



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

August 06, 2010

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

American Plus Bank, National Association
Charter Number 24716

630 West Duarte Road
Arcadia, CA 91007

Office of the Comptroller of the Currency

Southern California North Field Office
550 North Brand Boulevard, Suite 500
Glendale, CA. 91203-1985

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, 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.

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

The following factors support this rating:

- The loan-to-deposit ratio exceeds peer comparison.
- A majority of the bank's loans are within its assessment areas.
- The bank's lending to businesses of different sizes meets the standard for satisfactory performance.
- The bank meets the standard for satisfactory performance in lending to different geographies within its assessment area.

SCOPE OF EXAMINATION

We evaluated the bank's performance based on loans originated from August 1, 2007 to December 31, 2009. We focused our evaluation on commercial real estate loans with funds used to refinance or purchase multifamily and 1-4 family residential real estate properties. We sampled 20 commercial real estate loans. We also evaluated all 20 Home Mortgage Disclosure Act reportable loans.

DESCRIPTION OF INSTITUTION

American Plus Bank, N.A. (American Plus or the bank) is a de novo institution that began operations in 2007. The bank has two branches within Los Angeles County. The bank is headquartered in Arcadia, which is located in the San Gabriel Valley. The bank offers traditional banking products and services, but does not own or operate any automatic teller machines.

As of December 31, 2009, American Plus reported total assets of \$128 million, of which \$94 million or 73 percent were centered in loans. Approximately 92 percent of American Plus' lending is for commercial real estate and multi-family purposes, with the balance in commercial business loans. The bank's loan portfolio was distributed as follows: \$75 million (80 percent of total loans) commercial real estate, \$11 million (12 percent) multi-family residential \$14, and \$8 million (8 percent) commercial business loans. The bank has no consumer loans.

The bank has no financial or legal impediments that would affect its ability to meet the credit needs of its assessment area. This is the bank's first CRA examination.

DESCRIPTION OF ASSESSMENT AREA

Los Angeles Metropolitan Statistical Area (MSA)

American Plus' assessment area meets the requirements of the regulation. The bank has designated the Los Angeles MSA as its assessment area. This includes the entire Los Angeles County, which is comprised of 2,054 census tracts.

Los Angeles County is a highly diverse urban area that includes 88 incorporated cities and a number of unincorporated areas. Los Angeles is the largest and most rapidly growing metropolitan region in the state. Refer to the Table 1 below for details.

Table 1

Demographic Information for 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
Businesses by Geography	869,503	7.94	21.05	26.58	43.63	0.80
Farms by Geography	6,632	3.97	15.59	31.60	48.40	0.44
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 = \$53,036 - HUD Adjusted Median Family Income for 2009 = \$62,100 - Households Below the Poverty Level = 15%	- Median Housing Value = \$240,248 - Unemployment Rate (Annual 2009) = 11.6%					

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 Census, 2009 HUD updated MFI, Bureau of Labor Statistics, and 1Q2009 National Association of Realtors

Lending competition is fierce within Los Angeles County, with 140 financial institutions competing for the available business. Major banking institutions include Bank of America, Wells Fargo Bank, and Union Bank. American Plus considers its major competitors to be the major institutions, community banks, and minority owned banks servicing Asian communities.

The recent economic downturn has had a significant impact on Los Angeles County. Since 2003, annual payroll employment growth dropped from 2 percent to -6 percent. Annual unemployment in Los Angeles County in 2009 was 11.6 percent, compared to the U.S. unemployment rate of 9.3 percent. California experienced dramatic decreases in home values as the volume of foreclosures increased and the overall economy slipped into recession.

Home sales decreased 29 percent from 2007 to 2008; most homes sold have been through foreclosure. Even with the decrease in home prices, home ownership remains out of reach for many moderate-income families. The current Consolidated Plan for the City of Los Angeles indicates that continued increasing population growth is a major challenge to the preservation and production of affordable housing.

The largest industries in Los Angeles County are service, retail trade, wholesale trade, finance and real estate, and manufacturing. However, the "new economy" of Los Angeles is largely technology driven. International trade is a major driver of the area's economy. The Los Angeles Customs District is the nation's largest. The value of two-way trade passing through Los Angeles totaled \$357.3 billion in 2008.

