



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

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Community Reinvestment Act Performance Evaluation

**Far East National Bank
Charter Number: 16407**

**350 South Grand Avenue
Los Angeles, CA 90071**

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 **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			
High Satisfactory		X	X
Low Satisfactory	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:

- Lending activities reflect adequate responsiveness to the credit needs in the bank's assessment areas.
- Geographic loan distributions are good, based on excellent distribution of multi-family loans and small loans to businesses and adequate distribution of home mortgage loans.
- Borrower income distribution is adequate based on the activity of small loans to businesses.
- Community lending has a positive effect on the overall Lending Test.
- The volume of qualified investments is good, given the bank's capacity and the level of investment opportunities in the assessment areas.
- The bank's branches are readily 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 multi-family 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 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 multi-family (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 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 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 geography.

Multi-family: 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 more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of 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. The bank focuses on commercial real estate lending, and serving the needs of small- and medium-sized businesses that operate in both domestic and international markets. 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 and its Small Business Administration (SBA) department. In addition, the bank offers home mortgage loans as an accommodation to its customers. The bank's market share in home mortgage loans is less than one percent. As of November 30, 2006, these home mortgage loans were not a primary focus of the bank's business lending strategy as they totaled \$73.3 million, or 6.3 percent of total loans.

The bank's one operating subsidiary, Far East Capital Corporation (FECC), was established in 1988, in Los Angeles, CA. This affiliate is licensed by the U.S. Small Business Administration as a Small Business Investment Company (SBIC) that provides investment advisory services to companies that do not otherwise qualify for traditional bank-financing products. The SBIC also provides loans and takes equity positions. During the review period, FECC made two loans totaling \$430 thousand. FECC's activities are not considered in our CRA analysis.

Four other affiliates, Film Services Management Corporation, FENB Loan Corp, FENB Film Corp., and FENB Securities, were dissolved during the evaluation period. The activities of these companies are not considered in our CRA analysis.

As of September 30, 2006, the bank reported total assets of \$1.8 billion, and a net income of \$14.2 million for a return on average assets of 1.05 percent. Tier One Capital totaled \$163 million. The bank reported \$1.1 billion in total loans, which represented 67 percent of total assets. Commercial real estate was the largest category in the loan portfolio, comprising 80 percent of the dollar volume. Another category, loans to businesses secured by collateral other than real estate totaled 15 percent of the portfolio. Retail loan products were a small segment of the portfolio and were made as accommodations to existing customers. Retail loan products were less than one percent of total loans. Deposits totaled \$1.2 billion and consisted of certificates of deposit (63 percent), money market accounts (16 percent), demand deposits (11 percent), and savings accounts (7 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 15 full service branches located throughout Southern and Northern California. Of the nine Southern California branches, seven are located in the Los Angeles AA, in the cities of Los Angeles (2), Alhambra, Arcadia, City of Industry, Monterey Park, and Pasadena. Two branches are located in the Orange AA, in the cities of Irvine and Newport Beach. In May 2006, upon expiration of the lease, the bank relocated the City of Industry branch to a nearby location in the same city.

The six Northern California branches are located in the following AAs and cities: Two San Francisco AA branches located in downtown San Francisco and San Francisco's Sunset-Richmond district, two Alameda AA branches located in Fremont and Oakland, and two Santa Clara AA branches located in Cupertino and San Jose.

In July 2004, the bank closed its San Francisco Chinatown branch for cost considerations given its close proximity to, and the same client base serviced by, the downtown San Francisco branch. In August 2004, the bank opened a full service branch in the Sunset-Richmond district of San Francisco to further expand market share.

FENB conducts business in highly competitive banking environments. Refer to Appendix C for more detail. In most of FENB's AAs, numerous financial institutions focus on Asian communities. Los Angeles is the bank's primary AA and the bank competes with many other financial institutions for loans and deposits. For example, as of June 2006, the bank ranked 39th of 164 FDIC insured institutions, with a 0.38 percent deposit market share in the Los Angeles metropolitan statistical area. Competitors include local community banks, branches of larger regional banks, credit card banks, and other non-bank financial institutions. This intense competition has effected new business opportunities. The level of competition is the same in the other AAs, where FENB 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 November 17, 2003, the bank received a "Satisfactory" rating.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation (PE) considered FENB's small loans to businesses and residential mortgage lending activities for the period January 1, 2004 through November 30, 2006. We also evaluated the bank's community development lending activities, investments, and services for the period November 18, 2003 through December 31, 2006. 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 and home mortgage loan data used in our analyses, we performed a separate data integrity examination in August 2006, where we reviewed a sample of small business and HMDA loans. This PE is based on statistically valid data.

