

LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Public Disclosure

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Community Reinvestment Act Performance Evaluation

First National Bank
Charter Number: 14146

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NOTE: This evaluation is not, and should not 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.

Table of Contents

General Information	1
Definitions and Common Abbreviations	2
Overall CRA Rating	4
Description of Institution	5
Scope of Evaluation	6
Fair Lending Review	8
Conclusions with Respect to Performance Tests	
Lending Test	8
Investment Test	13
Service Test.....	14
Appendix A: Scope of Evaluation	A-1
Appendix B: Market Profile for Area Receiving Full-Scope Review	B-1
Appendix C: Tables of Performance Data	C-1

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 CRA performance of **First National Bank (FNB), Fort Collins, Colorado** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **November 8, 1999**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate - Any company that controls, is controlled by, or is under common control by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Block Numbering Area (BNA) - Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

Census Tract (CT) - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

Community Development (CD) - Affordable housing for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Community Reinvestment Act (CRA) - The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Full-Scope Review - Performance under the Lending, Investment and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

Geography - A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA) - The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, or withdrawn).

Home Mortgage Loans - Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwellings loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

Limited-Scope Review - Performance under the Lending, Investment and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution).

Low-Income - Income levels that are less than 50% of the median family income.

Median Family Income (MFI) - The median income determined by the United States Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Statistical Area (MSA) - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Middle-Income - Income levels that are at least 80% and less than 120% of the MFI.

Moderate-Income - Income levels that are at least 50% and less than 80% of the MFI.

Small Business Loans - Loans with original amounts of \$1 million or less that are: (1) secured by non-farm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

Small Farm Loans - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

Tier 1 Capital - The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income - Income levels that are 120% or more of the MFI.

Overall CRA Rating

Institution's CRA Rating: This institution is rated "**Outstanding.**"

The following table indicates the performance level of **First National Bank (FNB)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	First National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		X
High Satisfactory			
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- The bank's geographic distribution of loans was excellent, especially for small loans to businesses.
- FNB achieved a good dispersion of loans among borrowers of different income levels and businesses of different sizes.
- The bank was a leader in providing community development (CD) loans, with over \$9 million in qualified loans during the evaluation period.
- Qualified investments were adequate at \$333 thousand.
- FNB's service delivery systems were readily accessible to geographies and individuals of different income levels throughout the assessment area (AA).
- The bank was a leader in providing CD services.

Description of Institution

First National Bank (FNB) is a full-service financial institution headquartered in Fort Collins, Colorado. The bank offers a full range of credit products within its AA including consumer, commercial, and real estate loan products. The bank's primary focus is consumer and small business lending. Other than home improvement lending, FNB is not a significant home mortgage lender.

For purposes of CRA evaluation, FNB is an intrastate bank with offices located in Colorado only. The bank has six business locations within its AA. The main bank and four branches are located in Fort Collins and one branch is located in the neighboring community of Loveland. FNB operates 18 automated teller machines (ATMs), 5 of which are cash dispensing ATMs. The bank does not have any subsidiaries.

FNB is a wholly owned subsidiary of First National of Colorado, Inc. (FNC). FNC is a multi-bank holding company that owns three full-service banks and one trust bank, all located in Colorado. First National of Nebraska, Inc. (FNNI) owns 100% of FNC. FNNI is a multi-bank holding company headquartered in Omaha, Nebraska. It has consolidated assets of \$8 billion. In addition to the Colorado banks, FNNI owns five banks in Nebraska, one bank in South Dakota, one bank in Kansas, and one trust bank.

As of September 30, 1999, FNB had \$788 million in total assets and Tier 1 capital of \$58 million. The bank's loan-to-deposit ratio on that date was 88% and net loans represented 76% of total assets. By dollar amount, the loan portfolio consisted of the following types of credit: 52% consumer (including 25% in credit card receivables); 23% commercial and commercial real estate; 14% one-to-four family residential real estate; 8% other real estate; 1% agricultural and agricultural real estate; and 2% other loans.

The credit card receivables were purchased from an affiliate bank. Credit card lending is participated throughout the FNNI system. Credit card lending is national in scope, but concentrated in the central United States. The presence of purchased credit card receivables on FNB's balance sheet did not impact the bank's ability to lend or invest in the AA.

