



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

December 2, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Roseville First National Bank
Charter Number 22518**

**1801 Douglas Boulevard
Roseville, CA 95661**

**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.
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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 **Roseville First National Bank (RFNB)** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of December 2, 1996. 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.**”

Roseville First National Bank has a good loan-to-deposit ratio and reasonable loan penetration among borrowers of different incomes and to businesses of different sizes. The majority of the bank's loans are made within its assessment area, and their geographic distribution is reasonable.

The following table indicates the performance level of **Roseville First National Bank** with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	Roseville First National 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	There have been no CRA complaints since the last CRA public evaluation.		

DESCRIPTION OF INSTITUTION:

Roseville First National Bank is a full service commercial banking institution located in Roseville, California providing general banking services to residents of South Placer County. The bank began operations in 1992 and as of 9/30/96 has total assets of \$36,481,000. The bank has only one main office. The bank's primary focus is real estate construction lending and commercial lending. As of 9/30/96, the bank's loan portfolio (by dollar amount) is comprised of real estate loans (71%), commercial loans (16%), and consumer loans (13%).

Local competition consists primarily of community banks, and local branches of regional and multinational banks. These banks are involved in a variety of lending which includes real estate, commercial and consumer loans. RFNB's previous CRA examination was

December 31, 1993, where it received an overall rating of “Satisfactory” in meeting the credit needs of their community. The bank has no legal or financial impediments in meeting the credit needs of its community.

DESCRIPTION OF SOUTH PLACER COUNTY AND NORTH EAST SACRAMENTO COUNTY:

The Board and management have determined the bank’s assessment area to be the communities surrounding the main office in Roseville. It includes Citrus Heights, Granite Bay, Loomis, Orangevale, Rocklin, Roseville, and rural parts of South Placer County. These cities are part of the Sacramento Metropolitan Statistical Area (MSA) which consists of El Dorado, Placer, Sacramento, and Yolo counties. Roseville is Placer County’s largest city, located 16 miles northeast of Sacramento, the state capital.

According to the City of Roseville’s City Manager’s Office, Roseville’s population as of January 1, 1996, was 59,708. The average growth rate over the past 5 years in Roseville is 5% and 3% for the entire Sacramento region. Roseville’s population is projected to reach 96,000 by the year 2005. The bank’s assessment area consists of 33 census tracts; 22 are middle income census tracts and 11 are upper income census tracts. There are no low-or moderate- income census tracts in the bank’s assessment area. The bank’s assessment area complies with the regulation and does not arbitrarily exclude low-or moderate- income areas. HUD MSA median family income is \$46,400 and the median housing value is \$157,953. The main employer is Hewlett-Packard, accounting for roughly 11% of Roseville’s total jobs. However, service industries (retail, food service) are providing the most new jobs in Roseville’s economy.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Loan to Deposit Ratio

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

For this evaluation, we calculated the bank's average loan-to-deposit ratio for the past eight quarters beginning 12/31/94 and ending 9/30/96. During this period, the bank’s average loan-to-deposit ratio was 75%. We compared RFNB’s loan-to-deposit ratio to three local banks with greater asset levels. As of 3/31/96, these three financial

institutions had loan-to-deposit ratios of 32%, 75% and 75%, which are in line with the bank's average ratio of 75%.

Lending in the Assessment Area

- **The majority of loans and other lending related activities are in the bank's designated assessment area.**

RFNB provided us with data (which we tested for accuracy) which showed that during 1994 and 1995, the bank made 893 loans, 586 (65.6%) of which, were within the assessment area. By dollar amount, \$20,681,204 (51.1%) of loans were made within the assessment area.

Lending to Borrowers of different incomes and to Businesses of different sizes

- **The distribution of lending among borrowers of different income levels and to businesses of different sizes is reasonable given the demographics of the area.**

As shown in the table below, the bank is making a reasonable percentage of consumer loans to low-or moderate- income borrowers compared to the percentage of low- or moderate- income families within its assessment area. This distribution by income level is reasonable when taking into account the high cost of housing in the area relative to the prevailing wage level.

Borrower Income Distribution of Consumer loans for 1995

Borrower Income	% of Families within Assessment Area	# of loans	% of loans
Low Income	14%	16	8%
Moderate Income	16%	23	11%
Middle Income	25%	22	10%

Upper Income	45%	147	71%
Total	100%	208	100%

The bank shows a reasonable distribution of credits to businesses of different sizes. The distribution of business credit for 1995 is set forth in the following table:

1995 Business Credit Distribution

	Businesses with Annual Revenue <\$1 Million	% of total Business loans within Assessment area	Businesses with Annual Revenue >\$1 million	% of total Business loans within Assessment area
# Loans	51	73%	19	27%
\$ Amount	\$2,587,259	59%	\$1,827,040	41%

Geographic Distribution of Loans

The geographic distribution of loans reflects a reasonable dispersion throughout the bank's assessment area.

The table below demonstrates management's success in extending credit throughout the bank's assessment area.

**Geographic Distribution of Bank Loans by Income Level in its Assessment Area
1994-1995**

Census Tracts in Assessment Area	# of loans	% of total	# of census tracts	% of census tracts
Low income	NA	NA	NA	NA

Moderate Income	NA	NA	NA	NA
Middle Income	250	53%	22	67%
Upper Income	224	47%	11	33%
Totals	474	100%	33	100%

Response to Complaints

Management has not received any complaints about the bank's CRA performance since the last CRA evaluation in 1993.

Compliance with Anti-Discrimination Laws and Regulations

The bank is in compliance with anti-discrimination laws and regulations. No evidence of prohibited discriminatory or other illegal credit practices was detected during our examination.