Additionally, we reviewed all originated community development loans, investments, and services to ensure that each activity had community development as its primary purpose. We determined that the information available for these activities was accurate for use in our assessment of the bank's CRA performance.

Selection of Areas for Full-Scope Review

We performed a full scope review of the Los Angeles AA, where a majority of the bank's deposit taking and lending activities occur. FENB's headquarters and six of its branches, which account for 70 percent of the bank's deposit and 59 percent of the loan activity, are located in the Los Angeles AA. Refer to Table 1 of Appendix C for the facts and data used to evaluate the lending activity.

Ratings

The overall rating for the bank is based primarily on the performance of the full-scope review of the Los Angeles AA. Because of the bank's emphasis is on small business lending, this loan product is 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. Thus, less weight is given to this activity in our analysis.

Fair Lending or Other Illegal Credit Practices 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 Review

The bank's performance under the Lending Test is rated "Low Satisfactory". Based on the full-scope review, the lending performance in the Los Angeles AA is "Low Satisfactory".

Lending Activity

Loans to small businesses and affordable housing are identified as primary credit needs in the Los Angeles AA. 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, and to a lesser extent on home mortgage loans. During the review period, the bank made 239 small loans to businesses and 128 home mortgage loans in the Los Angeles AA.

In relation to FENB's size and market conditions, the bank did a good job of reinvesting its deposits into small loans to businesses. Despite a high level of competition from other lenders, FENB was able to achieve a comparable small business loan market share to deposit market share. As of June 30, 2006, the bank's deposit share in the Los Angeles AA was 0.38 percent, which ranked 39th out of 164 reporting institutions. By comparison, the bank had a 0.05 percent of small business loan market share by dollar and 0.02 percent of mortgage lending market share by dollar volume.

Distribution of Loans by Income Level of the Geography

The geographic distribution of loans is good. This is based on the excellent distribution of small loans to businesses and multi-family loans and adequate performance in home mortgage loans.

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 AA is excellent. The bank's business focus and marketing efforts have been successful in addressing the small business needs within low- and moderate-income geographies.

The bank's overall distribution of loans in low-income geographies is good and commensurate with the percentage of businesses located in the same geographies. The geographic distribution of loans in moderate-income geographies is excellent and exceeded the demographics. In addition, the bank's market share in low- and moderate-income geographies is greater than its overall market share.

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans is adequate. The bank's distribution is poor in providing home purchase loans, home improvement loans, and home mortgage refinance loans. This performance can be explained by the low percentage of owner-occupied housing in low-income census tracts (1.91 percent), which reduces the opportunity for home product lending. The opportunity for home mortgage lending in this geography is limited due to relatively high housing costs. Our analysis is focused on performance in the moderate-income geographies.

FENB achieved adequate penetration of moderate-income geographies in comparison to the demographics. The bank's percentage of home mortgage refinance loans is consistent with the moderate-income demographics. Performance in home purchase and home improvement loans is adequate when compared to the demographics.

The bank's geographic distribution lending performance in multi-family loans is excellent. Lending in both low- and moderate-income geographies exceeded the demographics. These types of loans are more in line with the bank's commercial lending products and assist in meeting the community credit needs of affordable housing.

Distribution of Loans by Income Level of the Borrower

The overall distribution of loans by income of the borrower is adequate. This is based on adequate distribution performance in small loans to businesses. The bank's performance in borrower distribution of home mortgage loans is poor.

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 distribution of loans to businesses of different sizes is adequate when considering the size of loans originated and the strong competition for small loans to businesses in the AA.

Forty four percent of the bank's loan originations are to businesses with revenues of \$1 million or less. This performance is slightly less than the demographic data of 66 percent. The bank's market share of loans to businesses with revenues of \$1 million or less (0.05 percent) is greater than the demographic market share (0.04 percent).

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Lending performance to low- and moderate-income borrowers is poor. Borrower distribution to low-income individuals is poor, as the bank made no home purchase, refinancing, or improvement loans to borrowers in the low-income geographies.

The borrower distribution of home improvement loans to moderate-income borrowers is adequate. Performance in the distribution to moderate-income borrowers of home purchase loans and home mortgage refinance loans is poor. The bank made no home purchase loans to moderate-income borrowers.

