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Comptroller of the Currency  
Administrator of National Banks

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## **PUBLIC DISCLOSURE**

**July 24, 1997**

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**The City National Bank of Colorado City  
Charter Number 5276**

**228 Elm Street  
Colorado City, Texas 79512**

**Office of the Comptroller of the Currency  
Southwestern District  
500 N. Akard, 1600 Lincoln Plaza  
Dallas, Texas 75201-3394**

**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 **City National Bank** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of July 24, 1997. 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 loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. A substantial majority of loans is in the bank's assessment area. The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes.

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

<b>SMALL INSTITUTION ASSESSMENT CRITERIA</b>	<b>City National Bank PERFORMANCE LEVELS</b>		
	<b>Exceeds Standards for Satisfactory Performance</b>	<b>Meets Standards for Satisfactory Performance</b>	<b>Does not Meet Standards for Satisfactory Performance</b>
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	An analysis of the geographic distribution of loans was not performed because there are relatively few distinct low- or moderate-income neighborhoods.		
Response to Complaints	The bank has not received any substantiated complaints relating to its CRA performance.		

## **DESCRIPTION OF INSTITUTION**

The City National Bank of Colorado City (CNB), a subsidiary of City National Bancshares, Inc., has its only office in Colorado City. The bank has three automated teller machines, all in Colorado City. Total assets are \$62 million, with total deposits of \$54 million and loans of \$15 million. The bank's primary focus is agricultural, small business, and consumer lending. CNB has 23% of its loans secured by residential properties, 40% in consumer loans, 19% in agricultural loans, and 15% in commercial loans. The bank does not face any legal impediments or other factors which inhibit it from meeting the credit needs of its assessment area.

## **DESCRIPTION OF ASSESSMENT AREA**

The Board of Directors has designated Mitchell County as the bank's assessment area. This county is not located within and does not contain a Metropolitan Statistical Area. The assessment area meets the requirements of the Community Reinvestment Act. According to the 1990 census, Mitchell County has a population of 8,016. Twenty-eight percent are Hispanic, 5% are Black, and 67% are White. Twenty-one percent are over the age of 65. The state-wide medium family income is \$21,867. Forty-four percent of the families are in the low- or moderate-income level. The Mitchell County economy is dominated by farming, ranching, oil and gas production and well servicing, and local and state government.

We performed one community contact. The purpose of this contact was to assist in developing a community profile, evaluate opportunities for participation by local financial institutions, and determine the performance of local financial institutions. This contact showed that credit needs of the assessment area include consumer loans, residential purchase money and improvement loans, and loans to small businesses and farming operations. These contacts also showed that the efforts of local financial institutions to meet these credit needs are viewed positively.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:**

The loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. The ratio has averaged 26% for the last nine quarters. The loan-to-deposit ratios for other banks in the assessment area are, likewise, low. A substantial majority of loans is in the bank's assessment area. Eighty-four percent of the number of loans are to borrowers located within the assessment area. Eighty-three percent of the dollar volume of loans are to borrowers located within the assessment area. Further, the distribution of borrowers reflects reasonable penetration among individuals of different income levels, including low- and moderate-income, and businesses of different sizes. All of the commercial borrowers we reviewed during the examination are classified as small businesses and farming operations. The bank actively participates in several government loan guarantee programs. We did not identify any violations of the substantive provisions of the antidiscrimination laws and regulations during this examination. The bank has adequate policies and procedures in place to assist in preventing illegal discrimination.