



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## PUBLIC DISCLOSURE

February 28, 2010

### COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Far East National Bank  
Charter Number: 16407

977 North Broadway  
Los Angeles, CA 90012

Office of the Comptroller of the Currency  
Los Angeles North Field Office  
550 North Brand Blvd  
Glendale, California 91203-1965

**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 Far East National Bank with respect to the Lending, Investment, and Service Tests:

Performance Levels	Far East National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory	X		X
Low Satisfactory			
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:

- Lending activities reflect adequate responsiveness to the credit needs in the bank’s assessment areas.
- Geographic loan distributions are excellent based on the distribution of small loans to businesses in low- and moderate income geographies.
- Borrower income distribution is poor based on the low level of loans to small businesses with revenues less than one million dollars.
- Community development lending has a positive effect on the overall Lending Test.
- The volume of qualified investments is excellent, given the bank’s capacity and the level of investment opportunities in the assessment areas.
- The bank’s branches are accessible to geographies, individuals, and businesses of different income levels.
- The bank provides a good level of community development services.

## Definitions and Common Abbreviations

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

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

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

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts 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.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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

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

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

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

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

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

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

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

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

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

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every 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 metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

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

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

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

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

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

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

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

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

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

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) 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.

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

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

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

## Description of Institution

Far East National Bank (FENB or the bank) opened in 1974, and is a full-service intra-state bank, headquartered in Los Angeles, California (CA). The bank is owned by SinoPac Bancorp, a California holding company that was incorporated in August 1997 for the sole purpose of acquiring FENB. SinoPac Bancorp is a wholly owned subsidiary of Bank SinoPac of Taiwan. FENB's branches serve its primary markets, which are centered in local Asian communities. Internationally, the bank has one foreign branch in the Republic of Vietnam and a representative office in China. These operations are small in relation to the U.S. performance, and accordingly are not considered in our analysis.

The bank originates loans through its branch network. The bank's primary lending focus over the evaluation period has been commercial real estate lending and serving the needs of small- and medium-sized businesses that operate in both domestic and international markets. The bank offers home mortgage loans as an accommodation to its business customers. The bank's market share in home mortgage loans is less than one percent. As of December 31, 2009, these home mortgage loans were not a primary focus of the bank's business lending strategy as they totaled \$117 million, or nine percent of total loans.

The bank's one operating subsidiary, Far East Capital Corporation (FECC), licensed by the U.S. Small Business Administration as a Small Business Investment Company (SBIC), was converted into a real estate holding LLC (FEC LLC). The bank assigned its sole membership's interest to SinoPac Bancorp and FEC LLC became an affiliate of the bank. The activities of this company are not considered in our CRA analysis.

As of December 31, 2009, the bank reported total assets of \$2.1 billion and a net loss of \$44.6 million for a return on average assets of -2.1 percent. Tier One Capital totaled \$154 million. The bank reported \$1.3 billion in gross loans, which represented 64 percent of total assets. Commercial real estate was the largest category in the loan portfolio, comprising 66 percent of the dollar volume. Another category, loans to businesses secured by collateral other than real estate, totaled nine percent of the portfolio. Retail loan products were a small segment of the portfolio, made as accommodations to existing customers, and represented less than one percent of total loans. Deposits totaled \$1.6 billion and consisted of certificates of deposit (55 percent), money market accounts (18 percent), demand deposits (14 percent), and savings accounts (13 percent).

The Board of Directors has designated the California counties of Los Angeles, Alameda, Orange, San Francisco, and Santa Clara as the bank's assessment areas (AAs). These AAs meet the legal requirements of the CRA and do not arbitrarily exclude low- and moderate-income (LMI) geographies. Within California, the bank has 11 full service branches located throughout Southern and Northern California. Of the seven Southern California branches, six are located in the Los Angeles County AA, in the cities of Los Angeles, Alhambra, Arcadia, City of Industry, Monterey Park, and Pasadena. One branch is located in the Orange County AA, in the city of Irvine. The four Northern California branches are located in the following AAs and cities: One San Francisco County AA branch located in downtown San Francisco, one Alameda County AA branch located in Fremont, and two Santa Clara County AA branches located in Cupertino and San Jose.



In response to the challenges of the economic recession and a resulting strategic realignment, the bank closed four branches during 2009. The Los Angeles Main branch was closed in September 2009. The bank's corporate activities now occur at the branch located at 977 N. Broadway, Los Angeles. Other closed branches included 1423 Broadway, Oakland, 2301 Dupont Drive, Irvine, and 2309 Noriega Street, San Francisco.

Los Angeles County and Alameda County are the bank's primary AAs. FENB conducts business in highly competitive banking environments, competing for loans and deposits with many other financial institutions of various types. In most of FENB's AAs, numerous financial institutions focus on Asian communities. Competitors include local community banks, branches of larger regional banks, credit card banks, and other non-bank financial institutions. Bank management considers the following banks as primary competitors: Preferred Bank, Chinatrust Bank (U.S.A.), Wilshire State Bank, and to some degree Cathay Bank, Nara Bank, Tomato Bank, N.A., and Hanmi Bank. This intense competition has affected new business opportunities. Refer to Appendix B for more detail. The level of competition is the same in the other AAs, where FENB also has a relatively small market share.

