

**PUBLIC DISCLOSURE**

**(SEPTEMBER 4, 1996)**

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

**FIRST COMMERCIAL BANK  
DSBB - 03426153  
PHILADELPHIA, PA**

**FEDERAL RESERVE BANK OF PHILADELPHIA  
TEN INDEPENDENCE MALL  
PHILADELPHIA, PA 19106**

**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 **First Commercial Bank** prepared by the **Federal Reserve Bank of Philadelphia**, the institution's supervisory agency, as of **September 4, 1996**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

**INSTITUTION'S CRA RATING:** This institution is rated **OUTSTANDING**.

## COMMUNITY REINVESTMENT ACT ASSESSMENT

The Community Reinvestment Act (CRA) of 1977 (U.S.C.2901) as amended, encourages each insured depository institution covered by the Act to help meet the credit needs of the communities in which it operates. The new CRA requires that each federal financial supervisory agency assess the record of each covered depository institution in helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound banking practices.

Under the new CRA guidelines a financial institution's CRA performance is measured against four alternative performance standards: (1) a small bank performance standard, (2) lending, investment and service tests applicable to large retail banks, (3) a community development test applicable to wholesale or limited purpose banks, or (4) a strategic plan option.

As a result of the new established guidelines First Commercial Bank's performance was measured under the small institution performance criteria. The established assessment method for small institutions contains the following five performance criteria:

- C A bank's loan-to-deposit ratio given bank size, financial condition, and credit needs of assessment area (formerly called service area), adjusted for seasonal variation, and other lending related activities, such as loan origination for sale in the secondary market;
- C The percentage of loans the bank makes in its assessment areas;
- C The bank's record of lending to borrowers of different income levels and to businesses of different sizes;
- C The geographic distribution of the bank's loans; and
- C The bank's record of responding to written complaints about its CRA performance.

The following table indicates the performance level of **FIRST COMMERCIAL BANK** with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	FIRST COMMERCIAL 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 PRIOR EXAMINATION		

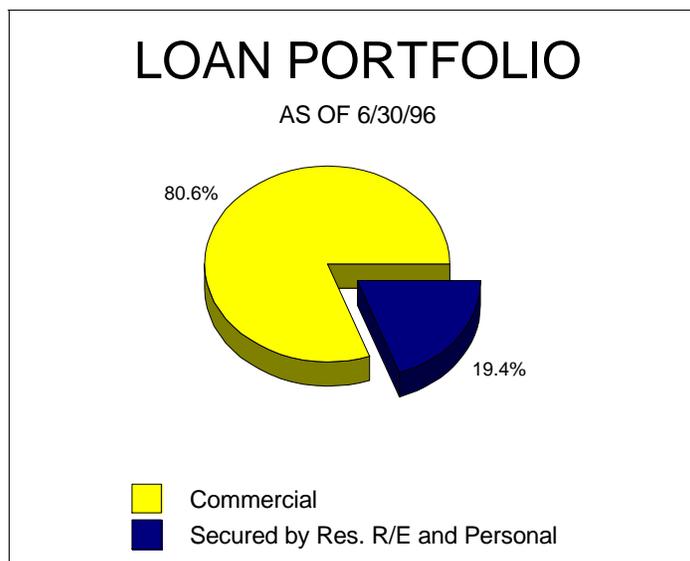
**COMMUNITY REINVESTMENT ACT ASSESSMENT (CONTINUED)**

**DESCRIPTION OF FIRST COMMERCIAL BANK**

First Commercial Bank (FCB) commenced operations in October 1989 as a full-service commercial bank. Its main office is located adjacent to the Pennsylvania Convention Center in the Chinatown section of the central business district of Philadelphia. The bank also operates an automatic teller machine (ATM) at this location, and is a member of the money access center (MAC) ATM network. Since the previous examination, the bank opened a second office located in Upper Darby, Delaware County, Pennsylvania. FCB's main office maintains regular business hours Monday through Friday from 9:00 a.m. to 5:30 p.m. and Saturday from 10:00 a.m. to 3:00 p.m. Its Upper Darby office maintains regular business hours Monday through Thursday from 8:00 a.m. to 6:00 p.m., Friday from 8:00 a.m. to 7:00 p.m., and Saturday from 10:00 a.m. to 2:00 p.m.