This poor performance to low- and moderate-income borrowers is mitigated by recent economic data that shows the median sales price of existing single-family homes in the AA exceeds \$471,400. The median household income is \$56,200. Most low- and moderate-income borrowers do not qualify for home mortgage loans.

Community Development Lending

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of community development (CD) lending. This table includes all CD loans, including multi-family loans that also qualify as CD loans.

CD lending performance is excellent, and has a positive impact upon the Lending Test. FENB funded \$29.8 million in CD loans and reflects a responsiveness to the Los Angeles AA credit needs. All of these loans have a community development focus and provide community economic development opportunities targeted towards low- and moderate-income individuals and geographies. Examples of FENB's CD loans are:

- A \$10 million revolving line of credit to the Alhambra Redevelopment Agency to acquire, relocate, demolish, and rehabilitate projects within the City of Alhambra's low- and moderate-income redevelopment areas. Development projects included affordable housing, commercial real estate projects, and development of the West Main Street Corridor.
- A \$7.5 million to purchase and renovate a commercial building in a low-income area of the downtown City of Los Angeles Empowerment Zone. Funds were used to develop 169 retail commercial stores intended for small businesses, and created approximately 340 jobs.
- A \$2.5 million for construction of a 13,115 square foot (sf), 4-unit retail center in the City of Los Angeles' Eastside Enterprise Zone. The project is in a moderate-income geography, and targeted to benefit low- and moderate-income families. The center created 25 new jobs.
- A \$1.8 million to finance an industrial/commercial property in a moderate-income geography in the South Central Los Angeles Empowerment and State Enterprise Zones. This 49,684 sf facility accommodated two tenants at below market rates and created 50 to 100 jobs.
- A \$984 thousand in loans for a Community Development Financial Institution (CDFI) closely affiliated with the City of Los Angeles Major's Office of Economic Development. These funds helped renovate a charter school targeted for low- and moderate-income families, construct a water purification system in a moderate-income geography, and provide a revolving line of credit for working capital. These projects created over 28 new jobs in low- and moderate-income geographies.

The bank partners with other lending institutions by participating in loan pools that provide funds for locally based community development.

- \$1 million (6.7 percent participation of a \$15 million revolving loan fund) to a community development corporation. To date, the corporation has developed 50 affordable housing units in the City of Inglewood.
- \$100 thousand (or 3.3 percent of a \$3 million revolving loan fund) to a nonprofit public benefit community lender in downtown Los Angeles. To date, the fund has assisted 20 businesses and created 77 jobs in low- and moderate-income geographies.

Table 1 of Appendix C also reflects CD lending in a Broader Regional Area that covered more than one AA. FENB provided a \$12 million line of credit to a California based affordable-housing organization that provided interim financing of home mortgage loans used to purchase 1-4 residential units. This activity served the credit needs throughout the State of California by revitalizing declining neighborhoods and preserving affordable housing for low- and moderate-income families. During the evaluation period, 23 loans provided funds to revitalize 871 housing units, with an average usage of \$3.8 million. Once funded, each loan is sold in the secondary market, which will free up the line of credit to generate new loans.

Product Innovation and Flexibility

Product innovation and flexibility has a neutral impact on evaluating performance under the Lending Test. The bank offers traditional loan products, none of which are considered innovative or flexible.

Lending Gap Analysis

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

Inside/Outside Ratio

The bank performed this portion of analysis for the PE. FENB originated a substantial majority (87 percent by number and 84 percent by dollar) of its loans with its AAs. In addition, 79 percent of the bank's community development loans were located within the bank's AAs. (See Table 1 of Appendix C for details).

Conclusions for Areas Receiving Limited-Scope Reviews

Refer to Tables 1 through 11 in Appendix C for the facts and data that support these conclusions.

Based on limited scope reviews, the bank's overall performance under the Lending Test in the Alameda, Orange, San Francisco, and Santa Clara AAs is consistent with the bank's overall "Low Satisfactory" performance under the Lending Test of the Los Angeles AA.

The geographic distribution of small loans to businesses in low-income geographies in each limited scope AA is better than in the Los Angeles AA. The geographic distribution of small loans to businesses in moderate-income geographies is consistent with the Los Angeles AA. In addition, the market share in each limited scope AA is commensurate with the Los Angeles AA.

