

PUBLIC DISCLOSURE

May 28, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

City First Bank
#06-12-1471

Tampa, Florida

Federal Reserve Bank of Atlanta
104 Marietta Street, N.W.
Atlanta, Georgia 30303

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to the 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 City First Bank prepared by the Federal Reserve Bank of Atlanta, the institution's supervisory agency, as of May 28, 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 Satisfactory.

Based on available resources, lending activities reflect a reasonable penetration of all segments of the bank's assessment area, and a significant majority of loans originated by the bank are within its assessment area. The bank's average loan-to-deposit ratio is reasonable as is its distribution of loans to individuals of different income levels and to businesses of different sizes.

The following table indicates the performance level of City First Bank, Tampa, Florida, with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	CITY FIRST 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.		

DESCRIPTION OF INSTITUTION

City First Bank had \$56.7 million in assets on March 31, 1996, and is a subsidiary of a one-bank holding company, City Financial Corporation of Tampa, Tampa, Florida. Assets have increased by approximately 50 percent since the previous evaluation. The bank is located in the Westshore area of Tampa in Hillsborough County and has three offices. The main office, or Westshore office, is located at 405 N. Westshore Boulevard, and the South Dale Mabry branch is located at 1921 S. Dale Mabry approximately two miles away. The West Hillsborough branch, opened after the previous examination, is located at 8603 W. Hillsborough Avenue. The bank purchased an existing building and opened the West Hillsborough branch during the third quarter of 1994. The new branch manager has spent considerable time building a customer base. A significant loan portfolio for this branch has been difficult to attain.

The bank offers a variety of consumer and business loans, including loans for the purchase of new and used automobiles, loans for other consumer purposes, and loans for personal expenses. The bank also offers home improvement loans and fixed-rate mortgage loans. The composition of the loan portfolio according to the March 31, 1996 Uniform Bank Performance Report is as follows:

LOAN TYPE	PERCENTAGE
Construction and development	1.4%
Secured by one- to four-family dwellings	13.1%
Other real estate:	
Farmland	1.0%
Multifamily	2.3%
Nonfarm nonresidential	39.0%
Commercial and industrial	34.6%
Loans to individuals	7.0%
All other	1.6%
TOTAL	100.0%

Historically, City First Bank's loan portfolio has been concentrated in small business loans. Although these loans do not constitute a large portion of the portfolio because they typically are for smaller dollar amounts, the bank makes a significant number of loans to individuals. Marketing of consumer loans has been targeted to the area served by the new branch.

**City First Bank
Tampa, Florida
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DESCRIPTION OF INSTITUTION (CONTINUED)

City First Bank is also a Small Business Administration (SBA) lender. The bank has recently been approved for the SBA's Low-Doc and 7A programs and year-to-date has closed two SBA Low-Doc loans totaling \$668,896.

There are no financial or other factors that hinder the bank's ability to contribute its services to the Hillsborough County community.

DESCRIPTION OF ASSESSMENT AREA: HILLSBOROUGH COUNTY, FLORIDA

The bank's assessment area is Hillsborough County, which is part of the Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area (MSA). Hillsborough County encompasses 168 census tracts. 15 of these tracts are low-income, 36 are moderate-income, 70 are middle-income, and 47 are upper-income. In March 1996, the bank modified its delineated community to its current assessment area. The purpose of the modification was to more accurately reflect the market area in which the bank solicits deposits and loans. Changes in the area include expanding the northern and western boundaries to include the area primarily known as Town and Country. Several of the census tracts in the bank's assessment area include the Tampa International Airport and some highly industrialized business areas, thereby reducing available lending opportunities.

According to 1990 Census information, the population of Hillsborough County is 834,054. Approximately 13 percent of the assessment area's population is black. Hispanics also represent 13 percent of the population. Residents of low- and moderate-income census tracts total 177,604, or 21 percent of the county's population. The median family income of \$33,645 for Hillsborough County exceeds the median family income of \$31,244 for the MSA. Housing units in the assessment area total 367,740; 55.7 percent are owner-occupied, 32.6 percent are rental units, and 11.7 percent are vacant. The median housing value is \$72,433. 31,289 (15 percent) of the owner-occupied units are located in low- and moderate-income census tracts. The median age of the housing stock is 19 years.

Major employers in the area include Tampa International Airport, IBM, and county government. According to 1993 economic patterns for Hillsborough County, approximately 321,000 workers, or 58.5 percent of the industry total, were employed in retail and wholesale trade or the service industry.

