



# INTERMEDIATE SMALL BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## PUBLIC DISCLOSURE

October 11, 2011

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Access National Bank  
Charter Number: 23880

1800 Robert Fulton Drive  
Reston, VA 20191-0000

Office of the Comptroller of the Currency

ADC-WASHINGTON, DC (8111) Field Office  
Patriot Square 395 E Street SW  
Washington, DC. 20024

**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.

**INSTITUTION'S CRA RATING: This institution is rated Satisfactory**

**The Lending Test is rated: Satisfactory.**

**The Community Development Test is rated: Outstanding.**

- Access National Bank's (ANB) loan-to-deposit ratio is more than reasonable.
- A majority of ANB's primary loan products were originated within the bank's assessment area.
- The bank's distribution of loans represents a reasonable penetration among geographies of different income levels and businesses of different sizes.
- ANB's community development activities, as a whole, demonstrate excellent responsiveness to the community development needs of the bank's assessment area.

## **Scope of Examination**

ANB was last evaluated for performance under the Community Reinvestment Act on September 8, 2008 under the intermediate small bank performance standards. The bank's rating of "Satisfactory" from the 2008 evaluation was based on the lending and community development tests. The lending test evaluates the bank's record of meeting the credit needs of its assessment area through its lending activities. The community development test evaluates the bank's responsiveness to community development needs in its assessment area through community development lending, qualified investments, and community development services.

ANB continues to meet the definition of an intermediate small savings bank and, as a result, is being evaluated under the lending and community development tests. The current evaluation covers lending activity from January 1, 2009 through December 31, 2010, and community development activity from January 1 2009 through September 30, 2011. Community development loans submitted by management were verified to ensure that they met the regulatory definition for community development. The bank's primary loan product, for a majority of the review period, is small business loans. To evaluate the bank's performance, we analyzed the bank's small business loans made from January 1, 2009 through December 31, 2010. The bank is not required to collect HMDA data; however, the bank does collect some data. Our verification of the bank's 2009 and 2010 small business loan data found it to be accurate and reliable.

## **Description of Institution**

Access National Bank (ANB) is a full-service intrastate bank headquartered in Reston, VA. As of December 31, 2010, ANB had total assets of \$830.5 million and tier one capital of \$76.4 million. The bank is a wholly owned subsidiary of Access National Corporation, a one bank holding company headquartered in Reston, VA. During the evaluation period, the bank was the parent company of Access National Mortgage

Corporation, Access Capital Management Holding LLC, and ACME Real Estate, LLC. Primary structural changes since the prior CRA examination include the organization of Access Capital Management Holding, LLC a holding company for: Capital Fiduciary Advisors, LLC, organized in 2010, which is a Registered Investment Advisor; Access Investment Services, LLC, organized in 2011, provides traditional brokerage and insurance products; and Access Insurance Group, LLC, organized in 2011, a presently inactive limited liability company.

The bank operates five branch locations within Virginia: Reston, Vienna, Chantilly, Leesburg, and Manassas. Branch locations do not offer extended hours or ATM services; however, each branch has a night depository box. Only one branch, Manassas, is located in a moderate-income census tract, the other four branches are located in upper income census tracts. ANB did not open or close any branches throughout the review period.

ANB offers a full range of deposit and loan products and services. Deposit products include personal and business checking accounts, savings accounts, money market accounts, certificates of deposit, and independent retirement accounts. Personal loan products offered include mortgages and home equity lines of credit. The bank offers treasury management services and lines of credit for business customers. Business lending includes loans for: small businesses; commercial, industrial and government contracts; commercial real estate; and equipment financing. The bank's services also include online banking and bill pay as well as debit cards.

As of December 31, 2010, ANB reported net loans of \$563 million and had a net loans and leases to total assets ratio of 68 percent. The chart below details ANB's loan portfolio composition.

<b>Loan Portfolio Summary by Loan Product December 31, 2010</b>	
<b>Loan Category</b>	<b>% of Total Loans and Leases</b>
Commercial Loan	53.96%
Residential Real Estate	38.81%
Construction and Land Development	6.90%
Other Loans	0.33%

There are no legal or financial impediments to ANB's ability to meet the credit and CD needs of its AA. The bank was rated Satisfactory in its last CRA examination dated September 8, 2008.