The bank has no legal, financial, or other factors impeding its ability to help meet the credit needs in its AAs. At the prior CRA evaluation, dated January 8, 2007, the bank received a "Satisfactory" rating.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

This performance Evaluation (PE) considered FENB's lending activity for small loans to businesses for the period January 1, 2007 through December 31, 2009. We also evaluated the bank's community development lending activities, investments, and services for the period January 9, 2007 through February 28, 2010. We used FDIC data available during the examination period to analyze the bank's deposit and lending market share.

### Data Integrity

To determine the accuracy of the bank's small business data used in our analyses, we performed a separate data integrity examination in May 2009, where we reviewed a sample of small business loans. This PE is based on statistically valid data.

### Selection of Areas for Full-Scope Review

We performed a full scope review of the Los Angeles AA and the Alameda AA. The Los Angeles AA is where a majority of the bank's deposit and lending activities occur. FENB has six branches in the Los Angeles AA, which account for 71% of the bank's deposits and 56% of the reported loans for this evaluation period. The Los Angeles AA receives the most weight in this evaluation. The Alameda AA has one branch which accounts for 13% of the bank's deposits and 17% of the loan activity. Refer to the "Scope" section for information on the Los Angeles and Alameda AAs. Refer to Table 1 of Appendix C for the facts and data used to evaluate the lending activity.

### Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews. The bank's primary lending focus is meeting the needs of its business customers. For this reason, the geographic location of small loans to businesses and small loans to businesses with revenues less than one million dollars are given more weight in our analysis and in the overall conclusions. During the evaluation period, the volume of home mortgage loans is low and is not considered a significant bank activity. No small loans to farms were reported.

### Other

We contacted one Los Angeles community organization providing foster care, education, and medical services to LMI children. We also utilized a recent interview with a business focus in the Orange County AA. These organizations identified numerous credit needs in the area. There is a need for affordable rental and owner-occupied housing, in addition to technical assistance and financing for small businesses.

## **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

### **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 "High Satisfactory". Based on full-scope reviews, the level of lending in the Alameda AA reflects adequate responsiveness to the credit needs of the AA. The full-scope review for the Los Angeles AA reflects good responsiveness to the credit needs in the assessment areas. We gave positive consideration to the significant increase in CD lending in the Los Angeles AA, and to the fact that the bank generally increased its volume of lending during this evaluation period compared to the prior evaluation period.

##### **Lending Activity**

Overall, lending activity in the bank's full-scope AAs is adequate. Affordable housing and small loans to businesses are identified as primary credit needs in the Alameda and Los Angeles AAs. FENB is primarily a commercial business lender. Our evaluation of the bank's lending activities focused on small loans to businesses and community development lending. The bank faces a high level of competition from other lenders. In both AAs, the top five market share positions for small loans to businesses were large banks with significantly more branch locations.

Lending activity in the Alameda AA is poor. The bank's deposit share in the Alameda AA was 0.63%, with a rank of 18<sup>th</sup> out of 48 institutions. The bank made 95 small loans to businesses in the Alameda AA during the evaluation period, which represents a 0.04 percent of the market share for small loans to businesses by number and .81 percent by dollar volume. The bank's lending market share ranks 35<sup>th</sup> out of 95 institutions.

Lending activity in the Los Angeles AA is adequate. The bank's deposit share in the Los Angeles AA was 0.41 percent, which ranked 33<sup>rd</sup> out of 140 reporting institutions. During the review period, the bank made 273 small loans to businesses in the Los Angeles AA, which represents a 0.02 percent of the market for small loans to businesses by number and .30 percent by dollar volume. The bank's lending market share ranks 50<sup>th</sup> out of 195 institutions. In addition, FENB originated 15 community development loans totaling more than \$91 million in this AA.

## **Distribution of Loans by Income Level of the Geography**

### ***Small Loans to Businesses***

The bank's performance for small loans to businesses in LMI geographies is excellent. The bank's business focus and marketing efforts have been successful in addressing the small loan business needs within low- and moderate-income geographies.

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.

### ***Alameda AA***

FENB's geographic distribution of small loans to business in the Alameda County AA is excellent. The portion of small business loans originated in the low-income geographies significantly exceeds the percentage of businesses in the geography. Additionally, the bank's market share of small loans in the low-income geography significantly exceeds its overall market share. The portion of small loans originated in the moderate-income geographies significantly exceeds the percentage of businesses in the geography. The bank's market share of small loans in moderate-income geographies also significantly exceeds its overall market share.

### ***Los Angeles AA***

The geographic distribution of small loans to businesses in the Los Angeles AA is excellent. The bank's overall distribution of loans in low-income geographies is excellent and exceeded the percentage of businesses located in the same geographies. The geographic distribution of small loans in moderate-income geographies is excellent and exceeded the demographics. In addition, the bank's market share in low- and moderate-income geographies exceeds its overall market share.

