



SMALL BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

PUBLIC DISCLOSURE

August 27, 2007

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Omni Bank, National Association
Charter Number 16840**

**1235 South Garfield Avenue
Alhambra, CA 91801**

**Comptroller of the Currency
Southern California North Field Office
550 North Brand Boulevard, Suite 500
Glendale, CA 91203**

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.

- Omni Bank's average loan-to-deposit (LTD) ratio exceeds the standards for satisfactory performance.
- The distribution of loans to individuals and small businesses exceeds the standards for satisfactory performance.
- The geographic distribution of loans meets the standards for satisfactory performance.
- Lending within the assessment areas meets the standards for satisfactory performance.

DESCRIPTION OF INSTITUTION

Omni Bank, N.A. (Omni or the bank) is an independent community bank that began operations in 1980. The bank is headquartered in Alhambra, California and has four branch offices within the State. Three branches are located in Los Angeles County and one branch in Santa Clara County in Northern California. The bank's Irvine branch closed in September 2006, with the deposits sold to Metro United Bank and Omni retaining the loan portfolio. The bank owns and operates one automated teller machine located in the Santa Clara branch.

As of June 30, 2007, Omni reported total assets of \$201 million, of which \$114 million or 57 percent were centered in loans. Omni is primarily a commercial lender, with a majority of commercial loans secured by commercial or multi-family real estate. The loan portfolio consists of \$109 million in real estate loans (95 percent), \$3 million in commercial loans secured by business assets (3 percent), and \$2 million in consumer loans (2 percent). The consumer auto loan portfolio makes up the largest number of loans in comparison to all other loan categories. These loans are targeted toward new U.S. immigrants.

The bank has no financial or legal impediments that would affect its ability to meet the credit needs of its assessment areas. The bank received a "Satisfactory" rating from the prior examination performed in May 2002.

DESCRIPTION OF ASSESSMENT AREAS

Omni Bank has designated three assessment areas for Community Reinvestment Act (CRA) purposes. These assessment areas include the communities surrounding the branch offices located in the California Counties of Los Angeles, Orange, and Santa Clara. Each assessment area meets the requirements of the regulation and does not arbitrarily exclude low- and moderate-income geographies. These assessment areas are described below.

Los Angeles

The Los Angeles assessment area (LA-AA) is comprised of 807 of the 2,054 census tracts within the greater Los Angeles Metropolitan Statistical Area (LA-MSA). The census tracts are contiguous and are primarily in the eastern portion of Los Angeles, in the San Gabriel Valley and surrounding communities. Refer to the Table 1A for demographic details.

Table 1A

LOS ANGELES ASSESSMENT AREA DEMOGRAPHIC INFORMATION						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts)	807	10.4	34.2	30.0	24.8	0.6
Population by Geography	3,827,105	9.0	33.3	34.1	23.6	0.0
Owner-Occupied Housing by Geography	557,034	2.6	18.5	37.9	41.0	0.0
Businesses by Geography	256,125	14.6	25.3	29.8	30.0	0.3
Family Distribution by Income Level	846,921	25.5	18.0	18.3	38.2	0.0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	367,836	13.8	43.8	29.7	12.6	0.0
Median Family Income = \$46,509 HUD Adjusted Median Family Income = \$56,200 Households Below the Poverty Level = 16.76%		Median Housing Value = \$196,474 Unemployment Rate (2006) = 5.1%				

Source: 2000 U.S. Census, Dunn & Bradstreet, 2006 HUD Median Family Income, and 2006 City of Los Angeles Economic & Demographic Information

The LA-MSA is a complex, highly diverse urban area that has experienced rapid growth. Competition is strong in the LA-AA. There are a significant number of financial institutions that compete for available business. These include much larger institutions such as Bank of America, Washington Mutual Bank, Wells Fargo Bank, and Union Bank of California. Other competing financial institutions that also serve the Asian communities include Cathay Bank, General Bank, Far East National Bank, East West Bank, TomatoBank, N.A., and EverTrust Bank.

The City of Los Angeles and its surrounding metropolitan region have continued to experience growth in population and in economic diversity. The major industries that contribute to employment are diverse and concentrated in wholesale and retail trade, manufacturing, government, financial service industries, tourism, transportation, utilities and construction. Fueled by trade with the Pacific Rim countries, the Ports of Los Angeles and Long Beach combined rank first in the nation in volume. Despite the growth, the Los Angeles unemployment rate has been higher than the County and State's rate.

The largest employers are government, health care services, manufacturing, retail trade, financial services, and aerospace. The outlook for 2007-8 is for modest growth, mainly in international trade, professional services, technology, and tourism. Concerns exist in industries closely tied to housing, especially new home building and resale housing sectors.

As a part of this examination, we contacted three community based organizations about community credit needs. These contacts included an economic development organization, a minority revolving loan fund, and a community development corporation. Each organization identified the area's major credit needs are small business loans and affordable housing. Another area need includes investments in non-profit loan funds that benefit borrowers that are not yet bankable.

