Lending Test rating.
- The geographic distribution of loans to small businesses is poor. However, this is mitigated by the volume of community development loans which had a positive impact on lending activity. The distribution of small loans to businesses of different sizes is adequate.
- The bank has an excellent volume of qualified investments.
- The bank’s distribution of branches by income level in the Los Angeles-Long Beach MA, the assessment area given the most weight, is poor. The bank’s distribution of branches in the Riverside-San Bernardino MA is good. The extent and responsiveness of the bank’s community development services is excellent and had a positive impact on the Service Test rating.

Definitions and Common Abbreviations

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

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

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

Block Numbering Area (BNA): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also

include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male household and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract 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 area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

Home Mortgage Loans: such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

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

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

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every 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 Area (MA): Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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

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

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

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

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

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

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

Description of Institution

Pacific Western National Bank (“PWNB” or “the bank”) is a full-service intrastate bank headquartered in Santa Monica, California. PWNB is a wholly owned subsidiary of First Community Bancorp (“FCB”), a multi-bank holding company based in Rancho Santa Fe, California. As of June 30, 2003, FCB has \$2.16 billion in total assets and owns two commercial banks in Southern California.

PWNB, formally First Professional Bank, N.A. (“FPB”), was founded in August 1982 as a community bank. In October 2001, First Community Bancorp acquired First Charter Bank, N.A., in Beverly Hills and merged it into FPB. In January 2002, FCB acquired Pacific Western National Bank, headquartered in Brea, California, and merged it into FPB. FCB also merged another bank affiliate, First Community Bank of the Desert, into FPB. During that time, the surviving bank’s name was changed from First Professional Bank to Pacific Western National Bank. Since then, FCB has acquired Upland Bank, Marathon Bank, and Verdugo Bank and merged them into PWNB.

During the short period of acquisitions and mergers, the bank has rapidly increased in size. As of the bank’s June 30, 2003, Consolidated Report of Income and Condition, PWNB reported total assets of \$1.05 billion, up from \$352.9 million at December 31, 2001. Total deposits have increased from \$313 million to \$900 million, and annualized net income increased from \$2.0 million to \$19.7 million. The bank’s Tier One Capital of \$87.4 million represents 10.7 percent of the bank’s risk-weighted assets. PWNB serves the Los Angeles, Orange, Riverside-San Bernardino, and Ventura communities through 19 full-service branches. The bank’s main branch is located in downtown Santa Monica. In addition, the bank offers 24-hour banking services through its onsite Automated Teller Machines (“ATM”) that are located at every branch. Please refer to Table 15 in Appendix C-1 for the distribution of branches and ATMs.

PWNB has four CRA assessment areas, which include all of Orange County, and portions of Los Angeles, Riverside, San Bernardino, and Ventura Counties. In the past, the bank’s offices were strategically located directly in or in near proximity to significant health centers because the bank’s primary focus was to address the financial needs of the medical service community and other professionals. In fact, PWNB’s assessment areas were determined by the designated stops made by its courier service, a licensed branch. Beginning in 2002, however, PWNB implemented a lending strategy with a primary focus on commercial and commercial real estate lending in its current communities. Financial needs of the health care centers became a division of the bank rather than a primary focus.

The assessment areas are highly competitive with numerous large, regional, and community banks and other financial service providers. The largest banks offering commercial and consumer financial products in the assessment areas include Bank of America, Washington Mutual Bank, Wells Fargo Bank, Union Bank of California, and California Bank & Trust.

The bank’s primary credit products offered include commercial, commercial real estate, construction, and small business loans under the Small Business Administration’s (“SBA”) programs. Numerous lending opportunities exist for affordable housing and small business financing within the assessment areas.

The OCC evaluated PWNB as a large institution at its previous CRA examination as of July 10, 2000. The bank was rated "Satisfactory." In March 2000, the bank entered into a Formal Agreement with its primary regulator, the OCC, which required the bank to improve poor financial operating results. The Formal Agreement placed certain limitations and constraints on various banking activities during the evaluation period. As the bank's efforts were focused on addressing those issues, including large cuts and turnover in staffing, the bank's CRA efforts along with small business lending activities were significantly reduced. In August 2001, the OCC lifted the restrictions and terminated the Formal Agreement. Currently, there are no legal, financial, regulatory, or other factors impeding the bank's ability to meet the credit needs of its assessment areas.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period used for the Lending Test included small business loans originated in 2001 and 2002. The bank did not report any loans subject to the Home Mortgage Disclosure Act. We did not include loans to farms in the analysis because they were insignificant. For community development loans, the Investment Test and Service Test, our assessment period began the day following the previous CRA examination (July 11, 2000). The period ended on the date of this evaluation (September 15, 2003).