There is an insufficient volume of home mortgage loans and multi-family lending activity in the limited scope AAs for a meaningful analysis.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Review

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

The bank's performance under the Investment Test is rated "High Satisfactory". The bank's performance in the Los Angeles AA is good based on investment opportunities and the capacity to invest. FENB made qualified investments and donations totaling \$3 million during the evaluation period. Balances outstanding from the prior evaluation period total \$1.4 million. While none of the investments is 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:

- Equity investments totaling \$2.2 million to a locally based organization that is supported by the Mayor of Los Angeles, the City of Los Angeles, and a group of private sector investors. The bank's involvement assisted in the development of 18 affordable housing and mixed-use projects. The total project generated 2,350 jobs and 1,496 affordable housing units in low- and moderate-income geographies of the City of Los Angeles.
- The purchase of \$830 thousand in mortgage-backed security investments that provided six loans for affordable housing to individuals in low- and moderate-income geographies.
- Several cash donations totaling \$59 thousand that benefited 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.

During the prior evaluation period, the bank purchased mortgage-backed security investments that had a \$1.3 million balance at the time of this review. These mortgage-backed securities have an ongoing effect on facilitating affordable housing.

Broader Regional Area Investments

During the prior evaluation period, the bank made investments that had a \$3.2 million balance at the time of this review. These investments benefited broader regional geographies throughout Southern and Northern California communities. These funds met economic community development and affordable housing needs in the areas.

Conclusions for Area Receiving Limited-Scope Reviews

Refer to Table 14 in Appendix C for the facts and data that support these conclusions.

Based on limited-scope reviews, the bank's performance under the Investment Test in the Alameda, Orange, San Francisco, and Santa Clara County AAs is consistent with the "High Satisfactory" rating of the Los Angeles AA. During the evaluation period, the bank increased the amount of investments similar to those in the Los Angeles AA, in each of the limited scope AAs. The bank's performance in the Orange and San Francisco AA is better than the Los Angeles AA. The dollar amount of the investments is greater than the proportionate percent of deposits in these AAs.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Review

The bank's performance under the Service Test is rated "High Satisfactory". Based on the full-scope review, the bank's performance in the Los Angeles AA 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, 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 compared to the population demographics in the same geographies. The bank has seven branches in the Los Angeles AA, including one branch in a low-income geography, which exceeds the area demographics. There is one branch in a moderate-income geography, which is below the area demographics. However, the Alhambra, Monterey Park, and City of Industry branches, while located in middle-income geographies, also serve adjacent low-income geographies. During the review period, the lease on the City of Industry branch expired. FENB moved the branch to a nearby location, which is still in a middle-income geography.

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

FENB provides a good level of community development services that are responsive to the needs of the people and organizations within the Los Angeles AA. These services focus on providing financial and technical assistance to nonprofit organizations that serve small businesses, affordable housing interests, and social service organizations that each benefit low- and moderate-income individuals.

- An Executive Officer serves as a member of an Investment Committee of a community development organization jointly created by the Mayor and the City of Los Angeles. This organization develops projects that create local jobs, provide affordable housing, and encourage private investment in low- and moderate-income geographies throughout Los Angeles.
- An Executive Officer serves as member of a Loan Committee for the City of Los Angeles Community Development Department. The loans facilitate affordable housing and economic revitalization through job creation in low- and moderate-income geographies in the City of Los Angeles.
- A First Vice President serves as a treasurer and board member of a Pasadena-based community service organization that provides financial and other assistance to low-income individuals.
- A department manager is a member of a Loan Committee for the County of Los Angeles Community Development Commission. The loans are for small businesses in low- and moderate-income geographies.
- A Vice President serves on the board, and various other staff members assist, a San Gabriel Valley community organization that provides food, shelter, and other support services to homeless and low-income individuals.
- A staff member, through affiliation with the Los Angeles Superior Court Domestic Violence Project, provides free legal support services to low- and moderate-income crime victims.
- Several staff members participate in construction of affordable housing in the San Gabriel Valley and South Bay areas. These activities alleviate the need for paid construction workers.
- Several bank officers and staff conduct financial training to small businesses. In addition, bank employees conduct on-going training in banking operations and financial literacy to elementary, middle, and high schools in low- and moderate-income geographies.

Conclusions for Areas Receiving Limited-Scope Reviews

Refer to Table 15 in Appendix C for the facts and data that support these conclusions.

Based on limited-scope reviews, the bank's performance of branch distribution under the Service Test in the other four California AAs is consistent with the overall Service Test rating of "High Satisfactory" in the Los Angeles AA. The percentage of branch locations in the Alameda and San Francisco AAs exceeds the low-income area demographics. There are no branches in moderate-income communities.