Orange County

The Orange County assessment area (OC-AA) includes all 484 tracts in the County. Census data showed that the 2000 median housing value was \$263 thousand. Fifty-seven percent of housing units were owner occupied and 40 percent were renter occupied. The HUD adjusted median family income for 2006 was \$78,300. Refer to Table 1B for details.

Table 1B

ORANGE COUNTY ASSESSMENT AREA DEMOGRAPHIC INFORMATION						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts)	484	4.3	30.8	34.0	30.6	0.3
Population by Geography	2,401,375	5.9	35.3	32.5	26.3	0.0
Owner-Occupied Housing by Geography	452,374	1.6	23.1	35.9	39.4	0.0
Businesses by Geography	229,859	3.8	32.5	36.5	26.4	0.8
Family Distribution by Income Level	556,690	22.6	18.9	20.9	37.6	0.0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	231,185	8.4	45.7	31.1	14.8	0.0
Median Family Income = \$64,321 HUD Adjusted Median Family Income = \$78,300 Households Below the Poverty Level = 8.5%						Median Housing Value = \$262,998 Unemployment Rate (2006) = 2.6%

Source: 2000 U.S. Census, Dunn & Bradstreet, 2006 HUD Median Family Income, and 2006 Economic & Demographic Information

There is strong competition for the available business in the assessment area. Included among these institutions are larger multi-national, regional, as well as community banks.

The Los Angeles Economic Development Corporation reported an unemployment rate for Orange County as 2.6 percent at year-end 2006. Major employers in Orange County are government, manufacturing, retail trade, financial services, health care services, leisure and hospitality. Concerns exist in industries closely tied to housing, especially new home building and resale housing sectors. The outlook for 2007-8 is slow growth. Finance, insurance, and construction will be catalysts for the slower growth.

Community contacts for the area revealed a need for affordable housing and micro-loans for startups and emerging small businesses.

San Jose

The San Jose assessment area (SJ-AA) is comprised of 252 of the total 385 census tracts within the Santa Clara MSA, which consists of Santa Clara County. This MSA is a complex, highly diverse urban area that includes 16 cities and a number of unincorporated areas. San Jose is the largest city in this MSA. Refer to Table 1C for details.

Table 1C

SAN JOSE ASSESSMENT AREA DEMOGRAPHIC INFORMATION						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts)	252	5.2	24.6	48.0	22.2	0.0
Population by Geography	1,206,676	4.9	26.8	48.1	20.2	0.0
Owner-Occupied Housing by Geography	222,880	1.4	18.4	50.9	29.3	0.0
Businesses by Geography	100,297	3.1	26.7	44.8	25.4	0.0
Family Distribution by Income Level	278,043	22.1	18.9	21.8	37.2	0.0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	113,910	7.3	34.4	45.6	12.7	0.0
Median Family Income = \$80,198 HUD Adjusted Median Family Income = \$97,100 Households Below the Poverty Level = 6.79		Median Housing Value = \$428,154 Unemployment Rate (2006) = 2.1%				

Source: 2000 U.S. Census and 2006 HUD Median Family Income

The 2006 economic performance for Santa Clara County shows the County benefited from additional job creation in the following industries: professional, scientific, technical services, health care, administrative and support services, and the leisure and hospitality sectors. There were some job losses in computer and electronic product manufacturing.

The housing market remains a key economic concern. Slower growth is anticipated due to a

decline in the rate of new construction, a drop in new and resale home prices, and the slowdown in the general housing market.

There is strong competition for the available banking business in the SJ-AA. Included among the financial institutions are larger multi-national, regional, as well as community banks.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

Scope of Examination:

To evaluate Omni Bank's CRA performance we used the entire loan origination data from January 1, 2003 through June 30, 2007. Loan data and borrower information were validated for accuracy and we confirmed reliability. The bank is not required to collect or report business revenue information for CRA purposes. However, because Omni reports multi-family residential real estate loans as required by the Home Mortgage Disclosure Act, we used this data in our evaluation of the LA-AA. Since the Irvine branch in Orange County was open for a significant portion of this review period, we evaluated CRA performance in the OC-AA.

We evaluated CRA performance in the LA-AA based on an evaluation of commercial real estate and multi-family loans. For the OC-AA and SJ-AA, we reviewed auto loans, as these loan originations represented the largest category of loans by number.

Loan-to-Deposit Ratio

Omni's average loan-to-deposit (LTD) ratio is excellent and exceeds the standard for satisfactory performance. For the 18 quarters ended June 30, 2007, the LTD ratio was 95 percent. Omni's performance exceeds the six similarly situated banks whose average LTD was 82 percent. For the purpose of this examination, similarly situated banks to Omni were of similar asset size, product mix, and market area served.

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

Omni's overall distribution of loans to individuals and small businesses is excellent.