Community contacts indicate there are significant credit and community development needs. There is a strong need for foreclosure prevention counseling. Affordable rental housing is necessary due to the large number of people who have lost their residences to foreclosure. Another significant need in the MSA is for technical assistance and financing for small businesses, including a need for more SBA 504 financing and other small business loans. While there are a number of loan programs and funds available around greater Los Angeles, there are gaps in certain geographical areas. Financial literacy education is another significant need.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

The bank's average loan-to-deposit ratio (LTD) is more than reasonable. The bank's LTD for the 11 quarters ended December 31, 2009, was 136 percent. The bank's LTD exceeds that of five similarly situated banks that had an average ratio of 76 percent for the same period. For purposes of this examination, we considered similarly situated banks to mean banks of similar asset size and loan products, and service the same market.

Lending in Assessment Area

The bank's lending within the Los Angeles MSA meets the standard for satisfactory performance. Refer to Table 2 below for details.

Table 2

Assessment Area	Total Loans By Number And Dollar	Total Loans Originated Within Assessment Area	Percent of Total Loans Originated within Assessment Area
Los Angeles	40	31	78%
	\$40,523,565	\$28,539,315	70%

Source: Bank data

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The bank's lending to businesses of different sizes meets the standard for satisfactory performance.

Commercial Real Estate Loans

American Plus originated 11 of the 20 loans from the sample, or 85 percent of its loans to businesses, within the Los Angeles area that had revenues of less than \$1 million. This performance is consistent with the geographic data. Refer to the Table 3 below for details.

Table 3

Revenues	Business in Assessment Area*		Loans Originated		Number of Loans Originated	
	# of Businesses	% of Businesses	Dollars	% of Dollars	Number	% of Numbers
<\$1,000,000	733,937	94%	\$10,633,821	64%	11	85%
>\$1,000,000	44,765	6%	\$6,000,000	36%	2	15%
Total	778,702	100%	\$16,633,821	100%	13	100%

*20 percent of businesses did not provide revenue information

Source: Dun and Bradstreet, Bank data

Geographic Distribution of Loans

The bank's overall lending within the Los Angeles MSA meets the standard for satisfactory performance.

Commercial Real Estate Loans

American Plus distribution of commercial real estate loans to businesses located within the low-income geographies of the Los Angeles MSA exceeds area demographics. The distribution for moderate-income geographies is consistent with area demographics. Refer to Table 4 below for details.

Table 4

Tract Income Type	Business in Assessment Area		Loans Originated		Number of Loans Originated	
	# of Businesses	% of Businesses	Dollars	% of Dollars	Numbers	% of Numbers
Low	73,826	8%	\$3,700,000	18%	2	13%
Moderate	199,318	21%	\$2,500,000	12%	3	20%
Middle	258,126	27%	\$5,734,315	27%	7	47%
Upper	434,849	44%	\$9,000,000	43%	3	20%
Total	966,120	100%	\$20,934,315	100%	15	100%

Source: Dun and Bradstreet, Bank data

HMDA Reportable Loans

The bank’s geographic distribution of HMDA reportable loans within the Los Angeles MSA exceeds the standards for satisfactory performance. The percentage of loans made in both low- and moderate-income geographies for home purchase or refinances is greater than area demographics. Refer to Table 5 below for details.

Table 5

Tract Income Type	Households in Assessment Area		Loans Originated		Number of Loans Originated	
	# of Households	% of Households	Dollars	% of Dollars	Numbers	% of Numbers
Low	28,667	2%	\$200,000	2%	1	6%
Moderate	231,870	15%	\$2,785,000	25%	6	33%
Middle	469,373	31%	\$6,950,000	61%	8	44%
Upper	769,822	52%	\$1,370,000	12%	3	17%
Total	1,499,758	100%	\$11,305,000	100%	18	100%

Source: Dun and Bradstreet, Bank data

Responses to Complaints

There are no complaints associated with the bank’s performance under the provisions of the CRA.

Fair Lending or Other Illegal Credit Practices Review

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