During the review period, the bank closed the San Francisco Chinatown Branch in a low-income geography due to duplication of costs associated with the nearby downtown San Francisco branch. The downtown branch provides the same services and is also in a low-income geography. In addition, the bank opened a branch in the San Francisco's Richmond-Sunset district, a middle-income geography.

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): 1/1/2004 to 11/30/2006 Investment and Service Tests and CD Loans: (11/18/2003 to 12/31/2006)	
Financial Institution	Products Reviewed	
Far East National Bank Los Angeles, California	Small business loans, CD loans, investments, retail and community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Far East Capital Corporation	Wholly owned subsidiary of FENB	No analyses were performed on affiliate products or services.
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Los Angeles County	Full scope	N/A
Alameda County	Limited Scope	
Orange County	Limited Scope	
San Francisco County	Limited Scope	
Santa Clara County	Limited Scope	

Appendix B: Market Profiles for Full-Scope Areas

Los Angeles County (Los Angeles AA)

Demographic Information for Full Scope Area: Los Angeles County						
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
Business by Geography	769,909	7.76	20.54	26.26	44.69	0.75
Farms by Geography	5,966	3.54	14.80	31.11	50.18	0.37
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 HUD Adjusted Median Family Income for 2006 Households Below Poverty Level		46,509 56,200 15%	Median Housing Value Unemployment Rate (2000 US Census)		240,248 3.72%	

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

Source: 2000 US Census and 2006 HUD updated MFI

The primary assessment area of Far East National Bank consists of the entire Los Angeles-Long Beach-Glendale Metropolitan Area (MA), which is composed of Los Angeles County.

Market share for loans and deposits is highly competitive.

As of June 30, 2006, the FDIC Deposit Market Share Report indicates the bank had \$1.09 billion in deposits in this geographic area. FENB ranked 39th, with a 0.38 percent share compared to 18.93 percent for the largest deposit holder. There were 164 FDIC insured depository institutions in the county operating from 2,300 offices. The market is somewhat concentrated, with the three largest banks holding 41 percent of the area's insured deposits. Banks with deposit market shares similar to FENB include Nara Bank, Preferred Bank, and China Trust Bank. Nearly one thousand mortgage lenders and over 260 small business lenders also provide significant competition within the AA. The market share for small loans to businesses is 0.04 percent. Major area lenders include Countrywide, Washington Mutual, Bank of America, and Wells Fargo Bank.

The Los Angeles AA 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. The Los Angeles area is the second largest metropolitan area in the U.S. with 10.2 million people, an increase of 7 percent since the 2000 census. However, the annual growth trend is slowing due to the high cost of living in Los Angeles County.

The leading industries are international trade and tourism. 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. Film and television production is also a large part of the local economy. Defense and aerospace manufacturing are still important sources of employment. The unemployment rate has declined from a 6.5 percent average in 2004, to a 5.4 average percent in 2005, and 4.5 percent as of April 2006. The continued population growth and the diverse economy have created many small business opportunities. For example, 66 percent of businesses within the area have annual revenues equal to or less than \$1 million. In 2005, Dunn and Bradstreet reported that 70 percent of the businesses in Los Angeles County had fewer than 20 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. Within the AA, there is one Federal Empowerment Zone, four State Enterprise Zones, and various redevelopment areas.

Housing affordability is an ongoing and worsening problem in the Los Angeles area.

The 2005 U.S. Census Bureau reports that only 49 percent of all housing is owner-occupied. An increase in population alone is enough to strain a tight housing market. However, a significant shortfall in producing additional housing units exacerbates the problem. This combination puts additional pressure on housing prices and will likely contribute to an increasing housing affordability gap.

The cost of housing is relatively high. The 2006 HUD report indicates the adjusted median family income for the area was \$56,200. The percentage of households living below the poverty level was 15 percent. In June 2006, the Los Angeles County Economic Development Corp. reported the median housing value was \$471,400. This represents a 91 percent increase in housing cost since 2002. In addition, monthly rents on a two-bedroom apartment have increased 13 percent to \$1,527 since the November 2003 review. Rising rents have prompted several communities to adopt rent stabilization ordinances that allow only a three-percent annual increase. Multi-family housing vacancy rates have declined from 5.8 percent in June 2003 to 4.0 percent in March 2006.

Community contacts indicate there are significant credit and community development needs.

We contacted four Los Angeles community organizations including three economic development corporations and one affordable housing organization. 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. A need for more SBA 504 financing and other small business loans exists. Financial literacy education is another significant need. Contacts indicate a large un-banked immigrant population within the area.