FCB is a minority founded bank with a market focus upon the Asian population within the Philadelphia Metropolitan Statistical Area (MSA). The majority of the bank's staff is of Asian descent, fluent in various Asian languages and familiar with different Asian cultures as well. Management contends that Asian customers that reside or maintain businesses throughout the entire Philadelphia MSA are willing to travel considerable distances to FCB's offices because of its unique focus on the Asian minority community.

FCB's Uniform Consolidated Statement of Condition and Income as of June 30, 1996 indicates total assets of \$55.6 million, \$40.2 million or (72.3 %), of which, were loans. Overall, the bank's lending activities remain wholesale oriented. Approximately 80% of the bank's loan portfolio was comprised of commercial loans, while loans secured by residential real estate of \$7.1 million, and personal loans of \$693 thousand, collectively accounted for the balance of the portfolio. A recap of the bank's loan mix is presented in a pie chart below.



Most of the bank's commercial loans have been extended to small- and medium-size Asian-owned businesses located within low- and moderate-income areas within the Philadelphia MSA. FCB's management contends that such credit, especially those loans extended to extremely small or start-up businesses, have provided an alternate funding source for credit worthy entities that likely would not have had their credit needs met by a traditional bank or a government finance program. More notable examples of such loans, originated between examinations, are captioned below.

## COMMUNITY REINVESTMENT ACT ASSESSMENT (CONTINUED)

### DESCRIPTION OF FIRST COMMERCIAL BANK (continued)

- C A \$50,400 loan was extended for start-up costs to open a restaurant.
- C A \$77,000 loan was extended to purchase commercial real estate rental property located in a low to moderate-income area.
- C The bank extended a \$100,000 loan for the purpose of purchasing an existing retail grocery business located in a low- to moderate-income area.
- C A \$65,500 loan was extended to purchase commercial property for an existing dry cleaning business.
- C The bank extended a \$65,000 loan for the purpose of purchasing an existing gas station business which is located in a low- to moderate-income area.

Historically, FCB has not actively originated home mortgage credit. For most of its existence, the bank has maintained operations with one office location in the Chinatown section of the city of Philadelphia; while its local community, as delineated for purposes of CRA, was essentially comprised of Philadelphia's Chinatown. Among other characteristics, this sector of the city has a limited housing stock, thereby limiting the demand for home mortgage credit.

Nevertheless, FCB continues to originate such credit on an accommodation basis. The bank's Home Mortgage Disclosure Act Loan Application Registers (HMDA LAR) filed for 1995 and the first six months of 1996 reflect a combined total of 63 mortgage loan applications. Of the 63 applications received, 41 or 65% resulted in loan originations. Fifty seven percent of the applications were received from Asians. Thirteen or 21% of the HMDA LAR entries were received by either mail or telephone and, thus, did not report race or national origin. Interestingly, 28 or 46% of the total applications received resulted in loans to purchase a residence in low- or moderate-income geographies. More importantly, many of these originations were extended on a "non-conforming" basis to first-time home buyers with no established credit histories.

As part of the evaluation, two community organizations were contacted to ascertain local economic conditions, the existence of unmet credit needs, and, as applicable, whether appropriate loan products to meet such needs are offered by local financial institutions. Interviews with the community organizations indicated that FCB truly addresses the credit needs of the Asian community within the Philadelphia MSA. The contacts further indicated that the bank's ability to provide banking and financial services within a multi-lingual environment and its offering of late hour services are exceptional. Both contacts also noted that, without FCB's services, many Asians within the Philadelphia MSA would not be able to obtain credit and basic banking services.

FCB maintains active involvement in the center city Small Bank CRA Alliance (Alliance). The Alliance consists of several local financial institutions that strive to identify various community credit needs and that collectively participate in the finance of community development initiatives. Through the Alliance, the bank is a member of the Philadelphia Small Business Micro Loan Fund (PSBMLF). PSBMLF was created to make micro loans (in amounts of \$5 thousand to \$25 thousand) available to Philadelphia-based businesses.

## **COMMUNITY REINVESTMENT ACT ASSESSMENT (CONTINUED)**

### **DESCRIPTION OF FIRST COMMERCIAL BANK (continued)**

Over the past several years, the bank has committed \$25,000 annually to the fund. Management indicated that loan originations from the fund have enabled several individuals to pursue various small business opportunities.

The bank continues to participate in the Overseas Chinese Credit Guaranty Fund (Fund). The Fund was created by a group of financial institutions headquartered in Taipei, Taiwan. The purpose of the program is to increase the availability of credit to Chinese business-owners, outside of Taiwan, who may not have access to traditional funding sources. During the period between examinations, the bank originated one loan of \$396,000 under the program.