There were no known legal, financial, or other impediments that would hamper FNB's ability to help meet the credit needs of its AA. There were no merger or acquisition activities during the evaluation period.

The bank's rating at the last CRA examination dated February 5, 1997 was "Outstanding."

Scope of the Evaluation

Evaluation Period/Products Evaluated

Under the Lending Test, the evaluation period for home mortgage loans, small loans to businesses, and small loans to farms was January 1, 1997 through December 31, 1998. For community development (CD) loans, the Investment Test, and the Service Test, the evaluation period was February 5, 1997 through September 30, 1999.

Data Integrity

In 1999, FNB performed a data integrity review and found numerous errors in the 1997 and 1998 Home Mortgage Disclosure Act (HMDA) and CRA (small business/farm) loan data. Management reviewed 100% of the 1998 loan data and corrected all errors prior to filing HMDA and CRA data with regulators. Examiners reviewed a sample of 26 HMDA loans and 61 CRA loans from the corrected 1998 reports. We found the HMDA data was accurate. The CRA data contained additional errors regarding property addresses and geocoding, which management corrected prior to our analysis.

FNB did not detect the errors in the 1997 HMDA and CRA reports until after it had already filed the data. The bank corrected the HMDA errors and resubmitted the data. Due to the timing of the resubmitted data, aggregate HMDA data for 1997 was not corrected by the regulatory agencies. The bank did not correct identified errors in the 1997 CRA data because of time constraints. As a result, FNB's publicly reported HMDA and CRA loan information for 1997 contained material inaccuracies (primarily census tract errors for HMDA data and gross annual revenue, borrower address, and geocoding errors for CRA data).

We sampled 26 loans from the 1997 corrected internal HMDA reports and found the data was accurate. For our analysis of the bank's mortgage lending performance, we used the internally corrected reports for 1997, as well as the corrected 1998 data. Market share analysis was based on corrected 1998 aggregate information only.

We sampled 70 small business loans and all (27) small farm loans from 1997. We used the information from this sample, along with the corrected 1998 CRA data, to analyze the geographic and borrower distribution of small business and small farm loans. In Appendix C, the bank's small business and small farm percentages in Tables 5, 6, 10, and 11 reflect all reported loans for 1998 and the sampled loans for 1997.

Selection of Area for Full-Scope Review

FNB has only one AA. We performed a full-scope review of this area.

Ratings

The bank's overall rating is based on the AA receiving a full-scope review.

In determining conclusions for the Lending Test, we weighted loan products to be reflective of FNB's loan volume by product type during the evaluation period. We weighted small loans to businesses more heavily than home mortgage loans and small loans to farms. Approximately 58% of the number of reported loans originated during the evaluation period were business loans, 38% were home mortgage loans, and 4% were farm loans. Within home mortgage lending, home improvement loans carried significantly more weight than home purchase or refinance loans. Among HMDA-reportable loans, approximately 79% were for home improvement, 16% were for home purchase, and 5% were for home mortgage refinance.

Small loans to farms and home mortgage refinance loans carried virtually no weight due to the bank's relatively small volume of these loans. Also, community contacts did not list these loan products as unmet credit needs in the AA (see below). We did not discuss performance for these products in the "Lending Test" section of this evaluation.

Other

We performed one community contact during the examination and reviewed six contacts completed in the AA since the bank's last CRA examination. Contacts included organizations that focused on affordable housing, economic development, local business, and home ownership counseling.

Community contacts indicated the most significant need in the community was affordable housing for both purchase and rental. To a lesser extent, contacts noted the need for venture capital financing for small businesses.

Contacts noted a significant shortage of housing affordable to low- and moderate-income (LMI) individuals. The average home sales price in the AA was about \$167,000. A review of recent sales activity showed there were only 11 homes on the market priced under \$125,000. Also, there were often long waiting lists for affordable rental units. Factors contributing to the shortage of affordable housing included scarce land, increased building fees and land use codes, and a large college student population competing for low-income rentals.

Contacts stated banks can help meet the needs of the community by providing flexible and innovative mortgage loans and initiating programs for down payment assistance. Specifically, there was a need for first time home buyer loan programs with flexible financing and construction and permanent financing for affordable housing projects.