There are significant opportunities in the AA to participate in community development activities. Nonprofit organizations are numerous and active, and local governments promote and assist a variety of community development and redevelopment activities. Still, needs exist for more financial support for the nonprofit organizations and for bankers to serve on advisory boards and committees. All of these provide opportunities for direct investment, grants, and providing needed technical assistance.

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: (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.

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 in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column with the appropriate caption, such as: “Statewide/Regional,” “Statewide/Regional with potential benefit to one or more AAs” or “Out of Assessment Area.” “Out of Assessment Area” is used ONLY if the bank has otherwise adequately met the CD lending needs of its assessment area.
- 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.
- 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 Multi-family Loans** - Compares the percentage distribution of the number of multi-family loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multi-family 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** - (Not Applicable) 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 - (Not Applicable) 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 - (Not Applicable) 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 in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column with the appropriate caption, such as: "Statewide/Regional," "Statewide/Regional with potential benefit to one or more AAs" or "Out of Assessment Area." "Out of the Assessment Area" is used ONLY if the bank has otherwise adequately met the qualified investment needs of its assessment area.

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: Far East National Bank

Table 1. Lending Volume

LENDING VOLUME												Geography: CALIFORNIA		Evaluation Period: JANUARY 1, 2004 TO NOVEMBER 30, 2006	
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)				
Full Review:															
Los Angeles County	59.23	128	78,392	241	97,556	0	0	10	29,885	380	206,808	69.66			
Limited Review:															
Alameda County	8.19	9	6,790	42	18,911	0	0	0	0	51	25,701	7.63			
Orange County	14.13	54	25,270	34	16,603	0	0	3	442	91	42,315	9.03			
San Francisco County	11.56	28	56,292	44	19,405	0	0	5	13,658	77	89,355	6.63			
Santa Clara County	6.90	14	7,455	29	14,274	0	0	0	0	43	21,729	7.05			
Broader Regional Area								2	12,000	2	12,000				

* Loan Data as of November 30, 2006. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2006 to December 31, 2006.

*** Deposit Data as of November 30, 2006. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: Far East National Bank

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE 30, 2006		Geography: CALIFORNIA						Evaluation Period: JANUARY 1, 2004 TO NOVEMBER 30, 2006							
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	Total	Low	Mod	Mid	Upp
Full Review:															
Los Angeles County	31	60.78	1.91	0.00	15.46	9.68	31.30	48.39	51.33	41.94	0.01	0.00	0.00	0.00	0.01
Limited Review:															
Alameda County	2	3.92	4.37	50.00	13.50	50.00	44.98	0.00	37.16	0.00	0.00	0.03	0.00	0.00	0.00
Orange County	10	19.61	1.25	0.00	19.56	10.00	33.56	40.00	45.63	50.00	0.00	0.00	0.00	0.00	0.01
San Francisco County	6	11.76	3.13	0.00	22.70	33.33	46.45	50.00	27.73	16.67	0.02	0.00	0.06	0.02	0.00
Santa Clara County	2	3.92	1.17	0.00	14.81	0.00	48.40	100.00	35.63	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2005 Peer Mortgage Data (Western)

** 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: Far East National Bank

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT 30, 2006			Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2004 TO NOVEMBER					Market Share (%) by Geography				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Total	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
Los Angeles Count	11	45.83	1.91	0.00	15.46	9.09	31.30	27.27	51.33	63.64	0.01	0.00	0.00	0.01	0.02	
Limited Review:																
Alameda County	0	0.00	4.37	0.00	13.50	0.00	44.98	0.00	37.16	0.00	0.00	0.00	0.00	0.00	0.00	
Orange County	7	29.17	1.25	0.00	19.56	0.00	33.56	28.57	45.63	71.43	0.01	0.00	0.00	0.00	0.03	
San Francisco Cou	5	20.83	3.13	0.00	22.70	0.00	46.45	100.00	27.73	0.00	0.16	0.00	0.00	0.36	0.00	
Santa Clara County	1	4.17	1.17	0.00	14.81	0.00	48.40	100.00	35.63	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2005 Peer Mortgage Data (Western)