### ***Lending Gap Analysis***

An analysis of the bank's overall lending activity did not reveal any unexplained, conspicuous gaps in the Alameda AA or Los Angeles geographic distribution of loans. Our distribution analysis did not identify any patterns of lending that arbitrarily excluded clusters of low- and moderate-income census tracts.

### ***Inside/Outside Ratio***

Lending inside the bank's AAs is good. FENB originated a substantial majority (85 percent by number and 81 percent by dollar) of its small business loans within its AAs.

## **Distribution of Loans by Income Level of the Borrower**

### ***Small Loans to Businesses***

The bank's performance for making small loans to small businesses with revenues less than one million dollars is poor.

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.

### ***Alameda AA***

FENB's distribution of loans to businesses with revenues of \$1 million or less in the Alameda County AA is poor. The bank's distribution of loans to small businesses in the AA is lower than the small business demographics the AA. Using loan size as a proxy, performance is poor for originating loans of \$100 thousand or less. Due to the low level of lending, comparison of the bank's market share of small business loans to its overall AA market share is not meaningful.

### ***Los Angeles AA***

FENB's distribution of loans to businesses with revenues of \$1 million or less in the Los Angeles AA is poor. The bank's distribution of loans to small businesses in the AA is lower than the business demographics the AA. Using loan size as a proxy, performance is poor for originating loans of \$100 thousand or less. Due to the low level of lending, comparison of the bank's market share of small business to its overall AA market share is not meaningful.

## **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. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

### ***Alameda County AA***

The institution made a low level of CD loans in the AA. The volume and nature of the bank's CD lending had a neutral impact on the lending conclusions in the Alameda County AA. FENB originated a \$320 thousand qualifying loan in the AA. The loan helped to fund the creation of 64 one-bedroom affordable apartments to low income seniors. FENB partnered with Affordable Housing Associates and the City of Oakland on this project.

### ***Los Angeles AA***

The institution made a high level of CD loans in the AA. CD lending had a positive impact on the lending conclusions in the Los Angeles AA. FENB funded \$91.5 million in CD loans, which reflects a strong responsiveness to the Los Angeles AA credit needs. Examples of FENB's CD loans are:

- A \$7 million loan to finance construction of a 28 unit affordable, fully entitled condominium project in Compton, CA. The property is located in an empowerment zone. A portion of the units will be allocated to first time home buyers in accordance with the requirements of HUD Section 221 of the HOME Partnership program.
- A \$7.5 million loan to finance the purchase of a commercial building, renovation of existing building, and construction of new retail spaces. The property is located in the Los Angeles Empowerment Zone. It will create up to 340 jobs in the area.
- A \$21.3 million loan to finance the renovation of Pershing Square Building in LA. The property is located in the Los Angeles Empowerment Zone. The project creates a business environment that encourages business expansion and attracts new

businesses, thus promoting economic growth in the city. The project will create about 50 jobs for the community.

The institution also originated a high level of CD loans that provide benefits statewide and to a broader regional area of other states. These \$60 million in CD loans have the potential to benefit all the bank's AAs. Sixteen million dollars provide statewide benefits and \$44 million provide statewide and out of state benefits. Of these loans, one hundred percent of the dollar amount is targeted to affordable housing, which is a recognized need in the bank's AA.

### **Product Innovation and Flexibility**

The bank makes little or no use of innovative and/or flexible lending practices in order to serve assessment area credit needs. This had a neutral impact on the overall Lending Test.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the lending test in the Orange County AA and the San Francisco County AA is not inconsistent with the bank's overall performance under the lending test. The bank's performance in the Santa Clara AA is weaker than the overall performance of the bank. This AA had low loan volume, poor distribution to small businesses, and no CD loans. This performance did not have an impact on the overall Lending Test as the Santa Clara AA represents a small portion of the bank's activities.

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 Alameda AA is excellent. Performance in the Los Angeles AA is good. The potential impact inside the bank's AAs from CD investments benefitting the state and a broader regional area provided a positive impact on the Investment Test rating.

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

#### ***Alameda County AA***

The volume and nature of qualified investments in the Alameda County AA is excellent based on investment opportunities and the capacity to invest. FENB made current investments and donations totaling \$1.6 million during the evaluation period. Balances from the prior evaluation period total \$1.5 million. Mortgage backed securities comprise 86% of the investments. The issues were created for the bank and target housing loans in the Alameda AA. The underlying mortgages are to low- and moderate-income borrowers and are often located in low- and

moderate-income geographies. These investments are highly responsive to the credit needs of the community and benefit the Alameda County AA.