Fair Lending Review

During the review period, FNB conducted a number of self-evaluations using Interagency Fair Lending Guidelines. The bank voluntarily disclosed the results of its comparative file analyses to the OCC. We reviewed and validated an analysis the bank performed in May 1999 using data from its 1998 loan files. The bank compared terms for 5 approved joint Hispanic applicants for home improvement loans to 25 approved joint white applicants for the same product. We verified the accuracy of the analysis. We also reviewed the bank's lending guidelines. We did not identify any violations of the substantive provisions of antidiscrimination laws and regulations.

Conclusions with Respect to Performance Tests

LENDING TEST

The bank's performance under the Lending Test is rated "Outstanding".

Lending Activity

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.

FNB's lending activity was excellent in the Fort Collins-Loveland AA. The bank's high volume of home improvement loans and small loans to businesses were the primary factors supporting this conclusion. Competition for home mortgage and small business loans was significant within the AA. Over 300 lenders reported one or more HMDA loan and over 50 lenders reported one or more small business loan in the AA in 1998. Reporters included many non-bank lenders. To analyze FNB's lending activity, we determined the bank's market share of deposits and loan originations among depository financial institutions that had banking offices within the AA and their mortgage company affiliates.

Based on FDIC deposit market share data as of June 30, 1999, there were 25 deposit taking financial institutions with one or more banking office in FNB's AA. FNB was the largest of these institution with a 29% deposit market share. The next largest financial institution had a deposit market share of 15%. A review of 1998 aggregate HMDA data showed FNB ranked first among these institutions for home improvement loans with a 33% market share. The next largest reporter had a market share of 17%. Performance for small loans to businesses was similar. Based on 1998 aggregate CRA data, FNB ranked first with a market share of 27%. The next largest reporter had a market share of 22%.

FNB's home purchase lending activity was adequate. In concluding on the bank's performance, we took into consideration the significant competition for these home mortgage loans and the fact that this loan product was not a primary business focus for the bank. Based on 1998 aggregate HMDA data, FNB ranked 5th among financial institution reporters for home purchase loans with a 3% market share. One financial institution and its mortgage company affiliate dominated the market with a 71% market share.

Distribution of Loans by Income Level of the Geography

The geographic distribution of FNB's reported loans reflected excellent penetration throughout the AA. Performance was especially strong for small loans to businesses, where 40% of reported loans were in LMI census tracts. There were no conspicuous gaps in the bank's lending patterns. The substantial majority of FNB's reported loans were originated within the bank's AA.

Home Mortgage Loans

Refer to Tables 2, 3 and 4 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations. We did not analyze the geographic distribution of home mortgage refinance loans due to the small volume of these loans.

FNB's geographic distribution of home mortgage loans was good. The distribution of home improvement loans was the most significant factor in reaching this conclusion. The bank's percentage of these loans originated in LMI census tracts was comparable to the percentage of owner-occupied housing units located within those geographies. FNB's percentage slightly exceeded demographics in moderate-income tracts and was slightly below demographics in low-income tracts. Market share data also showed good performance. The bank's market share of home improvement loans in moderate-income tracts was comparable to its overall market share for this product, while its market share in low-income geographies was considerably higher.

For home purchase loans, the bank exceeded comparative factors in low-income census tracts and was below them in moderate-income tracts. FNB's percentage of home purchase loans in low-income tracts was twice the percentage of owner-occupied housing units that were within those geographies. Similarly, the bank's market share of home purchase loans in low-income tracts was twice its overall market share for this loan product. FNB's portion of home purchase loans in moderate-income geographies was somewhat below the percentage of owner-occupied housing units that were within those geographies. The bank's market share of home purchase loans in moderate-income tracts was near to its overall market share for this loan type.

Small Loans to Businesses

Refer to Table 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination of small loans to businesses.

FNB's geographic distribution of small loans to businesses in the AA was excellent. The percentage of small loans to businesses made in low-income geographies significantly exceeded the percentage of businesses within those census tracts. The portion of these loans in moderate-income tracts was slightly higher than the percentage of businesses located within those geographies. The bank's market share for small loans to businesses in both LMI geographies significantly exceeded the bank's overall market share for small business loans in the AA.

Small Loans to Farms

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination of small loans to farms. We did not analyze the geographic distribution of small loans to farms due to the small volume.

