



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

June 10, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Los Angeles National Bank
Charter Number 16240

7025 Orangethorpe Central Avenue
Buena Park, California 90621

Comptroller of the Currency
50 Fremont Street, Suite 3900
San Francisco, California 94105

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.

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 Los Angeles National Bank prepared by the Office of the Comptroller of the Currency, the institution's supervisory agency, as of June 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."

Los Angeles National Bank is committed to serving the communities in which it operates. It has demonstrated satisfactory lending performance throughout the assessment area, including low- and moderate income census tracts. The bank's lending to borrowers of different income levels and businesses of different sizes is reasonable.

The following table indicates the performance level of Los Angeles National Bank with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	Los Angeles 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	No complaints were received since the last examination.		

DESCRIPTION OF INSTITUTION:

Los Angeles National Bank is a full service commercial bank headquartered in Buena Park, California. The bank has three offices in its assessment area: the main office in Orange County and two other branches in Los Angeles County. The bank has an automatic teller machine at the Buena Park and Monterey Park branches. As of March 31, 1996, the bank reported total assets of \$114 million. The following chart reflects the bank's loan portfolio by major product type.

LOANS BY MAJOR PRODUCT TYPE - As of March 31, 1996

LOAN TYPE	DOLLAR AMOUNT	% OF TOTAL LOANS (\$)
Commercial and Commercial Real Estate	53,195,401	93%
Small Business Administration (SBA) Loans	2,377,498	4%
Consumer Loans	1,719,484	3%
NET TOTAL LOANS:	57,292,383	100%

Commercial loans consist primarily of loans to small and medium sized businesses, which is the Bank's primary business focus. Consumer loans consist mainly of loans to individuals for automobile financing and home equity lines of credit. There are no financial or legal impediments to the bank's ability to help meet the credit needs of its community. The bank's last CRA performance examination was March 10, 1994.

DESCRIPTION OF THE LOS ANGELES-ORANGE COUNTY ASSESSMENT AREA:

The bank's assessment area encompasses 535 census tracts in portions of two adjacent primary metropolitan statistical areas (PMSA), Orange County and Los Angeles-Long Beach. The two PMSAs are situated within the Los Angeles-Riverside-Orange County consolidated metropolitan statistical area (CMSA). The area delineation complies with regulatory requirements and does not arbitrarily exclude low- or moderate-income geographies.

The chart below reflects the composition of the assessment area by census tract type.

ASSESSMENT AREA COMPOSITION

Census Tract Type	# of Tracts in Area	% of Assessment Area (#)
Low Income	69	13%
Moderate Income	174	33%
Middle Income	205	38%
Upper Income	86	16%
No Income Reported	1	0%
TOTAL CENSUS TRACTS:	535	100%

(Note: The census tract for which there is no reported income is where the Los Angeles Civic Center is situated.)

There are 2,947,162 residents in the assessment area with a median family income of \$41,642 based on 1990 census data. Median housing value is \$190,700. The area economy historically relied heavily on the military and aerospace industries which have suffered major cutbacks over several years. Declines in businesses activity and real estate values have followed. Growth continues to be hindered by the current slow statewide economy. Numerous banks and financial institutions serve the area, resulting in strong competition for market share. We contacted two local community officials and determined that business loans and technical assistance for small businesses are a significant need in the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

Loan to Deposit Ratio

The bank's loan to deposit ratio is satisfactory. The average loan to deposit ratio since the last examination is 61.26%. This is somewhat lower than the 72.17% average of other local banks, but is reasonable given the bank's unique deposit base. The bank receives a large volume of deposits from clients with assets overseas who have concerns over unstable political conditions there. This influx of large deposits has resulted in a lower loan to deposit ratio than other area banks of similar size.

Lending in Assessment Area

The bank's lending in the area is satisfactory. The bank originated a majority of the dollar volume and number of its loans within the assessment area. The following chart reflects loans originated between January 1995 and our examination date. We prepared this analysis based on bank-provided data, after testing the data for accuracy.

LENDING INSIDE AND OUTSIDE OF AREA - January 1995 To April 1996

	LOANS (#)	% LOANS (#)	LOANS (\$)	% LOANS (\$)
IN AREA	138	66%	17,556,548	70%
OUT OF AREA	70	34%	7,396,365	30%
TOTALS	208	100%	24,952,913	100%

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

Lending activity to borrowers of different income levels in the assessment area is satisfactory.

We conducted a judgmental sample of loan originations to verify borrower income level. We sampled 23 of 97 loans, representing about 24% of the bank's consumer loans by number and 39% by dollar amount. The following chart reflects the bank's consumer loan activity. The dollar volume at the upper income level is upwardly skewed because many of the bank's loans to these individuals are high-dollar equity lines of credit.

CONSUMER LENDING IN ASSESSMENT AREA BY BORROWER INCOME LEVEL BASED ON SAMPLE January 1995 - April 1996

Income Level	% of Assessment Area	Consumer Loans (#)	% of Consumer Loans (#)	Consumer Loans (\$)	% of Consumer Loans (\$)
Low	25%	4	17%	30,279	5%
Moderate	20%	5	22%	127,763	20%
Middle	22%	8	35%	150,545	24%
Upper	33%	6	26%	327,418	51%
Total:	100%	23	100%	636,005	100%

Note: Consumer loans are defined in the regulation as loans to individuals for personal uses.

The bank has extended a satisfactory amount of loans to small businesses in the assessment area. This is reflected in the chart below. We used a bank-provided sample of new business loans, which we tested for accuracy. We also conducted a judgmental sample and combined the results in the analysis which follows. The sample of 26 loans represents about 28% of total business loan originations by number and 58% by dollar amount.

LENDING IN ASSESSMENT AREA BY BUSINESS REVENUES BASED ON SAMPLE

January 1995 to April 1996

	Loans (#)	% of Sample Business Loans (#)	Loans (\$)	% of Sample Business Loans (\$)
Loans to Small Businesses (<\$1 Million Annual Revenue)	14	53%	3,909,034	42%
Total Business Loans Sampled	26	100%	9,377,486	100%

Geographic Distribution of Loans

The bank's lending is reasonably distributed in the assessment area. Lending activity in different income level census tracts is comparable to demographic information. We used the bank's internal analysis which we tested for accuracy. The chart below compares the bank's loan originations during 1995 with the percentage of various income level census tracts that comprise the assessment area.

LENDING IN ASSESSMENT AREA - BY CENSUS TRACT TYPE

Census Tract Income Type	% of Assessment Area	Loans in Tracts (#)	% of Loans (#)	Loans in Tracts (\$)	% of Loans (\$)
Low	13%	4	4%	825,293	7%
Moderate	33%	35	38%	3,231,995	28%
Middle	38%	38	42%	4,314,972	39%
Upper	16%	15	16%	2,992,785	26%

TOTALS	100%	92	100%	11,365,045	100%
--------	------	----	------	------------	------

Response to Complaints

The bank has received no CRA-related complaints since the last performance evaluation.

Fair Lending Analysis

The bank is in substantial compliance with Fair Lending laws and regulations. Our fair lending review, conducted along with this examination, found no unusual patterns or discriminatory lending practices