The bank also continues to participate in U.S. Small Business Administration (SBA) loan programs. Given the bank's size, FCB's participation in such loan programs is considered substantial. Since the previous examination, the bank has originated 20 SBA guaranteed loans totaling \$1.8 million. Nine of the loans, totaling \$535,000, have been originated under the SBA Low Documentation (Low Doc) Program. The Low Doc program has no minimum loan amount and a maximum loan amount of \$100,000. Under this program, the SBA has streamlined the documentation necessary to process an application and thereby accelerate its response time.

### **DESCRIPTION OF ASSESSMENT AREA**

Previously, FCB maintained two distinct assessment areas; one for each of its two offices as described below.

The assessment area for the main office, located in the city of Philadelphia, consisted of 47 census tracts, bounded on the north by Girard Avenue, on the south by Tasker Street, on the east by the Delaware River, and on the west by the Schuylkill River. This segment of the city is fully developed with a concentration of commercial and governmental entities, restaurants, merchant activities, and cultural institutions. The Chinatown section of Philadelphia, immediately proximate to the main office, is contained within one low-to moderate-income census tract within the aforementioned assessment area. Demographically, Philadelphia's Chinatown is comprised primarily of Asians who live, work, and/or own small businesses there. Restaurants, retailers of dry goods, and wholesalers typify the businesses in Chinatown. The Pennsylvania Convention Center, which has generated an active tourist trade, is located directly across the street from FCB's main office.

The assessment area for the Upper Darby office consisted of 14 tracts, in Upper Darby Township in Delaware County, bounded on the north by Haverford Avenue and City Line Avenue, on the south by Baltimore Avenue, on the east by Cobbs Creek Parkway and 63rd Street, and on the west by Lansdowne Avenue. It consisted of 14 census tracts. The area consists of an active retail business segment, surrounded by a large well established residential community. A major public transportation terminal which connects the suburbs in Delaware County to the city of Philadelphia is located directly across the street from the bank's office. The terminal serves as the hub for the retail district. The residential community includes portions of both Upper Darby Township and the city of Philadelphia.

**COMMUNITY REINVESTMENT ACT ASSESSMENT (CONTINUED)**

**DESCRIPTION OF FIRST COMMERCIAL BANK (continued)**

In an effort to document FCB's lending profile, management engaged the services of an outside entity to conduct geographic analyses of the bank's loan outstandings and the loans it originated over the eighteen month period between examinations. The analyses, conducted during March and June 1996, were categorized by each assessment area (Philadelphia and Upper Darby). The analysis of loan outstandings indicated that only 30.3% of all loans were geographically contained within either of the two assessment areas, while 69.7% of the loan portfolio was geographically outside both of the bank's assessment areas.

Additionally, the analysis showed that 93% of total loans outstanding were geographically situated within the Philadelphia MSA. Moreover, other internal analyses indicates that FCB serves 42% of the entire Asian population within the Philadelphia MSA.

Based upon the results of the foregoing analyses, management decided to eliminate the separate assessment areas for each office and designate the entire Philadelphia MSA as one assessment area for the bank. Management also provided the following as additional support for the expanded assessment area.

- C FCB is a unique lending institution, focused on a niche market. It is the only bank located between New York City and Washington D.C. with a market focus upon a varied Asian market.
- C Management can demonstrate that the Asian population within the Philadelphia MSA is willing to travel to FCB's office locations because of the bank's distinctive focus upon the Asian minority community.
- C The city of Philadelphia has a large commuter population. Because of its convenience, FCB's main office location attracts a number of customers who work in the bank's assessment area; however, live elsewhere.

The Philadelphia MSA is comprised of a nine county area which includes the counties of Bucks, Chester, Delaware, Montgomery, and Philadelphia located in Pennsylvania; and the counties of Burlington, Camden, Gloucester, and Salem located in New Jersey. The MSA contains 1,277 census tracts. Of this total, 26 tracts have limited land use and are scarcely populated. Because the population or number of housing units within such tracts were zero or close to zero, it was decided to eliminate them for purposes of this analysis. Exclusive of the 26 tracts, twenty-five percent of the MSA's tracts have been designated as low- to moderate-income based upon U.S. Census data. Forty-six percent of the tracts are middle-income, while 29% are upper-income. The table below summarizes, by census tract type, the composition of the MSA.

