



**Comptroller of the Currency
Administrator of National Banks**

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PUBLIC DISCLOSURE

October 10, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Trans Pacific National Bank
Charter Number 18358**

**46 Second Street
San Francisco, CA 94501**

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.</p>

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Trans Pacific National Bank** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of October 10, 1996. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

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

Trans Pacific National Bank (TPNB) is rated “**Satisfactory**” because the bank’s loan to deposit ratio is reasonable; the majority of its loan and other lending-related activities are within its assessment area; and, the distribution of the bank’s credit among individuals of different income levels and businesses of different sizes is reasonable.

The following table indicates the performance level of *Trans Pacific National Bank* with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	Trans Pacific National Bank Performance Levels		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio		x	
Lending in Assessment Area		x	
Lending to Borrowers of Different Incomes and to businesses of Different sizes		x	
Geographic Distribution of Loans		x	
Response to Complaints	There have been no CRA complaints since the last CRA Public Evaluation.		

DESCRIPTION OF INSTITUTION:

Trans Pacific National Bank (TPNB) is a retail banking institution providing general banking services to the residents of San Francisco and Alameda counties. The bank was founded in September 1984. TPNB is a wholly owned subsidiary of Trans Pacific Bancorp, a unitary bank holding company located in San Francisco, California. The bank has total assets of \$68 million as of September 30, 1996. TPNB has two offices. The main office is located on Second Street in the South of Market area of San Francisco. A branch office is located on Webster Street in the City of Alameda, across the bay from San Francisco, and adjacent to Oakland.

The bank's lending focus is primarily on commercial real estate and business loans. The bank makes a small number of residential mortgage loans and consumer loans, mainly as an accommodation to existing customers. As of August 31, 1996, commercial real estate loans totaling \$25.1 million constituted 57% of the bank's loans outstanding. Non-real estate secured business loans were \$18.1 million (41% of total loans), residential real estate loans were \$300 thousand (.7%), consumer loans outstanding were \$259 thousand (.6%), and other loans were \$380 thousand (.9%). Percentages are less than 100% due to rounding. The bank has no legal or financial impediments in meeting the credit needs of the community.

The bank received a rating of "Satisfactory Record of Meeting the Community Credit Needs" at the date of their last CRA evaluation, March 31, 1994.

DESCRIPTION OF SAN FRANCISCO, ALAMEDA, AND OAKLAND:

The board and management have determined the bank's assessment area to be a five-mile area around their San Francisco and Alameda offices. The bank's assessment area consists of portions of two Metropolitan Statistical Areas (MSAs): San Francisco and Oakland. In San Francisco, TPNB's assessment area contains 133 census tracts out of a total of 152 census tracts. In the Oakland MSA, the bank's assessment area contains 91 census tracts out of a total of 108 census tracts. TPNB's assessment area meets the requirements of the regulation. It includes whole census tracts, and does not arbitrarily exclude any low-income or moderate-income geographies.

Because the bank uses areas limited to the proximity of their offices to describe the bank's assessment area, certain portions of the San Francisco and Oakland MSAs are excluded. In San Francisco, most of the western part of the city, including the Sunset, Richmond, and West Portal districts are outside the bank's area. In Alameda, the southern tip of the City of Alameda is excluded. In Oakland, a portion of East Oakland and the southern part of the City of Oakland are excluded.

The median family income for the San Francisco MSA is \$49,282. The total population is 723,959. San Francisco is a major financial, legal, accounting, government, and retail center in Northern California. The city has long been a major tourist attraction. Along with financial, legal, accounting, government, and retail employment, tourism and related services are a major source of employment. Banking is well represented with many large and small banks and thrifts either domiciled in the city or represented by branch offices. Competition in offering banking services is high.

Oakland MSA median family income is \$47,516. The total population at the date of the last census is 375,543. Oakland is a major west coast port for container cargo. A number of nationally known firms are headquartered in Oakland including Kaiser Industries, American President Company, and Clorox. The city of Oakland is also well represented by numerous banks and thrifts either domiciled or represented by branches in the city.

The city of Alameda in the bank's Oakland MSA is primarily residential with a mixture of retail centers and some light industry. A large military presence through the Alameda Naval Air Station (NAS) has recently been withdrawn with the closure of the base. Alameda NAS is currently being converted to other uses. However, the closing of the air station has had a depressing effect on some local merchants.

Recent community contacts made by this and other agencies in the San Francisco and Oakland MSAs show that affordable housing and small business financing continue to be primary needs in both MSAs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

Loan to Deposit Ratio

o The bank's loan to deposit ratio is reasonable

TPNB's average loan to deposit ratio over the past eight quarters from 12/31/94 through 6/30/96 is 68%. This is reasonable when compared to three similarly situated banks based on asset size and location. The three similarly situated banks have average loan to deposit ratios over the same eight quarters of 61%, 62%, and 78%.