Data Integrity

We performed a data integrity examination early in 2003 to determine the accuracy of the small business and community development lending data that are used in this evaluation. Examiner found the bank to have adequate systems and controls in place to ensure accurate data.

Selection of Areas for Full-Scope Review

The Los Angeles-Long Beach and Riverside-San Bernardino MAs were selected for full-scope review. These assessment areas represent 93% of the number of reportable loans in 2001 and 2002, and 95% of the volume of the bank's deposits as of June 30, 2002. See the table in Appendix A for more information.

We performed limited scope reviews of the Orange County and Ventura County MAs.

Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews. In arriving at the bank's overall record of performance, the OCC evaluated activities under the Lending, Investment, and Service Tests. The rating method is structured such that the Lending Test weighs most heavily of the three evaluation tests. The Los Angeles-Long Beach MA received more weight in our analysis because it represents 70.53% of loans, 70.05% of deposits, and 52.63% of branch offices.

Other

Based on community contacts and our knowledge of the community, we determined that there are many opportunities for community development lending and investment within the Los Angeles-Long Beach MA. Examiners conducted an interview with a local community development agency in that assessment area that provides community services in the areas of financial education, health, and other topics to low- and moderate-income persons. Examiners also reviewed information from past interviews conducted by the OCC. These interviews included community and economic development groups. The organizations identified the area's primary credit needs of affordable housing, education, redevelopment, health care and small business loans. Refer to the "Market Profile" section in Appendix B for additional information on area needs.

Fair Lending Review

We found no evidence of illegal discrimination or other illegal credit practices.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test is rated "**Low Satisfactory**". Based on full-scope reviews, the bank's performance in the Los Angeles-Long Beach MA is adequate and in the Riverside-San Bernardino MA is adequate. The key findings that support the rating include:

- The bank's volume of originated loans is adequate. The bank originated an excellent level of community development loans that had a positive impact on the Lending Test rating.
- The bank's overall geographic distribution of loans is poor. However, this is mitigated by the volume of community development loans which had a positive impact on lending activity.
- The bank's distribution of small loans to businesses of different sizes is adequate.

Lending Activity

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's lending activity.

Overall, PWNB's lending activity in small loans to businesses and community development (CD) loans is adequate.

Lending activity in small loans to businesses in the Los Angeles-Long Beach MA is poor based on the bank's market share of loans compared to the market share of the bank's deposits. Based on lending market share data publicly available for 2001, the bank's market share for small loans to businesses was only 0.09% by number of loans and 0.49% by dollar volume compared to the deposit market share of 0.30%. Community development loans helped to augment the bank's level of lending activity. The bank originated 19 CD loans totaling \$24.9 million representing 21% of lending in the Los Angeles-Long Beach MA.

Lending activity in small loans to businesses in the Riverside-San Bernardino MA is adequate based on market share. Since the bank acquired the branches in this MA in January 2002 we found the 2001 market share data was not a reasonable comparison to use and substituted data publicly available for 2002. Only six loans were reported by FPB in this area in 2001 and the acquired branches were not yet reporters of CRA data. While the 2002 data reflects the bank's market share for small loans to businesses by number of loans was only 0.24%

compared to the deposit market share of 0.69%, the market share of loans by dollar amount was high at 2.32%. Community development loans helped to augment the bank's level of lending activity. The bank originated 19 CD loans totaling \$20.3 million representing 35% of lending in the Riverside-San Bernardino MA.

It must be noted that PWNB's market share was impacted by a slow down in lending activity attributed to the restructuring of the bank under a formal agreement in 2001. Other contextual issues relating to the bank's operational history, strategic focus, and market competition are discussed in the "*Description of Institution*" section on page 6 and "*Market Profile*" section in Appendix B.

Distribution of Loans by Income Level of the Geography

PWNB's overall geographic distribution of loans is poor.