	Number	Percent
<b>Low-Income Census Tracts</b>	111	9%
<b>Moderate-Income Census Tracts</b>	201	16%
<b>Middle-Income Census Tracts</b>	574	46%
<b>Upper-Income Census Tracts</b>	365	29%
<b>Total Census Tracts in Assessment Area</b>	1251	100%

**COMMUNITY REINVESTMENT ACT ASSESSMENT (CONTINUED)**

**DESCRIPTION OF FIRST COMMERCIAL BANK (continued)**

Additionally, the following table summarizes the primary market population of the bank. Such information was obtained from the 1995 Home Mortgage Disclosure Act (HMDA) Analysis Reports for FCB.

	Number	Percent
Market Population	4,908,390	100.0%
L/M Market Population	1,257,859	25.6%
Minority Population	684,439	13.9%
L/M, Minority Population	599,599	12.2%

(L/M designates low- to moderate-income)

Based upon 1990 U.S. Census data, the demographic composition of the Philadelphia MSA is presented below.

	PHILADELPHIA MSA
<b>Total Population</b>	4,922,175
<b>White</b>	76.6%
<b>Black</b>	19.1%
<b>American Indian</b>	.2%
<b>Asian/Pacific Islander</b>	2.1%
<b>Other</b>	2.0%
<b>Hispanic</b>	3.6%
<b>% Female</b>	52.1%

The major industries serving the MSA are health services, business services, engineering and management services, education, and social services. The median household income for the MSA is \$35,407, as compared to \$29,069 for the state of Pennsylvania and \$40,927 for the state of New Jersey. The MSA contains 1,932,499 housing units, sixty-five percent, of which, are owner-occupied. The median value of the units is \$99,212, as compared to a median value of \$69,075 for the state of Pennsylvania and \$161,219 for the state of New Jersey.

The MSA also contains several large commercial banks and thrifts. Specifically, the MSA houses 134 banks and thrifts, with a total of 1619 branches and total deposits representing \$69.9 billion. Area competition has continued to intensify as a result of the ongoing trend of acquisitions of smaller financial institutions by larger regional and super-regional financial institutions. Because of its unique market niche, FCB has not been affected by competition as much as other area financial institutions.

## COMMUNITY REINVESTMENT ACT ASSESSMENT (CONTINUED)

### LOAN TO DEPOSIT RATIO

FCB's loan-to-deposit ratio is indicative of a positive response to community credit needs commensurate with its financial capacity. According to the June 30, 1996 Uniform Bank Performance Report (UBPR), the bank's loan-to-deposit ratio equaled 81.4% (peer 67.9%); at December 31, 1995 and December 31, 1994 it equaled 79.8% and 83.8%, respectively.

The following table depicts FCB's loan-to-deposit ratio and growth rates for the past four years:

	12/31/95	12/31/94	12/31/93	12/31/92
Loan to Deposit	79.8%	83.8%	75.6%	88.7%
Asset Growth	19.9%	-3.1%	33.2%	30.7%
Net Loan Growth	11.7%	5.1%	16.3%	36.9%

Generally, the bank continues to exhibit steady growth, while maintaining a high level of loans relative to deposits. FCB has consistently maintained a loan-to-deposit ratio of no less than 75% over a four year period.

The following table depicts the institution's quarterly loan-to-deposit ratios since the previous examination. It also illustrates the quarterly loan-to-deposit ratio average since the previous examination. The quarterly loan-to-deposit ratio average is derived by adding the quarterly loan-to-deposit ratios and dividing by the number of quarters since the previous examination.

As of	Net Loans	Net Deposits	Ratio
03/31/95	\$32,917	\$41,762	78.8%
06/30/95	\$34,037	\$42,468	80.2%
09/30/95	\$34,200	\$44,308	77.2%
12/31/95	\$35,606	\$44,608	79.8%
03/31/96	\$37,309	\$45,574	81.9%
06/30/96	\$39,498	\$48,495	81.4%
Quarterly Loan To Deposit Ratio Average Since Previous Examination			79.9%

The bank's loan-to-deposit ratio is deemed more than reasonable, given the institution's size, financial condition, and assessment area credit needs.

### LENDING IN ASSESSMENT AREA

As noted under the previous section, FCB engaged the services of an outside entity to conduct a geographic analysis of its loans outstanding. The bank undertook this measure to ensure that its previous assessment areas were appropriately delineated, and to determine the loan distribution among different geographies within each assessment area. As such, loan data was extracted from FCB's automated loan accounting system as of March 29, 1996.

