



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

May 21, 2002

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Clear Creek National Bank
Charter Number 21878**

**500 Sixth Street
Georgetown, CO 80444**

**Comptroller of the Currency
Denver Field Office
1099 18th Street Suite 2650
Denver, CO 80202**

NOTE: This document is an evaluation of this 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. 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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INSTITUTION'S CRA RATING

This institution is rated Satisfactory.

A satisfactory rating is appropriate given the bank's demonstrated ability to meet the credit needs of the community including loans to small businesses. Specifically:

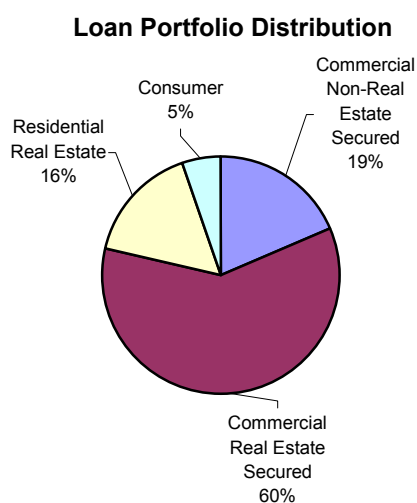
- The bank demonstrates strong support to small businesses within the assessment area.
- The majority of loans by number and dollar volume are originated within the bank's assessment area.
- The bank's loan-to-deposit ratio is adequate given area competition and credit needs of the community.

Clear Creek National Bank is committed to serving the communities in which it operates and demonstrates satisfactory lending performance.

DESCRIPTION OF INSTITUTION

Clear Creek National Bank (CCNB) is a \$20 million community bank, headquartered in Georgetown, Colorado. The bank operates one branch location 15 miles south of Georgetown in Idaho Springs, Colorado, and a detached drive-up facility also located in Idaho Springs. The bank owns and operates one Automated Teller Machine (ATM) located at the drive-up facility. The ATM does not accept deposits.

CCNB is an independently owned bank. It is not operated under a holding company.



The chart to the left reflects the composition of the bank's loan portfolio by dollar volume. Commercial purpose loans comprise 79 percent of the total portfolio, the majority of which is secured by commercial real estate. The residential real estate secured loan portfolio is primarily home equity installment loans. Individual consumer loans include automobile loans and other personal installment loans. As a result of the loan portfolio distribution and low loan volume (less than \$10 million) our review of the bank's performance will focus on commercial real estate secured loans.

Net loans represent 47% of the bank's total assets. The bank is at a competitive

disadvantage with respect to lending due to its small size. A low legal lending limit restricts its ability to make loans without the participation of other banks. There are no additional legal or financial impediments to the bank's ability to meet the credit needs of the assessment area.

This Performance Evaluation is an assessment of the bank's CRA performance from March 31, 1998, through May 21, 2002. The bank received a Satisfactory rating at the March 30, 1998, CRA examination.

DESCRIPTION OF CLEAR CREEK COUNTY

Management and the board have designated Clear Creek County as the bank's assessment area (AA). Located in Central Colorado twenty miles north of Denver, cities within the county include Georgetown, Idaho Springs, Silver Plume, and Empire. The county consists of three Block Numbering Areas (BNAs). Two (66%) BNAs have an upper-income designation. The remaining BNA (33%) has a middle-income designation.

The AA meets the requirements of the regulation. The bank, given its size and location, can reasonably serve this AA. The AA is comprised of a whole political subdivision and does not arbitrarily exclude any low- or moderate-income areas.

The Department of Housing and Urban Development (HUD) 2002 updated non-MSA median-family income for Colorado is \$46,000. Based on US Census data there are 2,148 families residing within the AA of which 21 percent are deemed low- to moderate-income. Income designations are determined based on annual income as a percentage of the non-MSA median-family income. The following table demonstrates the income distribution of families in Clear Creek County.

DISTRIBUTION OF FAMILIES BY INCOME DESIGNATION		
Income Designation	Clear Creek County	
	# of Families	% of Total
Low-Income (less than 50%)	207	10%
Moderate-Income (between 50% and 80%)	236	11%
Middle-Income (between 80% and 120%)	374	17%
Upper-Income (greater than 120%)	1,331	62%
Total Families	2,148	100%

Economic conditions are stable. Georgetown’s economy is reliant on summer tourism and commuter traffic along Interstate 70. Idaho Springs relies on the same sources of revenue and is also a bedroom community for individuals working in Denver and the western suburbs. Consequently, the largest employment sectors in Clear Creek County are service and retail trade, employing over half of the work force. Mining and construction are also large employers. Seventy-six percent of all businesses in the AA employ four or fewer employees and generate less than \$500,000 per year in revenue. In 2001 unemployment in Clear Creek County was 3.8 percent.

Areas outside of Georgetown and Idaho Springs are predominantly open space, ski resorts, and national forest. The economic stability of smaller communities within the county is heavily reliant on area ski resorts and recreational activities.

The bank faces strong competition from both within its assessment area and from larger financial institutions located in the nearby Denver Metropolitan area. One other bank is located in Clear Creek County. CCNB is the smaller of the two banks in asset size and holds less than thirty percent of the total market share of deposits.