Small Loans to Businesses

Refer to Table 6 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in the Los Angeles-Long Beach MA is poor. The percentages of small loans to businesses in low- and moderate-income geographies are well below the percentages of businesses in the same geographies. As Table 6 depicts, 8.83% of all businesses are located in low-income census tracts, while only 4.32% of the bank's small loans to businesses were to businesses in these census tracts. The table also shows that while 17.81% of the businesses are located in moderate-income census tracts, the bank originated only 10.13% of its small business loans in moderate-income tracts. Additionally, the bank's market shares of small loans to businesses in low- and moderate-income geographies are below its overall market share.

The geographic distribution of small loans to businesses in the Riverside-San Bernardino MA is adequate. The percentage of small loans to businesses in moderate-income geographies exceeds the percentage of businesses in these geographies. While 21.51% of the businesses are located in moderate-income tracts, the bank originated 29.03% of its small business loans in these geographies. In addition, the bank's market share of small loans to businesses equals its overall market share. The bank has not made any small loans to businesses in low-income tracts even though 2.30% of the businesses are located in these geographies.

Lending Gap Analysis

Information and reports provided by the bank detailing lending activity for small loans to businesses in 2002 reflect the continuing challenge management faces when attempting to meet the credit needs of its entire assessment areas. Of the 2,444 census tracts in the assessment areas, the bank extended a small business loan in only 276 or 11.3% of them. This is due, in part, to the large assessment area compared to the bank's size and number of banking facilities. However, our analysis did not identify any unexplained conspicuous gaps in the bank's small business lending performance. The bank's analysis on just the two MAs selected for full-scope reviews was not available at this writing.

Inside/Outside Ratio

During the evaluation period, the bank originated a substantial majority (93%) of its small business loans and farm loans to borrowers within its assessment area. The percentages of loans within the assessment area for these loan products are 93% for small business and 75% for farm. This performance has a favorable impact on the overall analysis of lending by income level of geography.

Distribution of Loans by Income Level of the Borrower

PWNB's distribution of small loans to businesses of different sizes is adequate.

Small Loans to Businesses

Refer to Table 11 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The bank's distribution of loans to businesses with revenues of \$1 million or less in both the Los Angeles-Long Beach MA and Riverside-San Bernardino MA is adequate. Although the percentage of loans to smaller businesses is less than the total percentage of smaller businesses operating in both assessment areas, PWNB's market share of loans to the smaller businesses exceeds the overall market share of small business loans in the Los Angeles-Long Beach MA and meets the overall market share in the Riverside-San Bernardino MA. In addition, the majority of the loans to businesses were in amounts of \$100,000 or less.

Community Development Lending

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's level of community development lending.

Community development lending is excellent. PWNB originated a very high level of community development loans during the evaluation period that positively enhances the performance under the Lending Test. The bank originated 19 loans each in the Los Angeles-Long Beach MA and Riverside-San Bernardino MA totaling \$45.2 million that have a community development purpose. These loans provide financing for a variety of projects that revitalize or stabilize low- and moderate-income areas and funding for various affordable housing projects and programs.

In addition, numerous loans reported as small business loans have community development characteristics. These include several loans for the development of affordable housing and numerous small business loans to long-term health care organizations that provide supportive housing and long-term medical care for low-income elderly, disabled, and chronically ill. Several other loans are to health care providers, some of which are nonprofits that provide simple ambulatory health care services in low- and moderate- income neighborhoods or to low- and moderate-income clients.

Product Innovation and Flexibility

The bank recently offered another program to meet the needs of small businesses.

The California Capital Access program (CalCAP) is a public/private partnership wherein the State of California contributes loan loss reserve funds to assist the bank in responding to small business financing. The reserve serves to reduce loan-loss risk, allowing the bank to lend to small businesses that fall just outside of most conventional underwriting standards. Additional incentives are provided to lend to businesses located in state-designated Enterprise Zones. The bank has funded one loan under this program for \$275 thousand.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Orange County and Ventura County Metropolitan Areas is not inconsistent with the bank's overall "Low Satisfactory" performance under the Lending Test. Refer to Tables 1 through 13 in appendix C for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test is rated "**Outstanding**". Based on full-scope reviews, the bank's performance in the Los Angeles-Long Beach MA is excellent, and performance in the Riverside-San Bernardino MA is good. The key findings that support the rating include:

- The dollar volume of qualified investments is excellent, given the investment opportunities within the assessment areas and the bank's capacity to address these needs.
- Qualified investments are responsive to the affordable housing, small business credit and community service needs of the bank's assessment areas.
- The bank has provided innovative investments, which are responsive to identified communities needs.

Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Performance in the Los Angeles-Long Beach assessment area is excellent. Qualified investments totaled \$5.0 million. The majority of qualified investments originated during this assessment period, with outstanding balances of only \$566 thousand from the prior period. This conclusion considers the numerous investment opportunities within the assessment area and the bank's capacity to address these needs.

Performance in the Riverside-San Bernardino assessment area is good. Qualified investments totaled \$1.3 million. Almost all qualified investments originated during this assessment period, except for an existing investment balance of only \$29 thousand. This conclusion considers the

somewhat low level of opportunities to participate in and support community development because the necessary infrastructure is in its infancy as described in the Market Profile for this assessment area.

PWNB's investments are very responsive to the affordable housing, small business credit and community service needs of the assessment areas. The bank has an existing mortgage-backed security of \$341 thousand, and purchased three mortgage-backed securities totaling \$3.7 million, which are secured almost entirely by mortgages to low- and moderate-income families residing in the bank's assessment areas. In the Los Angeles-Long Beach assessment area, 63% of investment dollars are for the creation, retention and support of affordable housing with \$2.8 million representing underlying mortgages in the Los Angeles-Long Beach assessment area. In the Riverside-San Bernardino assessment area, almost all of investment dollars are dedicated to this purpose. The bank invested in a \$970 thousand municipal bond that will support an affordable housing project in Riverside County for low- and moderate-income individuals. In addition, investments of \$325 thousand in mortgage-backed securities represent underlying mortgages in the Riverside-San Bernardino assessment area.

In addition, 22% of the dollar volume was invested in agencies that promote revitalization and stabilization of an enterprise zone in the Los Angeles-Long Beach assessment area. The remaining dollars were invested in minority-owned financial institutions that primarily lend in low- and moderate-income areas, and non-profit organizations that provide essential community services to low- and moderate-income individuals. During the evaluation period, the bank made donations to various community service and affordable housing organizations totaling \$57 thousand. These donations helped the various non-profit organizations provide essential services such as healthcare, financial literacy training and other community services to low- and moderate-income individuals.

One investment, which benefits the Los Angeles-Long Beach MA, is an example of an innovative investment:

The bank committed to provide a 5-year, \$50,000 operating/recapture grant to a community organization that serves credit needs of small businesses throughout Los Angeles County and the San Gabriel Valley. Half of the investment will be used for operating expenses and the balance invested as an equity equivalent investment. The organization provides small amount loans to businesses in need to equipment, seasonal working capital or business debt restructure. It also provides business planning assistance to start-up and existing businesses.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Orange County MA is not inconsistent with the bank's overall "Outstanding" performance under the Investment Test. In the Ventura County MA, the bank's performance is weaker than the bank's overall performance. This is attributed to the lack of qualified investments in this assessment area. This weaker performance did not materially affect the bank's overall Investment Test rating. Refer to Table 14 in Appendix C for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "**Low Satisfactory**". Based on full-scope reviews, the bank's distribution of branches by income level in the Los Angeles-Long Beach MA is poor, however the extent of community development services is excellent and had a positive impact on the Service Test rating. The bank's distribution of branches in the Riverside-San Bernardino MA is good.

- The distribution of branches by income level of the community is poor. In the Los Angeles-Long Beach MA, the bank has no branch located in the low- and moderate-income areas. The bank has more than tripled in size since our last CRA examination with no improvement in branches in these areas. In the Riverside-San Bernardino MA, the bank has no branch in a low-income area, however, distribution of branches in the moderate-income area significantly exceeds business area demographics.
- Banking products and services are primarily designed for business customers, with a secondary focus on the healthcare industry. In response to their customers' needs, PWNB offers courier service that allows some access to low- and moderate-income geographies. PWNB offers an alternative deposit product for low- and moderate-income individuals.
- The extent and responsiveness of the bank's community development services is excellent. PWNB takes a leadership role in many of these activities.

Retail Banking Services

Refer to Table 15 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings. In addition to population, we evaluated access to businesses since this is a business focused bank and not a retail institution.

