



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

February 28, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**International City Bank, N.A.
Charter Number 18383**

**780 Atlantic Avenue
Long Beach, CA 90813**

**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 **International City Bank, N.A.** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of February 28, 1997. 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.”**

International City Bank is committed to serving the communities in which it operates. Its lending performance throughout the assessment area, including low-and moderate-income census tracts, is satisfactory.

- The loan to deposit ratio is reasonable.
- Lending to businesses of different sizes exceeds the expectations for satisfactory performance.
- The geographic distribution of loans is reasonable.

The following table indicates the performance level of *International City Bank, N.A.* with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	International City Bank, N.A. 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 have been received since the last examination.		

DESCRIPTION OF INSTITUTION:

International City Bank is a full service commercial bank headquartered in Long Beach, California. The bank’s only office is located in Long Beach, within the assessment area. There are no automated teller machines. As of December 31, 1996, the bank reported total assets of \$10.7 million. The institution’s business strategy is to focus on loans to small businesses. Business loans currently comprise 94% of the banks total outstanding loans as of December 31, 1996. The following chart reflects the bank’s loan portfolio by major product type.

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

Loan Type	Amount Outstanding (\$)	% of Total Loans (\$)
Commercial & Commercial Real Estate	5,200,431	94%
Installment	350,034	6%
Total Loans	5,550,465	100%

There are no financial or legal impediments to the bank’s ability to meet the credit needs of its community. The last CRA performance examination was August 11, 1995, and the bank was rated “Satisfactory.”

DESCRIPTION OF INTERNATIONAL CITY BANK’S ASSESSMENT AREA:

The bank’s assessment area is comprised of 48 census tracts within the metropolitan statistical area (MSA) of Los Angeles County. One tract contains the Long Beach Municipal Airport for which no census information is available. The following chart is a breakdown of the assessment area census tracts by income category.

ASSESSMENT AREA COMPOSITION

Census Tract Type	Number of Tracts in Area	Percent of Assessment Area (#)
Low	9	19%
Moderate	11	23%
Middle	15	31%
Upper	12	23%
N/A	1	0%
TOTAL CENSUS TRACTS	48	100%

There are 275,326 residents in the assessment area with a median family income of \$46,900 based on 1990 census data. The median housing value is \$163,350. The local economy is experiencing growth in three major sectors: tourism, trade and technology. We contacted one local government office and one local business group and determined that business loans for small business 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 loan to deposit ratio averaged 66% over the last eight quarters and has ranged from 53% to 97%. This is slightly below the 68 % average of other California national banks with assets less than \$250 million.

Lending in Assessment Area

Lending in the assessment area is adequate. We sampled 43 loans made between January 1, 1996 and December 31, 1996, representing 83% of all loan made during the period. We also used census tract data provided by the bank, after testing the data for accuracy. A majority of loans, by volume, were in the assessment area. Thirty eight percent of the total dollar amount of loans were in the assessment area. The bank participates in a local government sponsored business loan program and makes a number of loans under \$5,000. There were seven of these loans in our sample, and all were within the assessment area. The following chart reflects the area distribution of loans that we sampled.

**LENDING INSIDE AND OUTSIDE OF AREA
January 1, 1996 to December 31, 1996**

Location	Loans (#)	% Loans (#)	Loans (\$)	% Loans (\$)
In Area	22	51%	628,106	38%
Out of Area	21	49%	1,036,828	62%
Total	43	100%	1,664,934	100%

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

Lending to businesses of different sizes exceeds expectations for satisfactory performance. We sampled business loans because they represent a substantial majority of the bank’s loan portfolio. Twenty of the 22 loans in the assessment area were business loans. We were able to obtain business revenue information for 18 of these loans. There were not enough loans to individuals to provide a meaningful analysis of consumer lending to borrowers of different incomes. By volume, 78% of business loans were to businesses with less than 1 million dollars in gross annual

revenue. Eighty nine percent of the loans were for \$50,000 or less. The following charts show the distribution of loans made by the loan size and by business revenues.

LENDING IN ASSESSMENT AREA BY BUSINESS REVENUES BASED ON SAMPLE

January 1, 1996 to December 31, 1996

Gross Business Revenues	# of Loans	% of Total (#)	Total Loans (\$)	% of Total (\$)
\$0 - \$100,000	3	17%	56,250	10%
\$100,000 - \$250,000	4	22%	21,875	4%
\$250,000 - \$500,000	4	22%	86,125	15%
\$500,000 - \$1,000,000	3	17%	83,125	15%
\$1,000,000 +	4	22%	310,371	56%
Total	18	100%	557,746	100%

LENDING IN ASSESSMENT AREA BY LOAN AMOUNT BASED ON SAMPLE

January 1, 1996 to December 31, 1996

Loan Amount	# of Loans	% of Total (#)	Total Loans (\$)	% of Total (\$)
\$0 - \$50,000	16	89%	272,972	49%
\$50,000 - \$100,000	0	0%	0	0%
\$100,000 - \$150,000	2	11%	284,774	51%
\$150,000 - \$250,000	0	0%	0	0%
\$250,000 +	0	0%	0	0%
Total	18	100%	557,746	100%

Geographic Distribution of Loans

The geographic distribution of loans reflects satisfactory dispersion throughout the assessment area. Fourteen percent, by volume, of the originations were in low income census tracts and 41% were in moderate income census tracts. Low income tracts represent 19% of the assessment area and moderate income census tract are 23% of the assessment area. The chart below shows the geographic distribution of loans made among the various income level census tracts.

LENDING IN ASSESSMENT AREA - BY CENSUS TRACT TYPE

Census Tract Income Type	% of Assessment Area	# of Loans Originated	% of Loans Total
Low	19%	3	14%
Moderate	23%	9	41%
Middle	31%	2	9%
Upper	25%	8	36%
N/A	2%	0	0%

Responses to Complaints

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

Fair Lending Analysis

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