### ***Los Angeles AA***

The bank's performance in the Los Angeles AA is good. FENB made qualified investments and donations totaling \$1.8 million during the evaluation period. Balances outstanding from the prior evaluation period totaled \$4.1 million. While none of the investments are considered innovative or complex, these investments are responsive to the credit needs and benefit the Los Angeles AA. Examples of qualified investments and donations made during the evaluation period include:

- The purchase of a \$1.7 million mortgage-backed security investment that provided several loans for affordable housing to individuals in low- and moderate-income geographies.
- Several cash donations that totaled \$86 thousand; benefitting a variety of qualifying organizations that helped to (1) revitalize communities, (2) educate and benefit low- and moderate-income students, or (3) assist locally based health care facilities in low- and moderate-income geographies.

### ***Broader Regional Area Investments***

FENB made qualified investments totaling \$10 million during the evaluation period. Balances outstanding from the prior evaluation period totaled \$9.1 million. Unfunded commitments represent \$4.6 million. These investments have the potential to benefit the bank's AAs while benefitting community development purposes statewide.

## **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the investment test in the Orange, Santa Clara, and San Francisco AA is not inconsistent with the bank's overall performance.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Alameda and Los Angeles AAs is good.

### **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.

The bank's primary business focus has been on commercial business loans and business clientele, who do not require the same degree of retail banking facilities that a consumer would need. The bank offers internet banking, telephone banking, bank-by-mail, balance transfer

and wire authorization by fax, and courier services. These services reduce the need for customers to be physically located near bank facilities. These services are available in all AA geographies, including low- and moderate-income geographies.

The bank has a reasonable distribution of full-service branches among Los Angeles geographies of different income levels. The bank has six branches in the Los Angeles AA, including one branch in a low-income geography. Four branches are in middle-income geographies; however, three of the branches, the Alhambra, Monterey Park, and City of Industry branches, also serve adjacent low-income geographies. The Alameda AA has one branch located in an upper income tract. One branch located in a low-income tract was closed during the evaluation period. Given the high number of financial services available within a one-mile radius, the impact to service accessibility is low.

The bank offers a wide range of traditional products and services, which are available at all branches. The branches are accessible to geographies, individuals, and businesses of different income levels. Most branches are open Monday through Saturday. While the bank's primary business focus has been on commercial lending activity, consumer products are offered as accommodations to business customers. Bilingual personnel are available to assist customers who do not speak English. Full service Automated Teller Machines (ATM) are located at each of the branches. The bank is also a member of various ATM networks available to the general public.

## **Community Development Services**

### ***Alameda County AA***

The level and nature of FENB's CD services is adequate. The bank provides a number of service hours to various organizations in within the Alameda County AA. The financial or technical services directly related to qualifying organizations that meet identified community credit needs totaled 30 hours over the evaluation period. These hours are spread between six different organizations. This is considered adequate given that there are only a very limited number of employees in the AA. Following are some examples of qualifying services:

- An FENB officer worked with a non-profit organization to conduct a small business training program targeted to low-income women. The program focused on marketing strategies for new businesses through the Simple Steps Business to Success course. The officer provided individual consultations to some participants.
- A group of FENB officers provided financial literacy to individuals and families on the importance of savings. This campaign provided resources and financial advice on paying down debts, building emergency funds, and saving for a home, an education, or retirement. The officers spoke to LMI individuals regarding the importance of savings to reach life goals.

### ***Los Angeles AA***

FENB provides a high volume of community development services that are responsive to the needs within the Los Angeles AA. The bank provided over 1,400 hours of financial expertise or technical assistance to 47 community development organizations within the AA. These organizations focus on providing funding or services to small businesses, affordable housing interests, and social service organizations that target low- and moderate-income individuals.



The following examples summarize activities for two of the CD organizations benefitting from bank employee services:

- Several employees provide services to Junior Achievement of Southern California including providing financial education to LMI students, developed new fundraising events, sat on the board of directors, and organized a job shadow day for low- and moderate-income students.
- Several employees through the Kiwanis International Foundation individuals organized scholarship programs and provided financial education for low- and moderate-income persons. Bank personnel also participated monthly at board meetings.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Orange and San Francisco AA is not inconsistent with the overall performance of the bank. Performance in the Santa Clara AA was weaker than the overall performance of the bank. The AA provided only two hours of community development services. This did not have an impact on the bank's overall Service Test rating.

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): January 1, 2007 to December 31, 2009 Investment Test, Service, Test, CD Loans: January 1, 2007 to February 28, 2010	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Far East National Bank Los Angeles, CA	Small business loans, CD loans, investments, retail and CD services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
NA		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Alameda County AA (MSA # 36084)	Full Scope	NA
Los Angeles AA (MSA # 31084)	Full Scope	
Orange County AA (MSA # 42044)	Limited Scope	
San Francisco County AA (MSA # 41884)	Limited Scope	
Santa Clara AA (MSA # 41940)	Limited Scope	

## Appendix B: Market Profiles for Full-Scope Areas

### Alameda County AA

Demographic Information for Full-Scope Area: Alameda County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	321	13.08	22.12	39.25	25.23	0.31
Population by Geography	1,443,741	10.69	21.48	41.34	26.44	0.05
Owner-Occupied Housing by Geography	286,306	4.37	13.50	44.97	37.16	0.01
Businesses by Geography	133,336	13.82	17.70	39.33	28.97	0.19
Farms by Geography	1,602	8.80	16.79	38.01	36.39	0.00
Family Distribution by Income Level	342,048	23.10	17.78	21.07	38.05	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	139,834	17.24	30.01	39.26	13.49	0.00
Median Family Income		\$68,346	Median Housing Value			\$294,139
HUD Adjusted Median Family Income for 2009		\$89,300	Unemployment Rate			11.00%
Households Below the Poverty Level		10%	(December 2009)			

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census, and 2009 HUD updated MFI.