In the Los Angeles-Long Beach assessment area, the bank's distribution of branches by income level of the community is poor. Sixty percent of its branches are located in middle-income areas and 40% are located in upper-income areas. The bank has no branches located in low- and moderate-income areas. This compares unfavorably to the distribution of businesses in low- and moderate-income areas of 9% and 18% respectively. However, three of the 10 branches in the assessment area are located within a mile of low- and moderate-income census tracts and are reasonably accessible to portions of these areas. The opening and closing of branches as a result of acquisitions and subsequent branch consolidations did not change the geographic distribution of the bank's branches in low- and moderate-income census tracts. Except for the mobile branch, all branches provide full-service, including automatic tellers and extended operating hours.

PWNB operates courier service consisting of a fleet of vans that collect and deliver deposits to the bank's processing center. This is a licensed branch that originally serviced the banking needs of health centers and related professional services, but is available to all business customers. In the Los Angeles-Long Beach area, the distribution of low- and moderate-income

geographies for the mobile branch/courier service is adequate at 4% and 11% respectively compared to the distribution of businesses.

In the Riverside-San Bernardino assessment area, the bank's distribution of branches by income level is good. The bank has no branches located in low-income areas and 38% of branches located in moderate-income areas. This compares reasonably well to the distribution of businesses in low- and moderate-income areas of 2% and 22% respectively. The opening and closing of branches as a result of acquisitions and subsequent branch consolidations improved the geographic distribution of the bank's branches in moderate-income census tracts. PWNB opened a new branch located in a moderate-income area in La Quinta and acquired two branches located in moderate-income census tracts. In addition, the bank merged the Redlands branch which was in a moderate-income area into the Upland branch which is in a middle-income area according to the 1990 U.S. Census. However, the 2000 U.S. Census reflects that the Upland branch is now in a moderate-income area. All branches provide full-service, including automatic tellers and extended operating hours. Some branches also maintain drive-up or walk-up hours.

In the Riverside-San Bernardino area, the distribution of low- and moderate-income geographies for the mobile branch/courier service is reasonable at 2% and 22% respectively compared to the distribution of businesses.

To accommodate banking needs of low- and moderate-income individuals, the bank offers a Discount Checking account that requires no minimum daily balance. The bank also provides online banking and bank-by-phone services. Because no information was available on how low- and moderate-income individuals were affected by the alternative delivery systems, the OCC could not place significant weight on these systems.

Community Development Services

The volume and responsiveness of the bank's community development services is excellent. During the evaluation period, bank management and staff provided over 1000 hours in community service activities to over 50 organizations throughout the bank's assessment areas. These community organizations focus on local economic development, affordable housing, childcare health services and other community services to low- and moderate-income individuals. Services include board memberships, fundraising activities, and financial education. PWNB takes a leadership role in some of these activities.

The following are examples of the bank's various significant community development services:

- The bank was instrumental in the initial set up for a revolving loan program provided by TELACU Community Capital, a Los Angeles-based Community Development Financial Institution (CDFI) that provides access to capital for small businesses located in low- and moderate-income communities in Los Angeles County and Orange County.
- PWNB provides technical assistance to the Asian Pacific Revolving Loan Fund of Los Angeles (APRLF) for the set up of the New Market Tax Credit Allocation program, which is critical to small businesses in obtaining financing. APRLF is a CDFI that focuses on financing needs of sub-prime business owners in the under-served Asian and other minority communities.

- The CRA Officer serves as board member of a Los Angeles grass-root, faith-based community development agency (CDA) to partner local community organizations with those needing assistance. The CDA was organized to identify local economic development opportunities, address the lack of adequate housing for families and senior citizens, and provide educational workshops that empower local residents in the Inglewood area and surrounding low- and moderate-income communities.
- The CRA Officer provided critical technical assistance that helped to obtain permanent financing for a capital asset acquisition by the Minority AIDS Project, a faith-based community organization that assists low-income people living with AIDS.
- Bank officers participate in various community organizations that provide technical assistance on business planning, fund-raising and micro-lending programs to small businesses, and financial literacy training to low- and moderate-income individuals.
- The bank donated computers to a non-profit community organization and a local high school district, which will be used in technology training and education centers targeting low- and moderate-income individuals.
- In the Riverside-San Bernardino MA, a senior bank officer serves as Chair of the Palm Desert Housing Commission, which oversees housing development including affordable housing for low- and moderate-income residents.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Orange County and Ventura County MAs is not inconsistent with the bank's overall "Low Satisfactory" performance under the Service Test.