## COMMUNITY REINVESTMENT ACT ASSESSMENT (CONTINUED)

### LENDING IN ASSESSMENT AREA (continued)

The analysis encompassed commercial loans, installment loans, mortgage loans, and home equity lines of credit. The following table recaps the analysis, reflecting total loans inside and outside the assessment areas.

<b>Loans Inside and Outside of Previous Assessment Areas</b>				
	<b>Number</b>	<b>Percent</b>	<b>Dollar</b>	<b>Percent</b>
<b>Inside</b>	125	30.3%	15,261,465	38.3%
<b>Outside</b>	287	69.7%	24,600,307	61.7%
<b>Total Loans</b>	412	100.0%	39,861,772	100.0%

As already mentioned, the bulk of the bank's loans outstanding were outside of its former assessment areas.

The next table summarizes loans extended inside and outside of FCB's expanded or revised assessment area (i.e the entire Philadelphia MSA) since the previous examination. The analysis, underlying this summary, is based upon a statistical sample of commercial loans, installment loans, mortgage loans, and home equity loans/lines of credit originated between examinations (January 1995 through August 1996).

<b>Loans Inside and Outside of Assessment Area</b>										
	<b>Commercial Loans</b>		<b>Installment Loans</b>		<b>Mortgage Loans</b>		<b>Home Equity Loan/LOC</b>		<b>Total Loans</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Inside</b>	145	95%	24	96%	15	94%	1	50%	185	95%
<b>Outside</b>	7	5%	1	4%	0	0%	1	50%	9	5%
<b>Unknown</b>	0	0%	0	0%	1	6%	0	0%	1	0%
<b>Total</b>	152	100%	25	100%	16	100%	2	100%	195	100%

Using the analysis, it was determined that a substantial majority of the bank's loans were made within its assessment area. Moreover, FCB's penetration of its assessment area is remarkably high, in view of its size, financial condition, business objectives, and assessment area credit needs.

### GEOGRAPHIC DISTRIBUTION OF LOANS

FCB also utilized the March 1996 geographic analysis of its loans outstanding, as referenced in preceding sections, to ascertain its loan distribution among different geographies within its previous assessment areas. The analysis encompassed commercial loans, installment loans, mortgage loans, and home equity lines of credit. Accordingly, the table below summarizes the geographic distribution of all loans within the bank's two previous assessment areas.

<b>Geographic Distribution of Loans Within Previous Assessment Areas</b>				
	<b>Number</b>	<b>Percent</b>	<b>Dollar</b>	<b>Percent</b>
<b>Low/Mod</b>	93	74.4%	\$8,487,536	55.6%
<b>Middle</b>	23	18.4%	\$5,577,227	36.6%
<b>Upper</b>	9	7.2%	\$1,196,702	7.8%
<b>Total</b>	125	100.0%	\$15,261,465	100.0%

Additionally, as part of the examination, statistical sampling was conducted to ascertain the geographic distribution of loans originated during the period between examinations (January 1995 through August 1996).

**COMMUNITY REINVESTMENT ACT ASSESSMENT (CONTINUED)**

**GEOGRAPHIC DISTRIBUTION OF LOANS (continued)**

Specifically, loans originated inside the expanded assessment area (i.e. the entire Philadelphia MSA) were categorized into low-, moderate-, middle-, and upper-income geographies. The analysis is based upon statistical sampling. The sample reviewed included commercial loans, installment loans, mortgage loans, and home equity loans/lines of credit originated between examinations. The table below recaps the geographic distribution of loans within low-, moderate-, middle-, and upper-income geographies.

<b>Geographic Distribution of Loans By Product Type</b>										
	<b>Commercial Loans</b>		<b>Installment Loans</b>		<b>Mortgage Loans</b>		<b>Home Equity Loan/LOC</b>		<b>Total Loans</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Low</b>	25	17%	7	28%	2	13%	0	0%	34	18%
<b>Moderate</b>	40	26%	3	12%	8	50%	0	0%	51	26%
<b>Middle</b>	44	29%	10	40%	6	37%	1	50%	61	31%
<b>Upper</b>	38	25%	4	16%	0	0%	1	50%	43	22%
<b>Unknown</b>	5	3%	1	4%	0	0%	0	0%	6	3%
<b>Total</b>	152	100%	25	100%	16	100%	2	100%	195	100%

Based on 1990 U.S. Census data, FCB’s present assessment area ( the Philadelphia MSA) is comprised of the following geography types: 9% low-income geographies, 16% moderate-income geographies, 46% middle-income geographies, and 29% upper-income geographies. The table below compares such demographics to the geographic distribution of FCB’s loan originations.