FENB's secondary AA consists of Alameda County, which is located in the Oakland MSA, and is comprised of 321 contiguous census tracts. The AA is bordered by the San Francisco Bay to the West, Contra Costa County to the North, San Joaquin County to the East, and Santa Clara County to the South. Alameda County occupies most of the East Bay region of the greater San Francisco Bay Area.

The area has been supported by its transportation and distribution facilities, with one of the West Coast's largest container ports, an international airport, and several major trucking lines. In addition to transportation, major industries include government, restaurants, hospitals, and businesses including the financial sector. Oakland was one of the first cities to have a federally designated Empowerment Zone at the end of the last century. The redevelopment has occurred mainly in the downtown corridor. The city has used this as a tool to lure major retailers like Wal-Mart and Home Depot. Major employers include the University of California, Kaiser Permanente, Oracle, and Bayer Corporation. The unemployment rate in December 2009, was 10.9%.

Alameda County is highly populated. The 2009 U.S. Census Bureau Three Year Estimated Update reflects 1.6 million inhabitants spreading over 821 square miles. The largest city is Oakland. Other major cities include Berkeley, Fremont, Pleasanton, Union City, and Piedmont. There are also several unincorporated areas, primarily Castro Valley and San Lorenzo.

The vast majority of the county's low-income communities are concentrated in portions of the city of Oakland, leading to a lot of redevelopment activity. The cost of housing in the AA is very high. The median housing value in 2008 was \$606,700, which is a decrease of 32 percent from 2007. According to the county, 54 percent of housing is owner-occupied. The 2009 HUD report indicates the adjusted median family income for the area was \$89,300. The poverty level is 9%.

Affordable housing is still an identified need for the county. Most communities have redevelopment departments and housing authorities that attempt to address poverty and stimulate jobs and investments. There are several not-for-profit organizations located within the AA that specifically target affordable housing and economic development services in LMI areas.

## Los Angeles AA

Demographic Information for Full-Scope Area: Los Angeles AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	2,054	8.71	28.29	27.99	34.23	0.78
Population by Geography	9,519,338	8.00	29.44	30.88	31.58	0.10
Owner-Occupied Housing by Geography	1,499,694	1.91	15.46	31.30	51.33	0.00
Businesses by Geography	973,871	7.58	20.47	26.51	44.65	0.80
Farms by Geography	7,437	3.82	15.53	31.24	48.90	0.51
Family Distribution by Income Level	2,154,311	23.87	16.49	17.40	42.24	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	869,463	13.65	41.46	28.95	15.94	0.00
Median Family Income		\$46,509	Median Housing Value			\$240,248
HUD Adjusted Median Family Income for 2009		\$62,100	Unemployment Rate			11.9%
Households Below the Poverty Level		15%	(December 2009)			

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2000 U.S. Census, and 2009 HUD updated MFI.

The primary assessment area of Far East National Bank consists of Los Angeles County. Market share for loans and deposits is highly competitive. As of June 30, 2009, the FDIC Deposit Market Share Report indicates the bank had \$997 million in deposits in this geographic area. FENB ranked 33rd, with a 0.41 percent share compared to 21.98 percent for the largest deposit holder. There were 140 FDIC insured depository institutions in the county operating from 1,789 offices. The market is somewhat concentrated, with the five largest banks holding 55 percent of the area's insured deposits. Banks with deposit market shares similar to FENB include Preferred Bank, First Bank, and Banco Popular North America. The market share for small loans to businesses is 0.04 percent. Major area lenders include Wells Fargo Bank, N.A., Bank of America, N.A., Citibank, N.A., JP Morgan Chase Bank, N.A., and Union Bank, N.A.

The Los Angeles AA is a complex, highly diverse, urban area that includes 88 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. The city of Los Angeles area is the second largest metropolitan area in the U.S; however, the annual growth trend is slowing due to the high cost of living in Los Angeles County.

The leading industries by number of employees are state and local governments, the motion picture and video industry, and general medical and surgical hospitals. Tourism is also a major industry, as well as international trade. The Los Angeles Customs District is the nation's largest, based on two-way trade. The Port of Los Angeles/Long Beach is one of the busiest in the nation, as is the Los Angeles International Airport. Los Angeles is a large manufacturing center, emphasizing apparel, computer and electronics, and fabricated metal products.