The branch distribution in the Orange County and Ventura County MAs is not inconsistent with the bank's overall branch distribution. This is based on the single branch located in a middle-income geography in Orange County, and courier service to provide banking services in low- and moderate-income geographies. In the Ventura County MA, the bank services its customer base through the mobile branch. Refer to Table 15 in appendix C for the facts and data that support these conclusions.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD Loans): (01/01/01 to 12/31/02) Investment and Service Tests and CD Loans: (07/11/00 to 09/15/03)	
Financial Institution	Products Reviewed	
Pacific Western National Bank Santa Monica, California	Small business loans, CD loans, CD investments, CD services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Los Angeles-Long Beach MA #4480 Riverside-San Bernardino MA #6780 Orange County MA #5945 Ventura County MA #8735	Full-Scope Full-Scope Limited-Scope Limited-Scope	

Appendix B: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

LOS ANGELES-LONG BEACH MA #4480.....	B-2
RIVERSIDE-SAN BERNARDINO MA #6780	B-4

LOS ANGELES-LONG BEACH MA #4480

Demographic Information for Full Scope Area: Los Angeles-Long Beach						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	1,610	9.07	23.35	32.61	33.79	1.18
Population by Geography	8,517,852	9.36	27.72	33.41	29.31	0.20
Owner-Occupied Housing by Geography	1,359,240	2.47	15.00	34.23	48.30	0.00
Business by Geography	591,097	8.83	17.81	31.71	41.36	0.28
Farms by Geography	4,170	3.12	13.02	35.90	47.87	0.10
Family Distribution by Income Level	1,949,227	23.26	17.01	19.50	40.23	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	784,988	15.56	38.50	31.65	14.29	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below Poverty Level		39,035 55,100 12.07%	Median Housing Value Unemployment Rate (1990 US Census)		249,278 3.81%	

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

Source: 1990 US Census and 2002 HUD updated MFI

The Los Angeles-Long Beach MA (LAMA) is a complex, highly diverse urban area that includes 80 cities and a number of unincorporated areas. Los Angeles is the largest and most rapidly growing metropolitan region in the fastest growing state in the country. Contained within this MA is the city of Los Angeles, which is the largest city in Southern California, with an estimated population of 3.7 million as of January 2000. LAMA has an estimated population of 9,519,338 as of January 2000, which reflects 7% growth over the 1990 census information in the above table.

Banking competition is strong, with 137 institutions in LAMA competing for FDIC insured customer deposits as of June 30, 2002. Further, the top five institutions together hold 54% of the deposits, indicating market dominance by a few large banks. Aggregate small business loan data for 2001 shows that 248 reporting lenders competed for close to 219 thousand loans totaling about \$6.5 billion. Again, market dominance is held by a few institutions, with the top five reporting close to 64% of the number of loans originated or purchased during the year. There are also numerous other financial service providers operating in the LAMA who do not hold FDIC insured deposits or do not report CRA loan data.

Major banking institutions compete in LAMA for deposits and loans. These include credit card banks, interstate banking companies, and mortgage companies. American Express Centurion, Bank of America, N.A., California Federal Bank, Capital One, F.S.B., Citibank, N.A., Countrywide Home Loans, Chase Manhattan Bank USA, N.A., GMAC Mortgage, Union Bank of California, N.A., Washington Mutual Bank, F.A., Wells Fargo Bank, N.A., World Savings Bank, F.S.B., and other large companies compete in this market. Often such large institutions have the advantages of brand recognition and marketing power over smaller local institutions.

In the late 1980s, structural changes in the economy and other events combined to undermine the general prosperity. However, the Los Angeles-Long Beach MA's economy has now rebounded, and the unemployment rate has declined. The Bureau of Labor Statistics reported a 6.2% unemployment rate for the second quarter of 2002. But recent layoffs in the motion picture sector, apparel industry, and air transportation have pushed unemployment up slightly.

The economy of LAMA is diverse. The largest sectors in order of importance are services, retail and wholesale trade, manufacturing, government, and transportation. In response to concessions from other states, the motion picture industry has moved a significant amount of its production activity out of Los Angeles. Even so, Hollywood still exercises a great deal of influence in the entertainment industry. Defense and aerospace manufacturing activity is still an important source of employment. The Port of Los Angeles/Long Beach is one of the busiest in the nation. Los Angeles International Airport is one of the busiest airports in the nation. Continued population growth and the diverse economy create many small business opportunities within the LAMA. According to 2001 Dun & Bradstreet statistics, 84 percent of businesses located within the area have annual revenues of less than or equal to \$1 million.