** 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: Far East National Bank

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE 30, 2006		Geography: CALIFORNIA								Evaluation Period: JANUARY 1, 2004 TO NOVEMBER					
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	Total	Low	Mod	Mid	Upp
Full Review:															
Los Angeles Count	44	42.72	1.91	0.00	15.46	15.91	31.30	18.18	51.33	65.91	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Alameda County	6	5.83	4.37	16.67	13.50	0.00	44.98	16.67	37.16	66.67	0.00	0.02	0.00	0.00	0.00
Orange County	35	33.98	1.25	0.00	19.56	5.71	33.56	22.86	45.63	71.43	0.01	0.00	0.00	0.01	0.01
San Francisco Cou	8	7.77	3.13	0.00	22.70	25.00	46.45	25.00	27.73	50.00	0.03	0.00	0.04	0.00	0.06
Santa Clara County	10	9.71	1.17	0.00	14.81	10.00	48.40	40.00	35.63	50.00	0.00	0.00	0.00	0.00	0.01

* Based on 2005 Peer Mortgage Data (Western)

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

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

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: Far East National Bank

Table 5. Geographic Distribution of Multi-family Loans

Geographic Distribution: MULTI-FAMILY 30, 2006		Geography: CALIFORNIA								Evaluation Period: JANUARY 1, 2004 TO NOVEMBER					
MA/Assessment Area:	Total Multi- family 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	Total	Low	Mod	Mid	Upp
Full Review:															
Los Angeles County	42	76.36	12.96	14.29	31.74	38.10	28.34	26.19	26.96	21.43	0.22	0.08	0.17	0.18	0.58
Limited Review:															
Alameda County	1	1.82	16.35	100.00	29.34	0.00	43.18	0.00	11.13	0.00	0.15	0.68	0.00	0.00	0.00
Orange County	2	3.64	6.27	50.00	41.07	50.00	33.61	0.00	19.05	0.00	0.00	0.00	0.00	0.00	0.00
San Francisco Cou	9	16.36	28.01	55.56	26.91	22.22	24.07	22.22	21.00	0.00	0.33	1.09	0.53	0.00	0.00
Santa Clara County	1	1.82	6.98	0.00	25.75	0.00	53.88	0.00	13.39	100.00	0.00	0.00	0.00	0.00	0.00

* Based on 2005 Peer Mortgage Data (Western)

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multi-family housing units in the area based on 2000 Census information.

**** Multi-family loan distribution includes Home Purchases, Home Improvement and Refinances.

Institution ID: Far East National Bank

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: CALIFORNIA						Evaluation Period: JANUARY 1, 2004 TO NOVEMBER 30, 2006						
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 Business***	% BANK Loans	% of Businesses***	% BANK Loans	% of Business es***	% BANK Loans	% of Business es***	% BANK Loans	Total	Low	Mod	Mid	Upp
Full Review:															
Los Angeles County	239	61.60	7.76	6.69	20.54	25.94	26.26	33.89	44.69	33.47	0.04	0.05	0.07	0.06	0.03
Limited Review:															
Alameda County	42	10.82	13.96	45.24	17.96	11.90	39.36	7.14	28.49	35.71	0.05	0.28	0.04	0.01	0.05
Orange County	34	8.76	3.13	8.82	28.66	35.29	35.26	35.29	32.18	20.59	0.02	0.09	0.02	0.02	0.01
San Francisco County	44	11.34	27.84	36.36	26.32	34.09	24.03	20.45	21.81	9.09	0.07	0.13	0.10	0.05	0.03
Santa Clara County	29	7.47	3.08	17.24	22.66	31.03	43.75	44.83	30.51	6.90	0.02	0.12	0.02	0.03	0.01

* Based on 2005 Peer Small Business Data -- US and 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 (2006).

Institution ID: Far East National Bank

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: CALIFORNIA							Evaluation Period: JANUARY 1, 2004 TO NOVEMBER 30, 2006						
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 ¹	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Total	Low	Mod	Mid	Upp
Full Review:															
Los Angeles County	31	60.78	23.87	0.00	16.49	0.00	17.40	0.00	42.24	100.00	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Alameda County	2	3.92	23.10	0.00	17.78	0.00	21.07	0.00	38.05	0.00	0.00	0.00	0.00	0.00	0.00
Orange County	10	19.61	20.69	0.00	17.97	0.00	20.68	10.00	40.65	90.00	0.01	0.00	0.00	0.01	0.00
San Francisco County	6	11.76	28.37	20.00	18.90	0.00	18.72	0.00	34.01	80.00	0.03	0.00	0.00	0.00	0.03
Santa Clara County	2	3.92	20.21	0.00	17.95	100.00	21.63	0.00	40.21	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2005 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 39.2% of loans originated and purchased by bank.