Defense and aerospace manufacturing are still important sources of employment. The unemployment rate has increased from 5.1 percent in 2007 to 11.9 percent as of December 2009.

The diverse economy in the AA has created many small business opportunities. For example, 75 percent of businesses within the area have annual revenues equal to or less than \$1 million. In 2008, the California Employment Development Department reported that 96 percent of the businesses in Los Angeles County had fewer than 50 employees.

In January 2002, HUD designated Los Angeles as a Renewal Community eligible to share in an estimated \$17 billion in tax incentives to stimulate job growth and economic development, and to create affordable housing. The Los Angeles Community Development department lists one Federal Empowerment Zone, four State Enterprise Zones, and various redevelopment areas in the AA.

Housing affordability is an ongoing and worsening problem in the Los Angeles area. The U.S. Census Bureau reports that in 2009, only 46 percent of all housing is owner-occupied. This is a decrease from 49% in 2005. An increase in population alone is enough to strain a tight housing market. A significant shortfall in producing additional housing units exacerbates the problem. The Construction Industry Research Board reports that housing starts between 2007 and 2008 fell by 33%. This combination puts additional pressure on housing prices and will likely contribute to an increasing housing affordability gap.

The cost of housing in the AA is high. In 2008, the Los Angeles County Economic Development Corporation reported the median housing value for existing homes was \$393,235. This represents a 26.7 percent decrease in housing cost since 2007. Prices declined further in 2009; however, for low- and moderate income persons, affordable housing still has significant price barriers. The 2009 HUD report indicates the adjusted median family income for the area was only \$61,200. Additionally, the percentage of persons living below the poverty level was 15 percent.

## Appendix C: Tables of Performance Data

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### 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: (1) 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; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE. [Note: Do not renumber the tables.]

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. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- 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. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

**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.

Table 1. Lending Volume

LENDING VOLUME		Geography: CALIFORNIA						Evaluation Period: January 1, 2007 to December 31, 2009				
MA/Assessment Area:	% 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)	
<b>Full Review:</b>												
Alameda County AA	17.01	13	9,543	95	40,501	0	0	1	320	109	50,364	0.63
Los Angeles AA	55.59	80	61,312	273	107,689	0	0	15	91,525	368	260,526	0.41
<b>Limited Review:</b>												
Orange County AA	8.35	17	11,756	36	14,420	0	0	1	3,000	54	29,176	0.10
San Francisco County AA	10.87	18	30,297	51	24,406	0	0	4	13,225	73	67,928	0.06
Santa Clara AA	8.19	2	2,560	50	23,497	0	0	0	0	52	26,057	0.15
Statewide with potential to benefit one or more AAs								3	16,170	3	16,170	

\* Loan Data as of December 31, 2009. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is January 1, 2007 to February 28, 2010.

\*\*\* Deposit Data as of June 30, 2009. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: CALIFORNIA								Evaluation Period: January 1, 2007 to December 31, 2009					
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Alameda County AA	3	8.82	4.37	0.00	13.50	66.67	44.98	33.33	37.16	0.00	0.00	0.00	0.00	0.00	0.00
Los Angeles AA	20	58.82	1.91	0.00	15.46	20.00	31.30	20.00	51.33	60.00	0.01	0.00	0.01	0.01	0.01
<b>Limited Review:</b>															
Orange County AA	3	8.82	1.25	0.00	19.56	33.33	33.56	33.33	45.63	33.33	0.01	0.00	0.00	0.01	0.01
San Francisco County AA	6	17.65	3.13	16.67	22.70	33.33	46.45	16.67	27.73	33.33	0.00	0.00	0.00	0.00	0.00
Santa Clara AA	2	5.88	1.17	0.00	14.81	0.00	48.40	0.00	35.63	100.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2008 Peer Mortgage Data: Western Region.

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: CALIFORNIA						Evaluation Period: January 1, 2007 to December 31, 2009						
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Alameda County AA	2	14.29	4.37	0.00	13.50	50.00	44.98	50.00	37.16	0.00	0.00	0.00	0.00	0.00	0.00
Los Angeles AA	10	71.43	1.91	0.00	15.46	10.00	31.30	40.00	51.33	50.00	0.01	0.00	0.04	0.00	0.00
<b>Limited Review:</b>															
Orange County AA	1	7.14	1.25	0.00	19.56	0.00	33.56	0.00	45.63	100.00	0.00	0.00	0.00	0.00	0.00
San Francisco County AA	1	7.14	3.13	0.00	22.70	0.00	46.45	100.00	27.73	0.00	0.00	0.00	0.00	0.00	0.00
Santa Clara AA	0	0.00	1.17	0.00	14.81	0.00	48.40	0.00	35.63	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2008 Peer Mortgage Data: Western Region.