There are many nonprofit organizations active in the LAMA. And local government is active in promoting and assisting a variety of community development and redevelopment activities. In January 2002, HUD announced that Los Angeles will be designated a Renewal Community eligible to share in an estimated \$17 billion in tax incentives to stimulate job growth, stimulate economic development, and create affordable housing. There are numerous opportunities for financial institutions to participate in community development activities.

Contact was made with community members knowledgeable about the MA. They identified the area's major credit needs as affordable housing, redevelopment, and small business lending, particularly to micro business enterprises. Financial literacy training, business planning and technical assistance are also needed.

RIVERSIDE-SAN BERNARDINO MA #6780

Demographic Information for Full Scope Area: Riverside-San Bernardino						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	226	4.42	25.22	44.25	25.22	0.88
Population by Geography	2,003,033	2.05	20.01	46.60	30.69	0.65
Owner-Occupied Housing by Geography	418,073	0.74	14.18	47.61	37.48	0.00
Business by Geography	113,334	2.30	21.51	46.19	29.94	0.06
Farms by Geography	2,285	0.79	19.52	41.14	38.51	0.04
Family Distribution by Income Level	495,383	19.67	16.42	22.24	41.66	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	178,803	3.62	30.52	49.03	16.83	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below Poverty Level		37,274 50,300 10.36%	Median Housing Value Unemployment Rate (1990 US Census)		137,153 3.35%	

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

Source: 1990 US Census and 2002 HUD updated MFI

The Riverside-San Bernardino MA (RSBMA) is urban with suburban and rural communities throughout the county. The population in the year 2000 was approximately 3.3 million. The economy has slowed in recent years due to weak demand in domestic and global markets but continues to expand.

Unemployment has fallen since the last of 2002. While job growth is at its lowest in 10 years, the economy remains healthy. Leading industries are government, retail services, construction and manufacturing, which continues to diversify and flourish. The housing market is heated and commercial construction is steady. RSBMA's economy maintains a considerable advantage as a low cost place of doing business. Rising housing costs elsewhere in southern California accelerate in-migration. However, rapidly rising house prices erode the cost advantage compared to the mountain west.

Banking competition is strong, with 58 institutions in the RSBMA competing for FDIC insured customer deposits as of June 30, 2002. Further, the top five institutions together hold 57% of the deposits, indicating market dominance by a few large banks. Aggregate small business loan data for 2001 shows that 164 reporting lenders competed for approximately 57 thousand loans totaling more than \$1.4 billion. Again the market is dominated by a small group of institutions, with the top six lenders reporting nearly 75% of the number of loans originated or purchased during the year. There are also numerous other financial service providers operating in the RSBMA who do not hold FDIC insured deposits or do not report CRA loan data.

Credit needs include loans to small businesses and affordable housing. However, the communities lack infrastructure for local community based organizations. Training and technical assistance is needed in order to prepare many groups for lending and investment opportunities with financial institutions. During 2003, regulatory agencies worked with county

government to facilitate training for community based organizations. Financial literacy training is also needed in the MA. Opportunities for CD loans, investments, and services are limited because the necessary infrastructure is in its infancy.

Appendix C: Tables of Performance Data

Content of Standardized Tables

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/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased 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 share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table

also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased 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 share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased 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 share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased 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. In addition, the table presents the percentage distribution of the number of loans originated and purchased 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 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased 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. In addition, the table presents the percentage distribution of the number of loans originated and purchased 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 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Institution ID: 1000017423 PACIFIC WESTERN NATIONAL BANK

Table 1. Lending Volume

LENDING VOLUME												
Geography: PACIFIC WESTERN NB												
Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002												
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
Los Angeles-Long Beach	70.53	0	0	602	93,843	1	400	19	24,946	622	119,189	70.05
Riverside-San Bernardino	21.99	0	0	186	37,194	2	278	19	20,281	207	57,753	24.53
Limited Review:												
Orange	6.20	0	0	53	10,270	0	0	0	0	53	10,270	5.42
Ventura	1.29	0	0	11	1,860	0	0	0	0	11	1,860	0.00

* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is From July 11, 2000 to September 15, 2003.

*** Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

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Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: PACIFIC WESTERN NB				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography [*]				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total ^{**}	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans					
Full Review:															
Los Angeles-Long Beach	602	70.66	8.83	4.32	17.81	10.13	31.71	31.06	41.36	54.49	0.09	0.03	0.07	0.08	0.13
Riverside-San Bernardino	186	21.83	2.30	0.00	21.51	29.03	46.19	42.47	29.94	28.49	0.01	0.00	0.01	0.01	0.01
Limited Review:															
Orange	53	6.22	3.65	3.92	24.87	21.57	37.42	43.14	28.64	31.37	0.02	0.00	0.02	0.01	0.02
Ventura	11	1.29	3.95	0.00	27.81	9.09	43.36	27.27	24.88	63.64	0.02	0.00	0.00	0.01	0.07

^{*} Based on 2001 Peer Small Business Data: US&PR.

^{**} Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

^{***} Source Data - Dun and Bradstreet (2002).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: PACIFIC WESTERN NB					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans						
Full Review:																
Los Angeles-Long Beach	1	33.33	3.12	0.00	13.02	0.00	35.90	100.00	47.87	0.00	0.00	0.00	0.00	0.00	0.00	
Riverside-San Bernardino	2	66.67	0.79	0.00	19.52	50.00	41.14	0.00	38.51	50.00	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
Orange	0	0.00	2.68	0.00	23.01	0.00	42.45	0.00	30.41	0.00	0.00	0.00	0.00	0.00	0.00	
Ventura	0	0.00	2.00	0.00	34.93	0.00	45.18	0.00	17.90	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2001 Peer Small Business Data: US&PR.

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2002).

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Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: PACIFIC WESTERN NB			Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share [*]	
	#	% of Total ^{**}	% of Businesses ^{***}	% BANK Loans ^{****}	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Los Angeles-Long Beach	602	70.66	65.45	37.54	61.30	22.92	15.78	0.09	0.10
Riverside-San Bernardino	186	21.83	71.58	33.33	54.84	20.97	24.19	0.01	0.01
Limited Review:									
Orange	53	6.22	65.44	33.96	49.06	28.30	22.64	0.02	0.00
Ventura	11	1.29	71.55	27.27	63.64	27.27	9.09	0.02	0.01

^{*} Based on 2001 Peer Small Business Data: US&PR.

^{**} Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

^{***} Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

^{****} Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 10.80% of small loans to businesses originated and purchased by the bank.

Table12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: PACIFIC WESTERN NB			Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share [*]	
	#	% of Total ^{**}	% of Farms ^{***}	% BANK Loans ^{****}	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Los Angeles-Long Beach	1	33.33	88.42	0.00	0.00	0.00	100.00	0.00	0.00
Riverside-San Bernardino	2	66.67	83.50	50.00	0.00	100.00	0.00	0.00	0.00
Limited Review:									
Orange	0	0.00	86.30	0.00	0.00	0.00	0.00	0.00	0.00
Ventura	0	0.00	79.93	0.00	0.00	0.00	0.00	0.00	0.00

^{*} Based on 2001 Peer Small Business Data: US&PR.

^{**} Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

^{***} Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2002).

^{****} Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

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Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: PACIFIC WESTERN NB									
Evaluation Period: JULY 11, 2000 TO SEPTEMBER 15, 2003									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Los Angeles-Long Beach	5	566	6	4,465	11	5,031	73.08	0	0
Riverside-San Bernardino	1	29	4	1,320	5	1,349	19.60	0	0
Limited Review:									
Orange	0	0	2	365	2	365	5.30	0	0
Ventura	0	0	1	139	1	139	2.02	0	0

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

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: PACIFIC WESTERN NB																	
Evaluation Period: JULY 11, 2000 TO SEPTEMBER 15, 2003																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Los Angeles-Long Beach	70.05	10	52.63	0.00	0.00	60.00	40.00	10	4	0	0	3	3	9.36	27.72	33.41	29.31
Riverside-San Bernardino	24.53	8	42.11	0.00	37.50	50.00	12.50	8	1	0	2	4	1	2.05	20.01	46.60	30.69
Limited Review:																	
Orange	5.42	1	5.26	0.00	0.00	100.00	0.00	0	0	0	0	0	0	3.61	26.73	42.01	27.64
Ventura	0.00	0	0	0.00	0.00	0.00	0.00	0	0	0	0	0	0	2.70	29.10	43.98	24.22

