



Comptroller of the Currency
Administrator of National Banks

SMALL BANK

PUBLIC DISCLOSURE

July 6, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The First National Bank of Akron
Charter Number 18175**

**175 East 1st Street
Akron, Colorado 80720**

**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 **The First National Bank of Akron** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of July 6, 1998. 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 First National Bank of Akron’s record of meeting the credit needs of its assessment area is satisfactory. The bank’s loan-to-deposit ratio is reasonable. A substantial majority of the bank’s loans are in its assessment area. The bank is committed to making loans to small businesses of different sizes and individuals of all income levels.

DESCRIPTION OF INSTITUTION:

The First National Bank of Akron (FNB) is a \$12 million community bank located on the northeastern plains of Colorado. The bank is located in the town of Akron, which is the county seat of Washington County. Akron has a population of 1,700 and the county has a population of 5,400. Washington County is a highly productive agricultural area in the state, known for producing grains and raising cattle. The bank is owned by a multibank holding company, Washington Investment Holding Company, which owns three other banks located in Otis, Yuma, and Wray, Colorado. The bank opened an automated teller machine (ATM) in June 1998.

The bank's primary lending focus is agriculture. As of March 31, 1998, the loan portfolio composition was 63% agricultural loans, 16% commercial loans, and 21% consumer loans.

The bank's financial condition is sound. There are no financial or legal impediments that hinder the bank's ability to meet the credit needs of its assessment area.

Competition for financial services in Akron is strong. There is an independent commercial bank approximately four times larger than FNB, a credit union, a savings and loan branch, and a commercial bank branch located in Akron.

The bank received a "Satisfactory" rating at the August 29, 1996, CRA Examination.

DESCRIPTION OF ASSESSMENT AREA:

The bank's assessment area is reasonable, complies with regulatory requirements, and does not arbitrarily exclude low- or moderate-income geographies. FNB has designated Washington County as its assessment area. Washington County is not located in a Metropolitan Statistical Area (MSA). The county is divided into four block numbering areas (BNAs). One BNA is designated as moderate income and the others are designated as middle income based upon the updated U.S. Census median family income of \$39,000. The median housing value in Washington County is \$36,940.

Agricultural activity dominates the area economy. Employment is led by farm-related jobs. The largest nonagricultural employers in Washington County include local government, services, and retail trade. The unemployment rate for 1997 in the bank's assessment area was 1.8%.

We met with one community contact in Akron. The contact stated that the banks were doing a good job of meeting the community's credit needs, specifically with lending to local farmers. However, the contact indicated that better participation was needed by banks and other companies to help promote economic development within the county.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Lending in Assessment Area

FNB originates a substantial majority of its loans within its assessment area. We found that 92% of the consumer loans sampled, 100% of the real estate home mortgage loans sampled, and 94% of the commercial loans sampled were made in the assessment area.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

The bank's distribution of loans reflects a reasonable penetration among individuals of different income levels and businesses of different sizes. We sampled 31% of the consumer loans made between January 1, 1997, and March 31, 1998. Our analysis indicated that FNB lends to individuals of all income levels within its assessment area. Of the consumer loans sampled, 66% were made to low- or moderate-income individuals. The bank also makes home mortgage loans. We reviewed 100% of the home mortgage loans made between January 1, 1997, and March 31, 1998, and found that 60% of the home mortgage loans sampled were made to low- and moderate-income individuals. The following table summarizes the results of our analysis.

Distribution of Loans by Borrower Income Level			
Income Category*	Percentage of Consumer Loans Sampled	Percentage of Home Loans Sampled	Percentage of Families in Washington County**
Low Income (< 50% of Median Income)	33	30	24
Moderate Income (> 50% < 80% of Median Income)	33	30	21
Middle Income (> 80% < 120% of Median Income)	17	10	24
Upper Income (> 120% of Median Income)	17	30	31
Total Loans Sampled	100	100	100

* Income information is based on the updated 1997 Median Family Income of \$39,000.

** The population percentages in Washington County are based on 1990 U.S. Census information.

< = Less than.

> = Greater than.

We also sampled 20% of the business loan portfolio. Our sample included loans made between January 1, 1997, and March 31, 1998. Of the business loans sampled, 100% were made to small businesses or farms with annual revenues of less than \$1,000,000. Of these loans, 89% of the sample was to businesses or farms with annual revenues of less than \$500,000.

Distribution of Business/Farm Loans by Annual Revenue		
Revenue Size	Number of Loans Reviewed	Percent of Loans Reviewed
Revenues up to \$100,000	11	61
Revenues Between \$100,000 and \$500,000	5	28
Revenues Between \$500,000 and \$1,000,000	2	11
Revenues Over \$1,000,000	0	0
Total Business Loans Sampled	18	100

Loan-to-Deposit Ratio

FNB's loan-to-deposit ratio is reasonable given its size, financial condition, and operating environment. FNB's average loan-to-deposit ratio for the eight quarters ending March 31, 1998, was 72%. The average loan-to-deposit ratio for six similarly situated banks in northeastern Colorado was 69%.

Geographic Distribution of Loans

We did not analyze the geographic distribution of loans. There is a lack of sufficient diverse geographies (BNAs) to provide a meaningful analysis.

Response to Complaints

No complaints have been received by the bank since the last CRA Examination.

Record of Compliance with Antidiscrimination Laws

We did not find any evidence of discrimination during our fair lending examination.