## Description of Assessment Area(S)

The bank has only one assessment area (AA) which includes Arlington, Fairfax, Loudon, and Prince William Counties and includes the cities of Fairfax, Falls Church, Manassas, and Manassas Park. These cities and counties lie in Northern Virginia and are located within the Washington-Arlington-Alexandria , DC-VA-MD-WV Metropolitan Division (#47894), which is a part of the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area (#47900). The bank's assessment area is made up of 298 census tracts. The assessment area contains two low-income, 31 moderate-income, 113 middle-income, 151 upper-income, and one census tract in which an income level has not been assigned. The assessment area complies with the legal requirements of the CRA and does not arbitrarily exclude low- and moderate- income geographical areas.

The chart below, which is based on 2000 U.S. Census Data, sets forth certain demographic characteristics of ANB's assessment area.

<b>Demographic Information for the bank's AA</b>					
	#	% Low	% Moderate	% Middle	% Upper
Geographies (Census Tracts)	298*	0.67%	10.40%	37.92%	50.67%
Population by Geography	1,686,914	.21%	11.38%	39.30%	49.10%
Owner-Occupied Housing by Geography	420,627	4.85%	34.39%	60.87%	77.99%
Businesses by Geography	160,113	.11%	6.61%	37.45%	55.82%
Farms by Geography	2,360	0%	4.92%	39.66%	55.42%
Family Distribution by Income Level	430,575	13.27%	14.86%	21.88%	49.99%
Household Distribution by Income Level	619,859	16.48%	17.49%	22.24%	43.79%
Census Median Family Income (MFI)		\$88,468	Median Housing Value		\$209,537
HUD-Adjusted MFI: 2009		\$101,700	Families Below the Poverty Level		3.09%
			Unemployment Rate		1.92%

(\*) There is one census tract listed as N/A within the AA. The NA category consists of geographies that have not been assigned an income classification. This Tract accounts for .34% of the AA. Source: 2000 US Census and 2009 HUD updated MFI

Based on the 2009 business demographics, there are a total of 160,113 businesses within the assessment area. Approximately 78.88 percent of the businesses have revenues less than or equal to \$1 million, while 4.53 percent have revenues greater

than \$1 million and 16.59 percent did not report revenues. The majority of businesses are located in middle- and upper- income geographies, with 37.45 percent of businesses in middle-income and 55.82 percent of businesses in upper-income geographies. Low- and moderate- income geographies contain only 0.11 and 6.61 percent, respectively, of assessment area businesses.

ANB faces strong competition within the assessment area, as well as the greater MSA, from other intuitions. Based on the 2009 U.S. Peer Small Business Data, ANB is competing with larger financial institutions for the opportunities to lend to small businesses within the assessment area. Four large institutions: American Express Bank, Chase Bank USA, GE Money Bank, and Citibank NA; make up approximately 62 percent of the market share for small business lending within the assessment area, creating competition for ANBs small business lending.

Based on 2010 demographic data obtained from the Bureau of Labor Statistics, the average unemployment rate for the bank's assessment area was 5.7; below the national average rate of 9.4 percent for 2010. Virginia continues to be ranked as a top state in which to do business. The major industries in the area include: Government, Professional and Business Services, Education and Health Services, and Retail Trade. Top employers for the area continue to be the Federal Government, Northrup Grumman, Lockheed Martin and AOL.

## **Conclusions with Respect to Performance Tests**

### **LENDING TEST**

ANB's performance under the lending test is satisfactory. ANB's loan-to-deposit ratio exceeds the standards for satisfactory performance. A substantial majority of ANB's primary loan product, business loans, was originated within the AA. When considering the bank's performance context, the distribution of lending to borrowers and businesses of different income categories and the penetration of lending throughout geographies of different income levels was satisfactory.

### **Loan-to-Deposit Ratio**

ANB's average loan-to-deposit (LTD) ratio exceeds the standards for satisfactory performance given the bank's size, financial condition, and considering the AA in which the bank operates. The bank's average LTD ratio over the twelve quarters since the last CRA examination was 106.75 percent. Throughout the review period the LTD ratio ranged from a high of 118.60 percent to a low of 86.45 percent. The bank's LTD ratio is more than reasonable when compared to similarly situated institutions within the nation. The quarterly average LTD ratio for these institutions over the past twelve quarters was 85.11 percent.