Single-family affordable housing is a continuing need throughout the Tampa community according to two community leaders contacted during the examination. The discussions also revealed that small business loans, particularly loans less than \$25,000, are needed. The community contacts felt that the banks in the community support the programs that are currently available.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's average loan-to-deposit ratio for the four quarters of 1995 was 47.4 percent. The actual ratios at the end of each quarter are shown in the table below.

1995 QUARTERLY LOAN-TO-DEPOSIT RATIOS			
QUARTER ENDING	NET LOANS (THOUSANDS)	DEPOSITS (THOUSANDS)	LOAN-TO- DEPOSIT RATIO
March 31, 1995	\$19,804	\$37,037	53.47%
June 30, 1995	\$19,186	\$38,299	50.09%
September 30, 1995	\$19,555	\$43,461	44.99%
December 31, 1995	\$20,708	\$50,583	40.93%

Other banks in the Hillsborough County area of similar asset size have average loan-to-deposit ratios ranging from 65.2 percent to 74.1 percent. With the addition of the new branch office, the bank focused on attracting significant deposits, which have been obtained. Many consumer loans and small business loans have been made by this branch, but the loans are predominately small dollar loans. This factor has contributed to the growth in deposits outpacing the growth in loans. Based on City First Bank's size, resources, and office facilities, the loan-to-deposit ratio meets the standards for satisfactory performance.

During the examination, 119 loans were sampled to determine the percentage in the bank's assessment area, to evaluate the geographic distribution of the loans, and to assess the bank's lending to borrowers of different incomes and to businesses of different sizes. The sample consisted of 53 small business loans and 66 consumer loans. 100 percent of the small business loans and 98 percent of the consumer loans were in the bank's assessment area. Because a substantial majority of loans are in the institution's assessment area, the bank exceeds the standards for satisfactory performance.

The bank lends to businesses of different sizes, which is important to City First Bank because business purpose lending is its predominant lending activity. Of the 52 sampled business purpose loans for which revenue information was available, 50 (96.2 percent) were to businesses with less than \$1 million in annual revenues, and 33 (63.5 percent) were extended to businesses with less than \$250,000 in revenues.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)

The bank lends to borrowers of different incomes in a manner consistent with the demographic composition of the assessment area. Of the 60 consumer loans in the assessment area for which the borrower's income was available, 10 (17 percent) were extended to low-income individuals, 16 (27 percent) to moderate-income individuals, 13 (22 percent) to middle-income individuals, and 21 (35 percent) to upper-income individuals. Of total families in the assessment area, 18 percent are low-income, 17 percent are moderate-income, 22 percent are middle-income, and 43 percent are upper-income.

The geographic distribution of the sampled business loans by type of census tract is shown in the following table:

DISTRIBUTION OF SMALL BUSINESS LOANS BY TYPE OF CENSUS TRACT				
Type of Tract	# of Loans	% of Loans	Amount of Loans	Percent of \$ Amount
Low-income	0	0	\$ 0	0
Moderate-income	9	17	\$ 356,519	16
Middle-income	22	42	\$ 1,112,916	51
Upper-income	22	41	\$ 719,652	33
Total	53	100	\$ 2,189,087	100

The following table shows the distribution of the consumer loans in the assessment area by type of census tract:

DISTRIBUTION OF SMALL BUSINESS LOANS BY TYPE OF CENSUS TRACT				
Type of Tract	# of Loans	% of Loans	Amount of Loans	Percent of \$ Amount
Low-income	2	3	\$ 13,280	1
Moderate-income	9	14	\$ 124,661	9
Middle-income	25	38	\$ 523,277	36
Upper-income	29	45	\$ 773,963	54
Total	65	100	\$ 1,435,181	100

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)

The bank's penetration of census tracts by the income level of the tract reasonably reflects the area's demographic characteristics. The bank has very limited penetration of low-income census tracts; however, only 4 percent of the total population of the assessment area resides in low-income census tracts. Additionally, only 3 percent of total households in the assessment area are located in low-income census tracts. The bank has fewer opportunities to lend in these census tracts because of the small number of residents and households. The other types of census tracts exhibit the following characteristics: 17 percent of both the total population and total households are in moderate-income tracts; 43 percent of the population and 44 percent of households are in middle-income tracts; and 36 percent of the population and total households are in upper-income tracts. The geographic distribution of loans reflects reasonable dispersion throughout the assessment area and meets the standards for satisfactory performance.