Lending Gap Analysis

We reviewed maps and reports of FNB's home mortgage loans and small loans to businesses in the Fort Collins-Loveland AA to identify gaps in the geographic distribution of these loans. We did not identify any conspicuous gaps. The bank reported loans in all geographies in its AA.

Inside/Outside Ratio

A substantial majority of the bank's home mortgage loans and small loans to businesses were within its AA. By number of reported loans during the evaluation period, FNB originated 93% of home mortgage loans and 88% of small loans to businesses within its AA.

Distribution of Loans by Income Level of the Borrower

The borrower distribution of FNB's home mortgage loans and small loans to businesses reflected a good dispersion among borrowers of different income levels throughout the AA.

When evaluating the borrower distribution of FNB's home mortgage loans in the AA, we considered the limited supply of homes in the market that were affordable to LMI borrowers. We recognized that the shortage of affordable housing could make it difficult for the bank to originate home mortgage loans to LMI borrowers, especially low-income borrowers. Refer to "Scope of the Evaluation" and Appendix B for details on the availability of housing affordable to LMI individuals in the Fort Collins-Loveland AA.

Home Mortgage Loans

Refer to Tables 7, 8 and 9 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations. We did not analyze the borrower distribution of home mortgage refinance loans due to the small volume of these loans.

FNB achieved a good borrower distribution of home mortgage loans. The distribution of home improvement loans was the most significant factor in reaching this conclusion. The bank's percentage of home improvement loans to moderate-income borrowers was near to the percentage of families in the AA that were moderate-income. The bank's portion of these loans to low-income borrowers was considerably below the portion of families in the AA that were low-income. Performance was still considered good given the limited availability of affordable housing for low-income persons. The shortage of affordable housing resulted in fewer low-income individuals owning a home. This in turn limited the opportunity to make home improvement loans to low-income persons.

Performance was also good when looking at market share data. The bank's market share of home improvement loans to low-income borrowers exceeded the bank's overall market share for this loan product. FNB's market share of home improvement loans to moderate-income borrowers was close to the bank's overall market share for this loan product.

The bank had an excellent borrower distribution of home purchase loans. FNB's percentage of home purchase loans to moderate-income borrowers exceeded the percentage of families in the AA that were moderate-income. The bank's portion of home purchase loans to low-income borrowers was below the percentage of families in the AA that were low-income. Performance was still considered excellent given the shortage of affordable housing. FNB's market share of home purchase loans to both LMI borrowers met the bank's overall market share for home purchase loans.

Small Loans to Businesses

Refer to Table 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination of small loans to businesses.

The bank's borrower distribution of small loans to businesses was good. While below comparable demographic data, FNB's portion of loans to businesses with gross annual revenues of \$1 million or less was consistent with the percentage of loans to businesses with revenues of \$1 million or less for all lenders in the AA. Also, the bank's market share of loans to businesses with revenues of \$1 million or less was slightly above its overall market share of small loans to businesses.

Another indication of the bank's good performance was the percentage of loans originated in amounts of \$100 thousand or less. Loan size often loosely correlates to the size of the business. During the evaluation period, FNB originated 72% of its reported loans to businesses in amounts of \$100 thousand or less, regardless of the revenue size of the business.

The bank's origination of small loans to businesses helped meet an identified community credit need. FNB management noted that a review of the bank's small business loans showed many were to start-up businesses. As previously noted, community groups indicated a need for loans to start-up businesses in the AA.

Small Loans to Farms

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination of small loans to farms. We did not analyze small loans to farms in the Fort Collins-Loveland AA due to the small volume of reported loans.

Community Development Lending

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of community development lending.

Community development (CD) lending had a positive impact on Lending Test conclusions. FNB was a leader in making CD loans in the Fort Collins-Loveland AA. The bank originated a high volume of CD loans and was instrumental in determining the need for these loans in the AA and coordinating the funding of CD projects. While CD loans were not particularly innovative, we noted some complexity due to the time and expertise required to coordinate one loan project for community development block grant funding.

FNB originated 13 CD loans totaling over \$9 million in the AA. The bank's CD loans were very responsive to the critical need for affordable housing for LMI families in the AA. The substantial majority of the loans (eight loans totaling \$9.2 million) were made to organizations providing affordable housing. This included:

- Construction financing to build 25 single-family affordable housing units;
- Acquisition and development funds for 33 lots upon which affordable housing for LMI families will be built;
- Purchase money, rehabilitation funds, and construction financing for various multi-family housing units targeted to very low-, low-, and moderate-income families; and
- Operating funds for an affordable housing organization.