	<b>Assessment Area Demographics</b>	<b>Geographic Distribution of Total Loans</b>
<b>Low</b>	9%	18%
<b>Moderate</b>	16%	26%
<b>Middle</b>	46%	31%
<b>Upper</b>	29%	22%
<b>Unknown</b>	0%	3%
<b>Total</b>	100%	100%

Clearly, the distribution of the bank’s loan originations is significantly more skewed to low- and moderate-income geographies based upon the percentages of low- and moderate-income geographies within its assessment area. Such distribution is reflective of excellent credit dispersion throughout FCB’s assessment area. The aforementioned results suggest that the geographic distribution of loans exceeds the standards for satisfactory performance.



**COMMUNITY REINVESTMENT ACT ASSESSMENT (CONTINUED)**

**LENDING TO BORROWERS OF DIFFERENT INCOMES (continued)**

	Assessment Area Income Distribution	Borrower Income Distribution
Low	20%	23%
Moderate	18%	19%
Middle	24%	33%
Upper	38%	16%
Unknown	0%	9%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The income distributions of the assessment area and the bank's limited retail borrowing base are comparable and are reflective of a reasonable lending penetration among individuals of different income levels, including low- to moderate-income.

**LENDING TO BUSINESSES OF DIFFERENT SIZES**

A small business loan for the purposes of CRA means a loan included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income.

According to Schedule RC-C Part II (Loans to Small Businesses and Small Farms) of the bank's Consolidated Reports of Condition and Income as of June 30, 1996, 100% of the bank's commercial loans were classified as small business loans and are detailed below.

Loans to Small Business Consolidated Reports of Condition and Income as of 6/30/96 Schedule RC-C Part II Loans Secured by Nonfarm Nonresidential Properties				
	Number of Loans	Percent	Amount Outstanding at 6/30/96	Percent
With original amounts of \$100,000 or less	116	47%	\$5,353	17%
With original amounts of more than \$100,000 through \$250,000	84	34%	\$11,165	35%
With original amounts of more than \$250,000 through \$1,000,000	47	19%	\$15,027	48%
<b>TOTAL</b>	<b>247</b>	<b>100%</b>	<b>\$31,545</b>	<b>100%</b>

**COMMUNITY REINVESTMENT ACT ASSESSMENT (CONTINUED)**

**LENDING TO BUSINESSES OF DIFFERENT SIZES (continued)**

<b>Loans to Small Business Consolidated Reports of Condition and Income as of 6/30/96 Schedule RC-C Part II Commercial and Industrial Loans</b>				
	<b>Number of Loans</b>	<b>Percent</b>	<b>Amount Outstanding at 6/30/96</b>	<b>Percent</b>
<b>With original amounts of \$100,000 or less</b>	13	65%	367	33%
<b>With original amounts of more than \$100,000 through \$250,000</b>	7	35%	729	67%
<b>With original amounts of more than \$250,000 through \$1,000,000</b>	0	0%	0	0%
<b>TOTAL</b>	20	100%	\$1,096	100%

Additionally, a statistical sample of commercial loans originated during the period between examinations (January 1995 through August 1996) was reviewed to assess the distribution of loans to businesses of different sizes. Specifically, a review of 152 commercial loans originated during this period revealed that 138 or 91% were made to businesses with gross revenues of \$1 million or less. In view of the overall demographics of FCB's assessment area, the preceding distributions are reflective of excellent loan penetration among businesses of different sizes, especially small businesses. Moreover, the distribution of business size is accorded a greater weight than that of borrower income because of FCB's wholesale orientation.

**COMPLIANCE WITH ANTIDISCRIMINATION LAWS**

A review of the credit policies of the bank revealed no evidence of prohibited discriminatory practices such as prescreening or the discouragement of applicants for the types of credit which are offered by the bank. Management has established consumer and commercial loan policies that evidence its commitment to evaluate and offer credit requests without regard to any prohibited basis.

The bank is in general compliance with the substantive provisions of the antidiscrimination laws and regulations including the Equal Credit Opportunity Act, the Fair Housing Act, and other agency regulations pertinent to nondiscriminatory treatment of credit applicants. An evaluation of the bank's actual lending practices found overall adherence to applicable antidiscrimination laws and fair lending statutes.

No consumer complaints had been filed with this Reserve Bank at the date of this examination, nor is the bank currently engaged in any litigation related to consumer credit statutes.