Los Angeles Assessment Area – Commercial Real Estate Loans

Omni Bank's distribution of loans to small businesses in the LA-AA is excellent. The dollar amount and number of loans originated to small businesses exceeds the area demographics. All of the commercial real estate loans were made to small businesses. Refer to the Table 2 for details.

Table 2

Borrower Distribution of Loans to Businesses in Los Angeles Assessment Area Commercial Real Estate Loans				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	65%	7%	28%	100%
% of Bank Loans in AA by #	100%	0%	0%	100%
% of Bank Loans in AA by \$	100%	0%	0%	100%

Source: Loan Origination Data from Review Timeframe

Orange County Assessment Area - Automobile Loans

Omni Bank’s distribution of automobile loans in the OC-AA is excellent. The distribution of loans to both low- and moderate-income individuals exceeds the standards for satisfactory performance, as the percentage of loans in each category is greater than area demographics. Refer to Table 3 for details.

Table 3

Borrower Distribution of Automobile Loans in Orange County Assessment Area								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Automobile Loans	22%	63%	19%	25%	21%	6%	38%	6%

Source: Loan Origination Data from Review Timeframe

San Jose Assessment Area – Automobile Loans

The distribution of automobile loans in the SJ-AA reflects excellent penetration to individuals of low-and moderate-income. One hundred percent of the auto loans in this assessment area are made to individuals with low- and moderate-income. Refer to Table 4 for details.

Table 4

Borrower Distribution of Automobile Loans in San Jose Assessment Area								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Automobile Loans	22%	94%	19%	6%	22%	0%	37%	0%

Source: Loan Origination Data from Review Timeframe

Geographic Distribution of Loans

Omni Bank’s overall geographic distribution of loans is satisfactory.

Los Angeles Assessment Area - Multi-Family Residential Real Estate Loans

Omni’s geographic distribution of multi-family residential real estate loans in the LA-AA meets the standards for satisfactory performance. Loans originated by number in low-income geographies equals area demographics. Loans by both dollar and number to households in moderate-income geographies exceed area demographics. Refer to Table 5 for details.

Table 5

Geographic Distribution of Multi-Family Loans in Los Angeles Assessment Area						
Tract Income Type	Households in Assessment Area		Loans Originated		Number of Loans Originated	
	# of Households	% of Households	Dollars	% of Dollars	Number	% of Number
Low	92,756	8%	\$2,048,000	5%	6	8%
Moderate	327,644	30%	\$20,741,938	51%	37	52%
Middle	372,383	34%	\$13,118,000	33%	23	32%
Upper	306,412	28%	\$4,617,350	11%	6	8%
Total	1,099,202	100%	\$40,525,288	100%	72	100%

Source: Loan Origination Data from Review Timeframe

Los Angeles Assessment Area - Commercial Real Estate Loans

Lending in the LA-AA is reasonable. The geographic distribution of commercial real estate loans meets the standards for satisfactory performance. Loans to businesses in low-income communities are less than area demographics. The loan distribution in the moderate-income areas exceeds area demographics. Refer to Table 6 for details.

Table 6

Geographic Distribution of Loans to Businesses in Los Angeles MSA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial Real Estate	15%	4%	25%	53%	30%	28%	30%	15%

Source: Loan Origination Data from Review Timeframe

Orange County Assessment Area – Automobile Loans

Omni’s geographic distribution of automobile loans within the OC-AA is reasonable. The distribution of automobile loans to low-income geographies is less than area demographics. The distribution of loans in moderate-income geographies matched the area demographics. Refer to Table 7 for details.

Table 7

Geographic Distribution of Automobile Loans in Orange County Assessment Area								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Automobile Loans	22%	6%	19%	19%	21%	44%	38%	31%

Source: Loan Origination Data from Review Timeframe

San Jose Assessment Area – Automobile Loans

Omni’s geographic distribution of automobile loans in the SJ-AA is reasonable. Loans originated in low-income geographies are less than area demographics. Loans originated in moderate-income geographies exceed area demographics. Refer to Table 8 for details.

Table 8

Geographic Distribution of Automobile Loans in San Jose Assessment Area								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Automobile Loans	22%	6%	19%	33%	22%	44%	37%	17%

Source: Loan Origination Data from Review Timeframe

Lending in Assessment Area

Lending within the assessment areas meets the standards for satisfactory performance. A majority of Omni’s lending, by number and dollar amount of loans, are within each assessment area. Refer to Table 9 for details.

Table 9

Lending in Los Angeles, Orange County, and San Jose Assessment Areas										
Assessment Area	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Los Angeles	724	79	192	21	916	\$101,697,234	62	\$61,820,209	38	\$163,517,443
Orange County	16	70	7	30	23	\$198,429	65	\$106,669	35	\$305,098
San Jose	18	53	16	47	34	\$207,847	51	\$200,854	49	\$408,702

Source: Loan Origination Data from Review Timeframe

Responses to Complaints

There were 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 inconsistent with helping to meet community credit needs.