It is also noteworthy that FNB extended \$882 thousand in loans to an affordable housing organization to purchase various single-family affordable housing units. These loans were not included in the CD lending numbers mentioned above as they were already reflected in the bank's HMDA data.

Product Innovation and Flexibility

FNB used flexible and innovative lending practices to serve AA credit needs. The bank's participation in these programs received positive consideration in our analysis of Lending Test performance. Flexible and/or innovative loan programs offered during the review period included:

- *Affordable Housing Loan Program - 26 loans - \$1,998,000*

In response to the rising cost of housing, FNB developed an affordable mortgage loan that helped makes home ownership more affordable for LMI borrowers. Flexible underwriting included a low 3% down payment, below-market interest rates, and no private mortgage insurance required. This product was directly responsive to the identified need for a first time home buyer loan program with flexible financing. Demand for this loan product has been low due to the lack of affordable housing stock in the AA.

- *Special Loan Program for 1997 Flood Victims - 38 loans - \$430,231*

FNB developed this program to assist victims of the Spring Creek flood in July 1997. The flood destroyed over 1,200 homes in central Fort Collins, the majority of which were located in LMI geographies. The bank's Community Development Officer distributed advertisements door-to-door in the flood area and contacted the Fort Collins Red Cross to inform them of the loan program. Flexible terms included a fixed annual percentage rate of 5%, waiver of the bank's normal loan fee, and no payments required for the first six months. The loan product was considered innovative as it responded to a specific one-time need and there were no other similar bank loan programs to address this need. Nine loans were for needed home repairs and were included in reported HMDA data. The remaining loans were to purchase automobiles to replace those destroyed by the flood.

- *Poudre Valley Hospital, Special Medical Bill Financing - 265 loans - \$562,603*

FNB, in conjunction with the hospital, developed an innovative loan program to offer special financing for individuals whose health insurance did not cover their medical expenses. The loan program primarily benefited LMI families. Flexible terms included no collateral required, waiver of the bank's normal loan fees, and a fixed interest rate of 11%. In comparison, the hospital's financing program had an interest rate of 18%. One other area financial institution also participated in this program.

INVESTMENT TEST

The bank's performance under the Investment Test is rated "Low Satisfactory."

Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

The volume of qualified investments was adequate. During the review period, FNB made \$333 thousand in qualified investments. In addition, the bank had an investment of \$100 thousand made prior to the evaluation period that was still outstanding as of the examination date.

While the volume of qualified investments appears low in relation to the bank's size and capacity, we took into consideration the limited CD investment opportunities in the AA and the leadership role the bank took in creating such opportunities. Our discussion with a representative of a community organization and a review of community contacts revealed opportunities were generally limited to grants and contributions to local CD organizations. FNB took the initiative to help form two community development corporations (CDC) which resulted in an investment opportunity during the evaluation period and a qualified investment still outstanding from a prior evaluation period.

The following highlights FNB's qualified investments:

- \$50 thousand to a new local CDC formed to coordinate capital grants and provide technical assistance for affordable housing production. FNB took a leadership role in organizing and investing in the CDC. The bank's staff worked with various community leaders and affordable housing providers to determine the organization's structure. The project was both innovative and complex because this was the first time a joint effort to address affordable housing issues was pursued with the cooperation of both Fort Collins and Loveland. The effort required FNB management to lobby the governments of both communities for financial support, address the concerns of equitable community representation, and overcome many other obstacles. The bank's investment provided funds for loans, grants, and technical assistance to housing projects targeted to LMI individuals and families.
- \$283 thousand in contributions and grants to 26 local community organizations that have CD activities as their primary purpose.
- \$100 thousand prior period investment in a multi-bank CDC formed to stimulate reinvestment in downtown Fort Collins. FNB took a leadership role in forming the CDC in 1990. The bank's investment helped renovate an old post office that currently houses several small businesses. This project was the stimulus for significant downtown redevelopment.

SERVICE TEST

The bank's performance under the Service Test is rated "Outstanding".

Retail Banking Services

Refer to Table 13 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch and ATM delivery systems.

