



**Comptroller of the Currency
Administrator of National Banks**

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PUBLIC DISCLOSURE

March 31, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First Coastal Bank, N.A.
Charter Number 18454**

**275 Main Street
El Segundo, CA 90245**

<p>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 supervisor y agency concerning the safety and soundness of this financial institution.</p>
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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 Coastal Bank, N.A.** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of March 31, 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.**”

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

SMALL INSTITUTION ASSESSMENT CRITERIA	First Coastal 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 were received since the last examination.	

DESCRIPTION OF INSTITUTION:

First Coastal Bank, N. A. (formerly El Segundo First National Bank) opened on November 17, 1984. The bank's one office is located on Main Street in the commercial and retail area of El Segundo, CA. The city of El Segundo is 19 miles southwest of downtown Los Angeles. Management offers a full range of services including an ATM that accepts several network and reciprocal ATM and major credit cards. The last CRA examination was performed as of March 31, 1994, when the bank received a "Satisfactory" performance rating.

The bank's overall condition is satisfactory and no financial or legal impediments exist which effect the bank's ability to meet the credit needs of its assessment area. At March 31, 1997, the bank's asset size was \$27 million with \$16 million in loans, \$24 million in deposits, and \$2.8 million in capital. Historically, the bank has met the credit needs of its community by concentrating in small business lending. The bank does not offer consumer mortgage loans. The bank's focus is on servicing the financial needs of the small to middle market and sole proprietor business accounts in the local communities. However, the bank strives to serve the retail needs of individuals associated with those business accounts. Real estate secured, SBA and commercial business loans represent 87% of the bank's total loans with the balance in consumer home equity loans and credit card facilities.

El Segundo has a population of 15,000 and is geographically situated with the Los Angeles International Airport (LAX) to the north, the Pacific Ocean to the west, the city of Hawthorne to the east and the Chevron Oil refinery to the south. Of El Segundo's 2,724 usable acres, 542 acres (20%) are for residential, school and city purposes. The remaining 2,182 acres (80%) are zoned for commercial-industrial use.

DESCRIPTION OF First Coastal Bank's ASSESSMENT AREA:

The bank's assessment area (AA) encompasses the cities of Santa Monica, Venice, Marina Del Rey, Culver City, Inglewood, Hawthorne, Gardena, Lawndale, Manhattan Beach, Hermosa Beach, Redondo Beach, Torrance, Palos Verdes Estates, Rancho Palos Verdes, Rolling Hills and, Rolling Hills Estates. Management selected the AA by choosing the natural boundaries of the ocean to the west, and south, and freeway boundaries to the north (Interstate 10 freeway) and, east (Interstate 110 freeway). Although the AA is unusually large, management plans to reassess their position once the merger with Marina Bank is completed in 1997. The AA has a total of 292 census tracts. The following table identifies 21 low income census tracts or 7%, while moderate income census tracts total 77 tracts or 26% of the total census tracts in the bank's assessment area. The bank's AA does not reflect illegal discrimination and does not arbitrarily exclude any low-or moderate income areas.

Financial institutions providing financial services within the city of El Segundo include three banks and nine credit unions. Primary competition to First Coastal Bank is Bank of America, maintaining two branches in El Segundo. However, Bank of America's branch on Main Street is scheduled to be consolidated prior to 1997 year end, with their branch on Sepulveda Boulevard. Branches of

Coast Federal Bank and Great Western Bank are the two additional banking institutions. Competition to the banks for the more than 75,000 daytime employee population comes from the financial services provided by the nine credit unions located in El Segundo. Many more financial institutions are situated throughout the bank's AA. These institutions offer a wide range of business and consumer financial products.

The areas 10 largest employers include Hughes Aircraft, Northrop, TRW, Aerospace Corporation, Xerox Corporation, Los Angeles Department of Airports, Mattel, Inc., Chevron USA, Inc. International Rectifier, and Computer Sciences Corporation.

Assessment Area by Census Tract Type.