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 2000 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: CALIFORNIA								Evaluation Period: January 1, 2007 to December 31, 2009				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Alameda County AA	5	10.00	4.37	0.00	13.50	40.0	44.98	40.00	37.16	20.00	0.00	0.00	0.00	0.00	0.00
Los Angeles AA	32	64.00	1.91	0.00	15.46	15.63	31.30	9.38	51.33	75.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
Orange County AA	9	18.00	1.25	0.00	19.56	0.00	33.56	44.44	45.63	55.56	0.00	0.00	0.00	0.00	0.00
San Francisco County AA	4	8.00	3.13	25.00	22.70	25.00	46.45	50.00	27.73	0.00	0.01	0.00	0.00	0.03	0.00
Santa Clara AA	0	0.00	1.17	0.00	14.81	0.00	48.40	0.00	35.63	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2008 Peer Mortgage Data: Western Region.

\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 2000 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: CALIFORNIA								Evaluation Period: January 1, 2007 to December 31, 2009					
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Alamada County AA	3	9.38	16.35	33.33	29.34	33.33	43.18	33.33	11.13	0.00	0.08	0.00	0.18	0.00	0.00
Los Angeles AA	18	56.25	12.96	5.56	31.74	55.56	28.34	22.22	29.96	16.67	0.05	0.00	0.10	0.03	0.04
<b>Limited Review:</b>															
Orange County AA	4	12.50	6.27	25.00	41.07	0.00	33.61	25.00	19.05	50.00	0.23	0.64	0.00	0.31	0.61
San Francisco County AA	7	21.88	28.01	14.29	26.91	28.57	24.07	28.57	21.00	28.57	0.22	0.00	0.50	0.21	0.00
Santa Clara AA	0	0.00	6.98	0.00	25.75	0.00	53.88	0.00	13.39	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2008 Peer Mortgage Data: Western Region.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 2000 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: CALIFORNIA				Evaluation Period: January 1, 2007 to December 31, 2009				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*									
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp					
<b>Full Review:</b>																				
Alameda County AA	95	18.92	13.82	27.37	17.70	21.05	39.33	14.74	28.97	36.84	0.04	0.15	0.07	0.02	0.04					
Los Angeles AA	270	53.78	7.58	8.89	20.47	29.26	26.51	23.70	44.65	38.15	0.02	0.03	0.03	0.02	0.01					
<b>Limited Review:</b>																				
Orange County AA	36	7.17	2.93	2.78	28.33	41.67	35.00	22.22	32.93	33.33	0.01	0.00	0.01	0.01	0.00					
San Francisco County AA	51	10.16	27.65	33.33	27.02	37.25	24.20	21.57	21.13	7.84	0.03	0.05	0.05	0.02	0.02					
Santa Clara AA	50	9.96	2.99	8.00	22.49	30.00	43.69	36.00	30.83	26.00	0.02	0.04	0.03	0.02	0.02					

\* Based on 2008 Peer Small Business Data: US.

\*\* 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 (2009).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS			Geography: CALIFORNIA						Evaluation Period: January 1, 2007 to December 31, 2009						
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Alameda County AA	0	0.00	8.80	0.00	16.79	0.00	38.01	0.00	36.39	0.00	0.00	0.00	0.00	0.00	0.00
Los Angeles AA	0	0.00	3.82	0.00	15.53	0.00	31.24	0.00	48.90	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
Orange County AA	0	0.00	3.39	0.00	26.64	0.00	34.68	0.00	35.05	0.00	0.00	0.00	0.00	0.00	0.00
San Francisco County AA	0	0.00	18.07	0.00	26.35	0.00	29.22	0.00	26.35	0.00	0.00	0.00	0.00	0.00	0.00
Santa Clara AA	0	0.00	2.55	0.00	25.56	0.00	44.73	0.00	27.17	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2008 Peer Small Business Data: US.

\*\* 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 (2009).



Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE			Geography: CALIFORNIA						Evaluation Period: January 1, 2007 to December 31, 2009						
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share *				
	#	% of Total**	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Alameda County AA	3	8.82	23.10	0.00	17.78	50.00	21.07	0.00	38.05	50.00	0.00	0.00	0.00	0.00	0.00
Los Angeles AA	20	58.82	23.87	0.00	16.49	0.00	17.40	26.67	42.24	73.33	0.00	0.00	0.00	0.01	0.00
<b>Limited Review:</b>															
Orange County AA	3	8.82	20.69	0.00	17.97	0.00	20.68	0.00	40.65	100.00	0.01	0.00	0.00	0.00	0.01
San Francisco County AA	6	17.65	28.37	0.00	18.90	0.00	18.72	25.00	34.01	75.00	0.00	0.00	0.00	0.00	0.00
Santa Clara AA	2	5.88	20.21	0.00	17.95	0.00	21.63	0.00	40.21	100.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2008 Peer Mortgage Data: Western Region.