**Lending in Assessment Area**

A substantial majority of ANB’s small business loans originated during the review period were within the bank’s AA. ANB exceeds the standard for satisfactory performance for lending within the AA. A total of 74 percent of the bank’s small business loans and 68 percent of the dollar volume of loans were originated within the bank’s AA.

The following table is an analysis of the distribution of small business loans.

<b>Table 1- Small Business Lending Assessment Area Concentration January 1, 2009 – December 31, 2010</b>				
	<b>No. Of Loans</b>	<b>No. % of Total</b>	<b>\$ Amt. of Loans (000)</b>	<b>\$ % Of Total</b>
<b>INSIDE A.A.</b>	295	74.12%	\$176,812,826	68.63%
<b>OUTSIDE A.A.</b>	103	25.88%	\$80,803,709	31.37 %
<b>TOTAL*</b>	398	100.00%	\$257,616,534	100.00%

(\*) There is one census tract classified as N/A within the AA. The NA category consists of geographies that have not been assigned an income classification. This Tract accounts for .34% of the AA.

**Lending to Borrowers of Different Incomes and to Businesses of Different Sizes**

The distribution of loans reflects satisfactory penetration among businesses of different sizes. The percentage of loans to small businesses (businesses with gross annual revenues of \$1 million or less) is higher than the percentage of loans made to large businesses (businesses with gross annual revenues over \$1 million) within the AA. Similarly, the percentage of small businesses within the assessment area is much larger than the percentage of large businesses. ANB is competing with larger financial institutions for the opportunities to lend to small businesses within the assessment area; as four large institutions: American Express Bank, Chase Bank USA, GE Money Bank, and Citibank NA; make up approximately 62 percent of the market share for small business lending within the assessment area. Taking into consideration the level of competition for small business loans within the bank’s assessment area the bank’s lending to businesses of different sizes meets the standards for satisfactory performance.

The following table details the bank’s performance in lending to businesses of different sizes.

<b>Table 2 - Borrower Distribution of Loans to Businesses in ANB's AA</b>				
<b>Business Revenues (or Sales)</b>	<b>&lt;= \$1,000,000</b>	<b>&gt; \$1,000,000</b>	<b>Unavailable</b>	<b>Total*</b>
<b>% of AA Businesses</b>	78.88%	4.53%	16.59%	100.00%
<b>% of Bank Loans in AA by #</b>	54.24%	43.73%	2.03%	100.00%

% of Bank Loans in AA by \$	39.29%	59.86%	0.85%	100.00%
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(\*) There is one census tract classified as N/A within the AA. The NA category consists of geographies that have not been assigned an income classification. This Tract accounts for .34% of the AA.

### Geographic Distribution of Loans

The geographic distribution of loans reflects reasonable dispersion throughout the bank’s AA. The percentage of ANB’s loans to businesses in low-income geographies is slightly higher than the percentage of businesses that are located in these geographies. However, the percentage of loans to businesses in moderate-income geographies is lower than the percentage of businesses that are located in these geographies. The bank’s performance is considered reasonable when considering that only 10 percent of the assessment area lies within moderate-income census tracts. ANB is competing with larger financial institutions for the limited opportunities to lend in low- and moderate-income geographies. We also considered that the tightening of the bank’s lending standards may have impacted the bank’s lending to small businesses.

The following table details the bank’s performance as compared to the percentage of businesses in each census tract income level.

Table 3 - ANB Geographic Distribution of Commercial Loans in AA								
Census Tract Income Level*	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
# of Business Loans	175	1	10,586	4	59,970	110	89,374	180
% of Total	0.11%	0.34%	6.61%	1.36%	37.45%	37.29%	55.82%	61.02%

(\*) There is one census tract classified as N/A within the AA. The NA category consists of geographies that have not been assigned an income classification. This Tract accounts for .34% of the AA.

### Responses to Complaints

No complaints concerning ANB’s performance in meeting the credit needs of the AA have been received since the preceding evaluation.

