



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Inland Community Bank, N.A.
Charter Number 21660**

**851 Foothill Boulevard
Rialto, CA 92345**

**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 **Inland Community Bank, N.A.** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of January 30, 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.”**

Inland Community 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 as compared to similar banks.
- Lending in the assessment area exceeds standards for satisfactory performance.
- Lending to borrowers of different income levels and businesses of different sizes is reasonable.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	Inland Community 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 received since the last examination		

DESCRIPTION OF INSTITUTION:

Inland Community National Bank is a full service commercial bank headquartered in Rialto, California. The bank has three branches in its assessment area: the main office in Rialto and branches in Ontario and Loma Linda. There are three automatic teller machines, one at each branch. As of December 31, 1996, the bank reported total assets of \$25 million. The institution's lending focus is commercial & commercial real estate loans which as of December 31, 1996, represent 83% of the total loan portfolio. 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	13,481,095	83%
Real Estate	1,227,806	8%
Equity Credit Lines	883,864	5%
Consumer	639,391	4%
Total Loans	16,232,156	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 February 9, 1995, and the bank was rated “Satisfactory.”

DESCRIPTION OF INLAND COMMUNITY BANK’S ASSESSMENT AREA:

The bank’s assessment area comprises 135 census tracts within the metropolitan statistical area (MSA) of Riverside/San Bernardino County.

ASSESSMENT AREA COMPOSITION

Census Tract Type	Number of Tracts in Area	Percent of Assessment Area (#)
Low	9	7%
Moderate	28	21%
Middle	63	47%
Upper	35	26%
TOTAL CENSUS TRACTS	135	100%

There are 1,147,576 residents in the assessment area with a median family income of \$43,300 based on 1990 census data. The median housing value is \$122,600. The area is experiencing economic growth due primarily to the migration of small manufacturers. These firms are giving the area a diverse economic base with excellent future growth potential. The influx of new businesses has also added more jobs. We contacted one community based development organization 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 71% over the last eight quarters and has ranged from 66% to 78%. This is slightly above the 68 % average of other California banks of similar asset size.

Lending in Assessment Area

A substantial majority of the loans made were within the assessment area. We reviewed the bank's internal analysis of credit extensions made between January 1, 1996 and September 30, 1996, which was verified for accuracy. There were 101 loans made within the assessment area, representing 66% of all loans made during the review period.

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

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. We reviewed the bank's internal analysis of borrower income levels, which was verified for accuracy, and found no indication the bank was purposely excluding low- and moderate- income applicants. Ten percent of all consumer loans were to low income borrowers and 21% were to moderate income borrowers. The following chart reflects the bank's consumer loan activity as compared to the demographics of the four income levels.

CONSUMER LENDING IN ASSESSMENT AREA BY BORROWER INCOME LEVEL BASED ON SAMPLE January 1, 1996 - September 30, 1996

Income Designation of The Borrower	% of Families in the Assessment Area	# of Loans Based on Sample	% of Loans Based on Sample
Low	20%	3	10%
Moderate	16%	6	21%
Middle	23%	7	24%
Upper	41%	13	45%
Total	100%	29	100%

We reviewed the bank's internal analysis of business revenues, which was verified for accuracy. The bank's record of extending loans to small businesses in the assessment area is satisfactory. This is reflected in the chart below.

**LENDING IN ASSESSMENT AREA BY BUSINESS REVENUES BASED ON SAMPLE
January 1, 1996 to September 30, 1996**

Revenues	Loans (#)	% of Sample (#)	Loans (\$)	% of Sample (\$)
<= \$1 million annual revenue	54	75%	2,838,456	66%
>1 million annual revenue	18	25%	1,455,327	34%
Total	72	100%	4,293,783	100%

Geographic Distribution of Loans

The bank's lending distribution in the assessment area is acceptable. We sampled all loans made within the assessment area, and found that lending activity in different income level census tracts is comparable to demographic information. The chart below compares the bank's loan originations from January 1, 1996 through September 30, 1996 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 Census Tracts in Assessment Area	% of Assessment Area	# of Loans Originated	% of Loans Total
Low	9	7%	2	2%
Moderate	28	21%	15	15%
Middle	63	47%	59	58%
Upper	35	26%	25	25%

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.