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 26.5% of loans originated and purchased by Bank.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			Geography: CALIFORNIA						Evaluation Period: January 1, 2007 to December 31, 2009						
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share *				
	#	% of Total**	% Families***	% BANK****	% Families***	% BANK****	% Families***	% BANK****	% Families***	% BANK****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Alameda County AA	2	14.29	23.10	0.00	17.78	0.00	21.07	0.00	38.05	100.00	0.00	0.00	0.00	0.00	0.00
Los Angeles AA	10	71.43	23.87	0.00	16.49	0.00	17.40	0.00	42.24	100.00	0.00	0.00	0.00	0.01	0.00
<b>Limited Review:</b>															
Orange County AA	1	7.14	20.69	0.00	17.97	0.00	20.68	0.00	40.65	100.00	0.01	0.00	0.00	0.00	0.01
San Francisco County AA	1	7.14	28.37	100.00	18.90	0.00	18.72	0.00	34.01	0.00	0.00	0.00	0.00	0.00	0.00
Santa Clara AA	0	0.00	20.21	0.00	17.95	0.00	21.63	0.00	40.21	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2008 Peer Mortgage Data: Western Region.

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 28.6% of loans originated and purchased by Bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: CALIFORNIA						Evaluation Period: January 1, 2007 to December 31, 2009						
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Alameda County AA	5	10.00	23.10	0.00	17.78	0.00	21.07	50.00	38.05	50.00	0.00	0.00	0.00	0.00	0.00
Los Angeles AA	32	64.00	23.87	0.00	16.49	4.17	17.40	4.17	42.24	91.67	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
Orange County AA	9	18.00	20.69	0.00	17.97	0.00	20.68	14.29	40.65	85.71	0.00	0.00	0.00	0.00	0.00
San Francisco County AA	4	8.00	28.37	0.00	18.90	33.33	18.72	33.33	34.01	33.33	0.01	0.00	0.12	0.00	0.00
Santa Clara AA	0	0.00	20.21	0.00	17.95	0.00	21.63	0.00	40.21	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2008 Peer Mortgage Data: Western Region.

\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 24.0% of loans originated and purchased by Bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES				Geography: CALIFORNIA			Evaluation Period: January 1, 2007 to December 31, 2009		
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
<b>Full Review:</b>									
Alameda County AA	95	18.81	75.90	34.74	4.21	36.84	58.95	0.04	0.04
Los Angeles AA	273	54.06	75.36	43.22	17.22	26.74	56.04	0.02	0.03
<b>Limited Review:</b>									
Orange County AA	36	7.13	75.44	47.22	33.33	19.44	47.22	0.01	0.00
San Francisco County AA	51	10.10	72.93	49.02	9.80	29.41	60.78	0.03	0.05
Santa Clara AA	50	9.90	75.08	28.00	14.00	20.00	66.00	0.02	0.01

\* Based on 2008 Peer Small Business Data: US.

\*\* 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 - 2009).

\*\*\*\* 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 6.93% of small loans to businesses originated and purchased by the Bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS				Geography: CALIFORNIA			Evaluation Period: January 1, 2007 to December 31, 2009		
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 \$500,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Alameda County AA	0	0.00	94.88	0.00	0.00	0.00	0.00	0.00	0.00
Los Angeles AA	0	0.00	95.31	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>									
Orange County AA	0	0.00	93.06	0.00	0.00	0.00	0.00	0.00	0.00
San Francisco County AA	0	0.00	94.09	0.00	0.00	0.00	0.00	0.00	0.00
Santa Clara AA	0	0.00	93.74	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2008 Peer Small Business Data: US.

\*\* 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 - 2009).

\*\*\*\* 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 Bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: CALIFORNIA				Evaluation Period: January 1, 2007 to February 28, 2010			
MA/Assessment Area:	Prior Period Investments *		Current Period Investments		Total Investments			Unfunded Commitments **	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Alameda County AA	6	1,489	2	1,606	8	3,095	7.70	1	100
Los Angeles AA	8	4,100	1	1,676	9	5,811	14.45	0	0
<b>Limited Review:</b>									
Orange County AA	6	985	1	4,883	7	5,868	14.60	0	0
San Francisco County AA	4	703	1	1,384	5	2,087	5.19	0	0
Santa Clara AA	6	1,940	1	2,271	7	4,211	10.47	0	0
Statewide with potential to benefit one or more AAs	10	9,179	4	9,957	14	19,136	47.59	4	4693

\* '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: CALIFORNIA Evaluation Period: January 1, 2007 to February 28, 2010																	
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
<b>Full Review:</b>																	
Alameda County AA	13.21	1	9.09	0	0	0	100	0	1	-1	NA	NA	NA	10.69	21.48	41.34	26.44
Los Angeles AA	70.38	6	54.55	16	0	67	17	0	1	NA	NA	NA	-1	8.00	29.44	30.88	31.58
<b>Limited Review:</b>																	
Orange County AA	5.10	1	9.09	0	0	0	100	0	1	NA	NA	-1	NA	4.95	30.96	31.84	32.26
San Francisco County AA	5.32	1	9.09	100	0	0	0	0	1	NA	NA	-1	NA	12.84	29.23	39.46	18.47
Santa Clara AA	5.99	2	18.18	0	0	50	50	0	0	NA	NA	NA	NA	4.03	22.79	47.69	25.49