Income Category of Census Tracts	Number of Tracts in Income Category	% of Total	Number of Households in Each Income Category
Low	21	7	37,318
Moderate	77	26	129,548
Middle	84	29	160,669
Upper	109	37	211,955
Not Reported	1	0	200

Based on 1990 U. S. Census data, low- and moderate income families represent 38% of the area's 342,759 families. Total persons residing in the bank's AA is 1,442,453. The MSA median family income is \$39,035. The current MSA median housing value is \$241,850. Unemployment is 4% while 19% of the households rely on Social Security income.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

First Coastal's loan to deposit ratio is satisfactory.

As of December 31, 1996, the bank's average loan-to-deposit ratio calculated over the past eight quarters is 65.11%. The ratio at March 31, 1996 is 65.25%, well within the bank's peer group. The loan to deposit ratio is reasonable given the bank's size, financial condition, and assessment area credit needs.

The bank's concentration of loans in the AA is satisfactory. A majority of the bank's loans by volume have been extended within its AA.

The following chart reflects satisfactory lending within the bank's AA. As of March 31, 1997, 50% of the number and 57% of the dollar amount in outstanding loans were in the bank's AA.

Total # of Loans	Total # of Loans Within AA	% of # Total Loans	Total Loans by \$ (000's)	Total Loans Within AA by \$ (000's)	% of Total Loans
374	185	50	16,402	9,278	57

The distribution of the bank's loans to businesses of different sizes and to borrowers of different income levels is satisfactory.

The bank makes loans to small and medium sized businesses and to individuals of varying income levels. Our conclusions are based on bank supplied information. The majority of the bank's business loans are to small businesses secured by real estate. The following chart shows the business loans made to small businesses.

Business Loans by Revenue in AA.

Revenue Type	# Loans	% of Total #	\$ Loans (000's)	% of Total (\$)
<or equal to \$1 million (small business)	103	85%	13,496	88
>\$1 million (large businesses)	18	15%	1,865	12
Total Business Loans	121	100%	15,361	100

The bank is a certified SBA lender. For fiscal year ending 1996 the bank ranked 32nd out of 119 California banks for loan volume, and ranked 16th out of 79 California banks participating in SBA's LowDoc lending program. The LowDoc program enables small business owners to apply for SBA loan assistance with a minimum of documentation and SBA's response is usually within 3 days. The following table reflects the distribution of SBA loans to borrowers within the bank's AA.

Total SBA loans Originated to Businesses Inside Assessment Area During 1996.

Type	# of Loans	\$Amt 000's	# of Loans in AA	% in AA	\$Amt 000's	% in AA
SBA Loans	44	2,812	16	36%	1,073	38%

The following table reflects the distribution of all business loans to borrowers within the bank's AA.

Commercial Loans Originated to Businesses Inside Assessment Area During 1996.

Type	# of Loans	% of Total (#)	\$ Loans (000's)	% of Total (\$)
SBA Loans	16	9%	1,073	7%
All Other Real Estate and Commercial Loans	169	91%	13,570	93%
Total	185	100%	14,643	100%

Consumer loans are made only as an accommodation to business customers. As a result, any analysis of consumer loans would not be meaningful.

First Coastal Bank's geographic distribution of credit within its assessment area is satisfactory.

We obtained our information from management which we tested for accuracy by sampling 10 loans made during 1996. No loans were made in low-income census tracts and 8% of the total number and 15% of its dollar volume of loans in moderate income census tracts. Although this representation is weak, this is due primarily to their geographic distance from the bank, and because the city of El Segundo is surrounded by industrial and commercial areas. Since the bank's primary focus is on business lending, its performance in this area is satisfactory because it lends to small and large businesses. The following chart shows the number of loans made within the bank's AA according to the income levels of the census tracts.

Lending Within the Bank's Assessment Area by Census Tract Type

Census Tract	# of Loans	% of Total (#)	\$ Loans (000's)	% of Total (\$)
Low	0	0	0	0
Moderate	15	8%	1,384	15%
Middle	81	44%	4,853	52%
Upper	89	48%	3,041	33%
Total	185	100%	9278	100%

The bank is in compliance with all anti-discrimination laws and regulations.

We conducted a concurrent Fair Lending examination of the bank and found no evidence of disparate treatment or discriminating lending practices. The bank complies with the provisions of anti-discrimination laws and regulations.

The bank has received no complaints regarding Community Reinvestment issues since the last examination.

There are no complaints in the bank's Community Reinvestment Act Public File.