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

**** 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.

¹ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: Far East National Bank

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: CALIFORNIA						Evaluation Period: JANUARY 1, 2004 TO NOVEMBER 30, 2006							
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 Loans****	% Families ²	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Total	Low	Mod	Mid	Upp
Full Review:															
Los Angeles County	11	45.83	23.87	0.00	16.49	10.00	17.40	20.00	42.24	70.00	0.01	0.00	0.00	0.02	0.00
Limited Review:															
Alameda County	0	0.00	23.10	0.00	17.78	0.00	21.07	0.00	38.05	0.00	0.00	0.00	0.00	0.00	0.00
Orange County	7	29.17	20.69	0.00	17.97	0.00	20.68	28.57	40.65	71.43	0.01	0.00	0.00	0.00	0.02
San Francisco County	5	20.83	28.37	20.00	18.90	20.00	18.72	0.00	34.01	60.00	0.16	0.00	0.00	0.00	0.28
Santa Clara County	1	4.17	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 2005 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 4.2% of loans originated and purchased by bank.

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

**** 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.

² Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: CALIFORNIA					Evaluation Period: JANUARY 1, 2004 TO NOVEMBER 30, 2006					Market Share				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Total	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families ³	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans** **						
Full Review:																
Los Angeles County	44	42.72	23.87	0.00	16.49	5.41	17.40	10.81	42.24	83.78	0.00	0.00	0.00	0.01	0.00	
Limited Review:																
Alameda County	6	5.83	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	
Orange County	35	33.98	20.69	3.13	17.97	6.25	20.68	21.88	40.65	68.75	0.01	0.04	0.01	0.00	0.01	
San Francisco County	8	7.77	28.37	16.67	18.90	0.00	18.72	0.00	34.01	83.33	0.03	0.00	0.00	0.00	0.04	
Santa Clara County	10	9.71	20.21	0.00	17.95	0.00	21.63	10.00	40.21	90.00	0.01	0.00	0.00	0.00	0.01	

* Based on 2005 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 14.6% of loans originated and purchased by bank.

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

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

³ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: CALIFORNIA			Evaluation Period: JANUARY 1, 2004 TO NOVEMBER 30, 2006				
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 County	239	61.60	66.28	43.98	20.33	15.77	63.90	0.04	0.05
Limited Review:									
Alameda County	42	10.82	66.11	38.10	9.52	21.43	69.05	0.05	0.05
Orange County	34	8.76	66.93	38.24	17.65	14.71	67.65	0.02	0.01
San Francisco County	44	11.34	64.12	52.27	20.45	20.45	59.09	0.07	0.07
Santa Clara County	29	7.47	64.88	20.69	13.79	20.69	65.52	0.02	0.00

* Based on 2005 Peer Small Business Data -- US and 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 - 2006).

**** 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 7.18% of small loans to businesses originated and purchased by the bank.

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Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: CALIFORNIA				Evaluation Period: November 18, 2003 to December 31, 2006			
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 County	4	1,338	6	3,062	10	4,400	25.00	2	2,584
Limited Review:									
Alameda County	2	833	4	1,908	6	2,741	15.60	0	0
Orange County	3	945	3	941	6	1,886	10.70	0	0
San Francisco County	1	198	3	1,121	4	1,319	7.50	0	0
Santa Clara County	3	535	3	3,512	6	4,047	23.00	0	0
Broader Regional Area	2	2,850	4	336	6	3,186	18.10	0	0

* 'Prior Period Investments' means investments made in a previous 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.

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

DISTRIBUTION OF BRANCH OPENINGS/CLOSINGS				Geography: CALIFORNIA				Evaluation Period: November 18, 2003 to December 31, 2006									
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 County	69.66	7	46.67	14.29	14.29	57.13	14.29	1	1	0	0	0	0	8.00	29.44	30.88	31.58
Limited Review:																	
Alameda County	7.63	2	13.33	50.00	0.00	0.00	50.00	0	0	0	0	0	0	10.69	21.48	41.34	26.44
Orange County	9.03	2	13.33	0.00	0.00	50.00	50.00	0	0	0	0	0	0	4.95	30.96	31.84	32.26
San Francisco County	6.63	2	13.33	50.00	0.00	50.00	0.00	1	1	0	0	+1	0	12.84	29.23	39.46	18.47
Santa Clara County	7.05	2	13.33	0.00	0.00	50.00	50.00	0	0	0	0	0	0	4.03	22.79	47.69	25.49