### COMMUNITY DEVELOPMENT TEST

The Community Development test is rated outstanding. The bank’s community development activities demonstrate excellent responsiveness to the community development needs within its assessment area. Throughout the evaluation period, the bank provided a total of \$41.5 million in community development loans and qualified

investments, grants, and donations to help meet community development needs within the assessment area. Bank personnel also provided financial expertise to seven community development organizations serving the AA, as well as hosting and presenting at seminars educating small business owners.

### **Number and Amount of Community Development Loans**

The bank originated seventy-six community development loans totaling \$40.25 million in its assessment area throughout the evaluation period. The majority of the community development loans were made to small businesses, in which loan proceeds went to various functions supporting the businesses which assisted in creating new jobs or retaining jobs within the assessment area.

The following table details the banks annual Community Development lending.

<b>CD SB Lending January 1, 2009 through September 31, 2011</b>				
	<b>2009</b>	<b>2010</b>	<b>YTD 2011</b>	<b>Total</b>
<b># Loans</b>	26	39	15	76
<b>\$ Loans</b>	\$6,200,500	\$19,547,625.00	\$14,509,200	\$40,257,325

### **Number and Amount of Qualified Investments**

The bank made one community development investment of \$ 1.2 million in a Small Business Investment Company, Salem Halifax Capital Partners, LP. As of August 2011, the fund had investments in eighteen different companies, two of which are in the Washington-Arlington-Alexandria, DC-VA-MD-WV MSA.

The bank has offered grants and donations of \$75 thousand to benefit three different community groups whose activities assist the community by: awarding deserving students with college scholarships, providing mentoring and tutoring programs for the community's youth, and providing educational workshops teaching parents and guardians about financing college education; providing affordable housing and other community services within northern Virginia; and providing housing and resources to individuals in need that have been affected with brain injuries in Fairfax County.

### **Extent to Which the Bank Provides Community Development Services**

Throughout the evaluation period bank employees and officers provided financial and technical expertise to seven qualified community development organizations. Bank personnel have both hosted and presented at various seminars educating business owners throughout the assessment area. The bank has maintained long standing relationships with these community development organizations. The following details the community development services that were provided during the evaluation period:

A bank Senior Vice President (SVP) provides financial expertise by serving on a community group's Commerce Government Contracts Committee. The group acts as a resource for businesses within the bank's assessment area.

Bank SVP and Executive Vice President (EVP) provide financial expertise by serving on the loan committee of a non-profit lender offering financing for small businesses within the bank's assessment area.

Bank SVP provided financial expertise by conducting an SBA seminar for a Business Development Center, assisting small businesses within Loudoun County, which is a part of the bank's assessment area.

Bank SVP provides financial expertise by serving on the board of directors of a foundation that provides community service by awarding deserving students with college scholarships, providing mentoring and tutoring programs for the community's youth, and providing educational workshops teaching parents and guardians about financing college education.

Bank employees provided financial expertise by presenting at financial literacy workshops for a community organization that serves northern Virginia by providing affordable housing and other community services within northern Virginia.

Bank SVP provides financial expertise by serving on the board of directors for a local university's business alliance. The bank sponsors a program three times a year, in which small businesses and entrepreneurs have the opportunity to present to investors in the Fairfax and greater Virginia area.

Bank SVP provides financial expertise by serving on the board of directors and advisory council for a community group that focuses on small businesses within the bank's assessment area and assisting in the development and revision of their business and marketing plans. Two bank VPs also provide financial expertise by serving as chairs on committees within the organization.

The bank hosted eleven SBA Seminar series which provide financial expertise by educating business owners to prepare them for business start up or expansion.

Bank lenders offered financial expertise by participating as panelists in eleven seminars that focus on promoting small business development within the bank's assessment area.

### **Responsiveness to Community Development Needs**

The bank's community development activities, as a whole, demonstrate excellent responsiveness to the community development needs of its assessment area, in particular when considering the bank's capacity, performance context, and the competition for community development opportunities in the assessment area.

### **Record of Compliance with Anti-discrimination Laws and Regulations or Other Illegal Credit Practices**

No violations of the substantive provisions of the laws and regulations prohibiting discrimination or other illegal credit practices were identified through the evaluation of compliance with consumer laws and regulations during the most recent comprehensive examination, which commenced June 6, 2011.

### **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.