Lending in the Assessment Area

o The bank's record of lending in its assessment area is acceptable.

A review of bank records show that, overall, the majority of bank loans originated or renewed from 4/1/95 through 6/30/96 are within the bank's assessment area (AA). The dollar amount of loans outside the Oakland AA is larger than the dollar amount inside the AA. However, the bank has made an equal number of loans inside the Oakland assessment area. The tables following show by number and dollar amount the percentage of total loans originated in TPNB's San Francisco and Oakland MSAs:

**Loans Originated Inside/Outside Assessment Area
San Francisco MSA 4/1/95 - 6/30/96**

Count Classification	In AA	Outside AA	Total
Number	116 (75%)	39 (25%)	155
Dollar Amount	\$13,683,383 (73%)	\$4,959,270 (27%)	\$18,642,653

**Loans Originated Inside/Outside Assessment Area
Oakland MSA 4/1/95 - 6/30/96**

Count Classification	In AA	Outside AA	Total
Number	29 (50%)	29 (50%)	58
Dollar Amount	\$2,748,913 (30%)	\$6,404,884 (70%)	\$9,153,797

Lending to Businesses of Different Sizes

- o The bank's record of lending to businesses of different sizes is good.**

TPNB records show that the majority of the bank's loans both by number and dollar amount are made to businesses with annual revenues less than \$1 million. From a total of 292 loans in the bank's portfolio, 150 (57%) are to businesses with annual revenues less than \$1 million. The dollar amount of these loans is \$21,829,350, or 51% of a total of \$42,512,917 outstanding at 9/30/96.

Lending to Borrowers of Different Incomes

- o TPNB's lending to borrowers of different incomes is acceptable.**

A review of the bank's consumer loan originations from 4/1/94 through 6/30/96, including residential mortgage and home equity loans, shows that there is a reasonable distribution of loans to borrowers of different incomes both in the San Francisco MSA and the Oakland MSA. The following charts detail the distribution of these consumer loans by the percentage of number and dollar amount for low-income, moderate-income, middle-income, and upper-income borrowers. The charts compare the percentage of this distribution to the percentage of families living in these Assessment areas (AA) at various income levels.

**Consumer Loans to Borrowers of Different Incomes
San Francisco MSA**

Count Type	Low-Income	Moderate-Income	Middle-Income	Upper-Income
% of Total #	14%	12%	16%	58%
% of Total \$\$	11%	5%	12%	72%
% of Families in AA by Income Level	30.14%	20.29%	20.22%	29.34%

**Consumer Loans to Borrowers of Different Incomes
Oakland MSA**

Count Type	Low-Income	Moderate-Income	Middle-Income	Upper-Income
% of Total #	20%	20%	10%	50%
% of Total \$\$	3%	57%	15%	25%
% of Families in AA by Income Level	35.30%	20.24%	19.29%	25.18%

The consumer loan originations to low-income residents are not proportional to populations at these income levels in either the San Francisco or Oakland MSA because the bank's primary focus is business lending. Consumer loans are mainly made as accommodations to existing customers. These loans by dollar amount (\$2.5 million) constitute only 15% of TPNB's total loan originations of \$16.5 million in the bank's assessment area for this time period.

Geographic Distribution of Loans

- o **The bank's geographic distribution of loan originations to census tracts of different income levels is effective.**

The two charts below give the distribution of the bank's credit originations and renewals from 4/1/95 through 6/30/96 within the bank's assessment area of the two MSAs by income level of the census tracts (CTS). The percentage of CTS at each of the four income levels in the bank's AA is also shown for comparison:

San Francisco MSA Geographic Distribution of Loan Originations

Count Type	Low-Income CTS	Moderate-Income CTS	Middle-Income CTS	Upper-Income CTS
% of Total #	37%	54%	9%	0%
% of Total \$\$	37%	57%	6%	0%
% of CTS by Income Level *	17%	30%	31%	20%

Oakland MSA Geographic Distribution of Loan Originations

Count Type	Low-Income CTS	Moderate-Income CTS	Middle-Income CTS	Upper-Income CTS
% of Total #	41%	55%	4%	0%
% of Total \$\$	37%	60%	3%	0%
% of CTS by Income Level *	33%	25%	26%	9%

*Percentage of CTS does not equal 100% because three CTS in the San Francisco MSA, and six CTS in the Oakland MSA have no census data for income levels.

Response to Complaints

Trans Pacific National Bank has not received any complaints regarding the bank's CRA performance since the last examination on March 31, 1994.

Other Items

The bank is in compliance with the substantive provisions of the anti-discrimination laws and regulations. These include the Equal Credit Opportunity Act, the Fair Housing Act, and the Home Mortgage Disclosure Act. Based on our loan sampling during our examination, we found no evidence of disparate treatment or prohibited discrimination against any protected classes.