



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

February 19, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The First National Bank of Johnstown
Charter Number 8636**

**100 Johnstown Center Drive
Johnstown, Colorado 80534**

**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 Johnstown** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of February 19, 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.**”

First National Bank of Johnstown’s lending performance reflects satisfactory responsiveness to the community credit needs. The loan-to-deposit ratio is reasonable and comparable to that of similarly situated institutions. The majority of loans and related lending activities originate in the bank’s assessment area. In addition, the distribution of loans reflects good penetration among individuals of different income levels and businesses of different sizes.

DESCRIPTION OF INSTITUTION:

First National Bank of Johnstown is a \$29 million community bank located in northern Colorado. The main office and drive-up facility are located in Johnstown, Colorado. The bank operates 24-hour automated teller machines (ATMs) at the main bank and in the town of Milliken, approximately two miles east of Johnstown. FNBJ Company, a one-bank holding company, owns 100% of the bank.

The bank’s primary lending focus is moving towards real estate related loans. The remaining portfolio is evenly distributed among agricultural, consumer, and small business lending. As of September 30, 1997, loans represent 48% of total assets. The majority of the loan portfolio is comprised of 1-4 family residential real estate (38%), agricultural loans (17%), loans to individuals (17%), and commercial loans including commercial real estate (20%). There are no financial or legal impediments that affect the bank’s ability to meet the credit needs of its assessment area.

The last Community Reinvestment Act Examination was preformed on January 27, 1995. The bank received a “Satisfactory” rating.

DESCRIPTION OF ASSESSMENT AREA:

The bank’s assessment area consists of one middle-income census tract located in the Greeley, Colorado Metropolitan Statistical Area (MSA) Number 3060. The banking office and ATMs are located in this census tract. The assessment area meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income areas. According to the 1990 census data the assessment area population was 7,159 with a median-family income of \$30,801. The population distribution by family income level is shown in the following table.

Family Income Level	Number of Families in Assessment Area	Percent of Families in Assessment Area
Low	341	18%
Moderate	343	18%
Middle	471	24%
Upper	771	40%
Total	1,926	100%

The local economy is predominately devoted to livestock production and farming. Other major local employers are the school district, grocery store, and the bank. Johnstown is becoming a classic bedroom community. Its proximity to the cities of Greeley to the northeast, Loveland and Fort Collins to the northwest, and Denver to the south provides the advantages of small town living with employment opportunities within easy commuting distance.

Johnstown is served by one other commercial bank. However, competition is strong from the numerous financial institutions located in the nearby cities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Loan-to-Deposit Ratio

First National Bank of Johnstown’s loan-to-deposit ratio is reasonable. From December 31, 1995, through September 30, 1997, the bank’s quarterly loan-to-deposit ratio averaged 55%. The ratio is comparable to seven similarly situated banks located in rural Colorado communities. Their average loan-to-deposit ratio for the eight quarters ending September 30, 1997, ranged from 49% to 81%.

Lending in Assessment Area

The majority of the bank’s loans are originated within its assessment area. We reviewed 57 consumer-purpose loans originated from May 1997 through October 1997 totaling \$443,811. The table below summarizes our findings.

Loan Originations	Number of Loans	Percent of Number of Loans	Dollar Amount	Percent of Dollar Amount
Inside Assessment Area	43	75%	\$285,054	64%
Outside Assessment Area	14	25%	\$158,757	36%
Total	57	100%	\$443,811	100%

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

The bank’s lending patterns show a good distribution of loans to individuals of different income levels and to small farms and businesses. This is further reflected in the reasonable penetration among individuals of different income levels and businesses of different sizes.

The bank’s performance of lending to low- and moderate-income borrowers is good. We sampled 43 consumer-purpose loans originated in the assessment area from May 1997 through October 1997 comparing the borrower’s income to the updated Colorado median-family income of \$41,300. Of the loans made, 74% were to low- and moderate-income borrowers. Only 36% of the assessment area population consists of low- or moderate-income families. The results are summarized in the following table.

Income Designation of the Borrower	% of Families in Assessment Area (Based on 1990 Median Income of \$30,801)	# of Loans Based on Sample (Based on Updated 1997 Median Income of \$41,300)	% of Loans Based on Sample	\$ Amount of Loans Based on Sample (Based on Updated 1997 Median Income of \$41,300)	% of Dollars Based on Sample
Low	18%	20	46%	\$ 85,417	30%
Moderate	18%	12	28%	\$ 77,672	27%
Middle	24%	2	5%	\$ 11,545	4%
Upper	40%	9	21%	\$110,420	39%
Total	100%	43	100%	\$285,054	100%

Also, the commercial and agricultural loans made to businesses and farms with gross annual revenues less than \$500,000 is good. We sampled 16 business and farm loans originated in the assessment area between May 1997 and October 1997. Of the loans sampled, 50% were to businesses or farms with annual gross revenues of less than \$100,000. The results of our analysis are summarized below.

Annual Gross Revenues	# of Loans Sampled	% of Loans Sampled	\$ Amount of Loans Sampled	% of Dollars Sampled
Less than \$100,000	8	50%	\$ 163,992	10%
\$100,000 to \$250,000	3	19%	\$ 369,991	22%
\$250,000 to \$500,000	4	25%	\$ 750,660	44%
Greater than \$500,000	1	6%	\$ 415,615	24%
Totals	16	100%	\$1,700,258	100%

Geographic Distribution of Loans

Since the assessment area consists of only one middle-income census tract there are not sufficient geographies for a meaningful analysis.

Response to Complaints

There have been no complaints regarding the bank's CRA activities since the last CRA Performance Evaluation dated January 27, 1995.

Record of Compliance with Antidiscrimination Laws

Our fair lending examination did not find any evidence of discrimination or practices intended to discourage low- and moderate-income applicants from applying for credit.