No credit practices inconsistent with the substantive provisions of the antidiscrimination laws and regulations were identified; however, violations of technical aspects of the Home Mortgage Disclosure Act were noted. Personnel involved in the lending process receive ongoing fair lending training and have sufficient knowledge of fair lending issues and how they relate to credit application, evaluation, and transaction processes. The bank solicits credit applications from all segments of the assessment area, including low- and moderate-income neighborhoods. Bank management has adopted comprehensive policies and procedures that ensure uniform application of underwriting guidelines, including second reviews of all rejected applications to determine whether credit denials are justified or whether alternative financing can be provided.

TO THE INSTITUTION EXAMINED:

THIS COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION WAS PREPARED BY THE FEDERAL RESERVE BANK OF ATLANTA. THE FOLLOWING ACTIONS MUST BE TAKEN TO FULFILL THE CRA'S REQUIREMENTS.

- C AT A MINIMUM, PLACE THE EVALUATION IN YOUR CRA PUBLIC FILE LOCATED AT YOUR HEAD OFFICE (AND A DESIGNATED OFFICE IN EACH OF YOUR LOCAL COMMUNITIES) NO LATER THAN 30 BUSINESS DAYS AFTER RECEIVING THE EVALUATION.
- C PROVIDE A COPY OF THE EVALUATION TO THE PUBLIC UPON REQUEST (YOU ARE PERMITTED TO CHARGE A FEE NOT TO EXCEED THE COST OF REPRODUCTION AND MAILING IF APPLICABLE) NO LATER THAN 30 BUSINESS DAYS AFTER RECEIVING THIS LETTER.

FEDERAL RESERVE BANK OF ATLANTA

ASSISTANT VICE PRESIDENT

(Date)

CYNTHIA C. GOODWIN

(Title)

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

19

TO THE FEDERAL RESERVE BANK OF ATLANTA

A COPY OF THE COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION PREPARED AS OF THE CLOSE OF BUSINESS MAY 28, 1996, BY AN EXAMINER FOR THE FEDERAL RESERVE BANK OF ATLANTA HAS BEEN RECEIVED AND WILL BE MADE AVAILABLE TO THE PUBLIC IN THE MANNER STATED IN THE LETTER WHICH ACCOMPANIED THE EVALUATION.

(Signature of Authorized Officer)

(Title)

CITY FIRST BANK

(Name of Bank)

TAMPA, FLORIDA

(Location)

FEDERAL RESERVE BANK OF ATLANTA

Cynthia C. Goodwin
ASSISTANT VICE PRESIDENT

July 18, 1996

Board of Directors
City First Bank
Post Office Box 21032
Tampa, Florida 33622-1032

Dear Board Members:

Enclosed is the bank's Community Reinvestment Act Performance Evaluation prepared by Federal Reserve Examiner Nancy Lee using the guidelines established by the Federal Financial Institutions Examination Council. This evaluation was prepared in accordance with the Community Reinvestment Act (CRA), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, and must be made available to the public. The following actions must be taken to fulfill the CRA's requirements.

- C At a minimum, place the evaluation in your CRA public file located at your head office (and a designated office in each of your local communities) no later than 30 business days after receiving this letter.
- C Provide a copy of the evaluation to the public upon request (you are permitted to charge a fee not to exceed the cost of reproduction and mailing if applicable) no later than 30 business days after receiving this letter.

Please acknowledge receipt of this evaluation by signing and returning the attached blue form. The format and content of the evaluation should not be altered or abridged in any manner. You may wish to comment on this information detailing actions the bank has taken since the examination to meet its obligations under the CRA. Any written comments concerning the evaluation placed in the public file should also be forwarded to this office. If you believe any of the information included in the public evaluation is proprietary, please contact this Reserve Bank so that the appropriate action can be taken.

Our Community Affairs staff is available to assist you in determining and responding to community credit needs. Please feel free to contact Mr. Courtney Dufries at (404) 589-7226. If you have any questions concerning this report or any other compliance matter, contact Ms. Gale Williams at (404) 589-7223.

Very truly yours,

Cynthia C. Goodwin

Enclosures

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**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Name of Bank: CITY FIRST BANK

City and State: TAMPA, FLORIDA

Date of Examination: MAY 28, 1996