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Comptroller of the Currency  
Administrator of National Banks

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## PUBLIC DISCLOSURE

AUGUST 29, 1996

### 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 August 29, 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 .”

First National Bank of Akron's record of meeting the credit needs of its community is good. A majority of the bank's loans are in its assessment area. The bank is committed to making loans to individuals of all income levels and businesses of different sizes.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	The First National Bank of Akron 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:

First National Bank of Akron is a \$11 million community bank serving Washington County on the northeastern plains of Colorado. The bank is located in the town of Akron, 120 miles east of Denver, Colorado, which is the county seat of Washington County. Washington County is a highly productive agricultural area in the state known for producing grains and raising cattle. The bank is owned by a \$78 million multibank holding company, Washington Investment Company, which owns three other banks located in Otis, Yuma and Wray Colorado. The bank owns no Automated Teller Machines.

First National Bank of Akron's primary lending focus is agriculture. As of June 30, 1996, the loan portfolio was comprised of agricultural loans, 52%, commercial loans, 19%, and consumer loans, 28%.

Akron has one other independent commercial bank that is approximately four times the size of First National Bank of Akron. There is also a credit union, a savings and loan branch, and a recently opened commercial bank branch. The bank is at a competitive disadvantage due to its small size and relatively low lending limit. This restricts the size of loans the bank can offer without the participation of other banks. First National Bank of Akron's last CRA Performance Evaluation was April 8, 1991 where it received a "Satisfactory" CRA performance rating.

## DESCRIPTION OF ASSESSMENT AREA

First National Bank of Akron has designated Washington County as its assessment area. We found the assessment area meets the requirements of the CRA regulation and does not arbitrarily exclude low- and moderate-income areas. The population of Washington County based on the 1990 U.S. census is 4,812. Washington County is not located in a Metropolitan Statistical Area (MSA). The county is divided into four Block Numbering Areas (BNA). One BNA is designated as moderate-income and the other three BNAs are designated as middle-income based upon the 1990 U.S. census statewide non-MSA median family income of \$28,258. The median housing value in Washington County is \$30,300.

Agricultural activity dominates the area economy. Farm based earnings account for 60% of all economic activity in Washington County compared to 2% for Colorado as a whole. The county is striving for economic diversity by attracting non-agricultural related business such as SITO, Inc. a truss manufacturing company. Employment is led by farm related jobs. The largest non agricultural employers in Washington County include local government, services, and retail trade.

We reviewed one community contact in Akron preformed by the Office of the Comptroller of the Currency in March, 1995. The contact indicated start-up business and small first time farmers are having a hard time obtaining credit. This was attributed to the lack of participation in government guaranteed, subsidized, or sponsored programs. First National Bank of Akron has

addressed this need through its participation in the Farmer’s Home Administration (FmHA) and Small Business Administration (SBA) loan programs. Also, as a Federal Home Loan Bank member, the bank is able to offer fixed rate, long term home mortgages.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

Loan-to-Deposit Ratio

First National Bank of Akron’s loan-to-deposit ratio is reasonable given its size, financial condition, and operating environment. The average loan-to-deposit ratio for the eight quarters ending March 31, 1996, is 69%. This is in line with four similarly situated banks with assets less than \$20 million in northeastern Colorado. These banks reported an eight quarter average loan-to-deposit ratio ranging from 48% to 83%.

Lending in Assessment Area

First National Bank of Akron originates a majority of its loans within the assessment area. Based on information received from management, 87% of the number of loans originated between July 1995 and July 1996 were in the bank’s assessment area. Through testing, we found the information provided by management accurate.

Lending to Borrowers of Different Incomes and Business/Farms of Different Sizes

First National Bank of Akron’s distribution of loans reflects a strong penetration among individuals and business of different income levels. We sampled 20 business/farm loans originated over the past 13 months. The following table displays the results of the sample:

Sample of Commercial Loans Originated July 1995 through July 1996 Based Upon Annual Business/Farm Revenues		
	Number of Loans	Percent of Total
Loans to Businesses/Farms with Annual Revenues < \$100M	10	50
Loans to Businesses/Farms with Annual Revenues >= \$100M < \$500M	7	35
Loans to Businesses/Farms with Annual Revenues > \$500M	3	15
Total Sample of Commercial Loans	20	100

The table shows 85% of the commercial/agricultural loans originated went to businesses/farms with annual revenues less than \$500M. This high level demonstrates First National Bank of Akron is serving the credit needs of small businesses/farms.

We sampled 20 consumer and home mortgage loans originated over the past 13 months. The following table displays the results of the sample:

Sample of Consumer & Home Mortgage Loans Originated July 1995 through July 1996 Based Upon Borrower Income Level			
	Number of Loans Made by Bank	Percent of Loans Made by Bank	Percent of Families in Washington County
Low-Income Individuals	5	25	24
Moderate-Income Individuals	9	45	21
Middle-Income Individuals	4	20	24
Upper-Income Individuals	2	10	31
Total Sample of Consumer Loans	20	100	100

The sample reveals lending to individuals of all income levels. Over half of the loans originated were to low- and moderate-income individuals which compares favorably to the percent of low- and moderate-income families in the bank's assessment area.

Geographic Distribution of Loans

Geographic Distribution of Loans Originated from July 1995 through July 1996			
Income Characteristic of Block Numbering Area	Percent of Block Numbering Areas	Number of Total Loans	Percent of Total Loans
Moderate-Income	25	162	67
Middle-Income	75	75	33
Total Loans Originated	100	242	100

The geographic distribution of loans is reflective of the bank's location in the only moderate-income BNA in its assessment area.

#### Response to Complaints

The bank has not received any complaints.

#### Record of Compliance with Antidiscrimination Laws

We did not find any violation, evidence of discrimination, or practices intended to discourage applicants from applying for credit.