We made one community contact in conjunction with this examination. A local business owner indicated the economy is expected to remain stable. The greatest credit need continues to be small business financing, as the majority of the businesses in the assessment area are small retail shops and service providers.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

Clear Creek National Bank does a good job of meeting the credit needs of its AA, including businesses of different sizes.

Loan-to-Deposit Ratio

The bank's loan-to-deposit ratio is reasonable. As of December 31, 2001, the bank's fifteen-quarter average loan-to-deposit ratio calculated since the previous CRA examination was 48 percent. The loan-to-deposit ratio over the same time period for the similarly situated bank was 93 percent. Similarly situated banks are those banks of similar business lines and comparable asset size operating in the same geography.

CCNB's lower loan-to-deposit ratio is a result of its small size and employee turnover. The bank's low legal lending limit forces management to participate the majority of its larger loans to other banks. Further, during the rating period the bank operated without a strong lender for 12 months resulting in minimal loan production. Under the current lender the bank's loan-to-deposit ratio has increased from 40 percent to 47 percent as of December 31, 2001.

Lending in Assessment Area

The bank's level of lending within the AA is satisfactory. Our sample of commercial loans originated and outstanding since the previous CRA examination indicates the majority of loans, by number and dollar volume, are originated within the AA. The following table illustrates these findings:

Loan Type	Loans in the AA based on the Number of Loans in the Sample	Loans in the AA based on the Dollar Volume of loans in the Sample
Commercial Loans	75%	54%

The low percentage by dollar volume is due in part to one large loan originated outside the AA. This loan is an outlier and is not typical for this bank. When this loan is excluded from the sample the resulting percentages of loans within the AA by number and dollar volume increases to 79 percent and 69 percent, respectively.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

The bank's effort to meet the credit needs of businesses of different sizes is satisfactory.

Consumer Loans

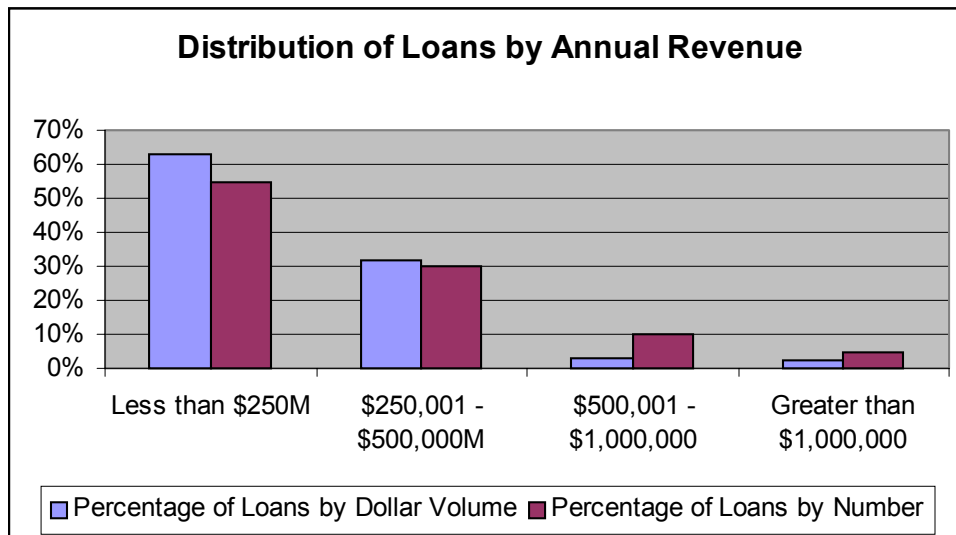
The bank's loan portfolio is comprised substantially of commercial purpose loans. Consumer purpose loans comprise only 21 percent of the bank's total loan portfolio. Of these, no one consumer loan product comprised more than ten percent of the bank's total loan portfolio.

Further, the bank does a very low volume of loans with a total of only 259 currently outstanding. Together, these factors prevent obtaining a usable sample of consumer loans. Therefore, an analysis of the consumer loan portfolio would not be meaningful.

Commercial Loans

Businesses with annual gross revenues of \$1 million or less are designated as “small businesses.” The demographic data indicate that 97 percent of all businesses within the AA have annual revenues of \$1 million or less.

Our sample included twenty commercial loans originated and outstanding within the bank’s AA since March 1998. The percentages of loans originated to small businesses by number and dollar volume were 95 percent and 97 percent, respectively. A further analysis of the data shows the bank originated 63 percent of its loans by dollar volume and 55 percent of its loans by number to very small businesses (annual revenues less than \$250,000). The following chart shows the distribution of the bank’s loans to businesses of different sizes.



This demonstrates the bank’s commitment to meeting the credit needs of businesses of different sizes within the community.

Geographic Distribution of Loans

An analysis of the geographic distribution of loans was not performed. All geographies within the AA are designated as middle- or upper-income. Therefore, an analysis would not be meaningful.

Responses to Complaints

The bank has not received any CRA related complaints.

Fair Lending Review

An analysis of 2000 and 2001 public comments and consumer complaint information was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in 1998.