During the evaluation period, FNB operated six full-service branches. Four of the Fort Collins locations and the Loveland office included drive-up facilities. A sixth branch was located in the Student Center of Colorado State University. The bank also operated 18 ATMs, including at least one at each office location with 24-hour access. FNB did not open or close any branches during the evaluation period.

FNB's distribution of service delivery systems was excellent. Service delivery systems were readily accessible to geographies and individuals of different income levels throughout the AA. The percentage of the bank's branches located in low-income census tracts significantly exceeded the portion of the population located in those tracts. The percentage of the bank's branches located in moderate-income tracts slightly exceeded the percentage of the population located in those geographies.

The bank's hours and services offered throughout the AA were good. Hours and services did not vary in a way that inconvenienced the AA, in particular LMI geographies or individuals. FNB supplemented its banking hours and services provided Monday through Friday with Saturday hours at the majority of branches, including those located in LMI census tracts. Office hours and services, including the availability of loan officers for all loan products, were comparable among locations regardless of the income level of the geography.

FNB offered a no minimum balance checking account that allowed customers to maintain accounts without fees. The bank also offered a no-fee checking account tailored to senior citizens.

The bank's ATM network was an effective alternative system for delivering retail banking services in LMI geographies and to LMI individuals. The percentage of ATMs in low-income geographies significantly exceeded the portion of the population located in these areas. The portion of ATMs in moderate-income census tracts was close to the percentage of the population located in these geographies.

Other alternative delivery systems included telephone and Internet banking. Telephone banking provided 24-hour access to personal bankers. Both systems allowed customers to apply for deposit accounts and loans, check account balances, transfer funds, and make payments on accounts. Telecommunications services for hearing impaired customers were available at four banking locations. All these services added to the convenience of customers throughout the entire AA. No information was available on the effectiveness of these alternative delivery systems in reaching LMI geographies or individuals. We did not place significant weight on these alternative systems when drawing conclusions under the Service Test.

Community Development Services

FNB was a leader in providing CD services. Bank representatives often served in leadership roles, including executive officers, board members, chairs of finance and audit committees, and overseers of budget and fund-raising activities. Services provided were very responsive to community needs, including the needs for affordable housing and assistance to small businesses. Organizations assisted were involved in a variety of CD activities, including affordable housing, community services targeted to LMI individuals, economic development activities targeted to small businesses, and revitalization efforts in LMI geographies.

In total, FNB provided 360 hours in qualified CD services to over 25 CD organizations serving the AA. Examples of CD services the bank provided included the following:

- FNB representatives were instrumental in helping affordable housing developers obtain funds under the Federal Home Loan Bank Board (FHLBB) grant program. FNB sponsored grants totaling \$578 thousand during the evaluation. These grants provided critical gap financing that made several affordable housing projects feasible. Recent projects resulted in almost 100 units of affordable housing for LMI individuals and families. Bank representatives were involved in all aspects of grant funding, including reviewing applications for financial feasibility, processing disbursement requests, coordinating grant monies with other funding sources, and completing required annual monitoring reports and procedures.
- To help address the shortage of affordable housing in the AA, bank representatives shared their financial expertise with numerous organizations working to provide housing for LMI. The organizations included CARE Housing, the City of Fort Collins Affordable Housing Board, Neighbor to Neighbor, Funding Partners for Housing Solutions, the City of Fort Collins Community Development Block Grant Commission, and the Loveland Housing Authority. These organizations represented the majority of affordable housing providers in the AA. Bank employees served as board members (including serving as the chair or president of two boards), where their roles included preparing and monitoring business plans, financial statements, and budgets; providing technical assistance in seeking grants and loans; participating in needs assessments; and analyzing proposed projects for viability.
- Loan officers worked with several organizations to help address the need for start-up financing for small businesses. This included serving as members of board or loan committees for a business incubator and for micro-loan programs in both Fort Collins and Loveland. The loan programs focused on small businesses that did not qualify for traditional financing and were targeted to LMI, women, and minority owned businesses. The business incubator's purpose was to provide technical advice, support, and monitoring to increase the success rate of start-up small businesses. Bank officers reviewed loan applications, evaluated business plans, and monitored the performance of existing loans and new businesses.
- For the last three years, FNB has sponsored a free half-day seminar for small business owners. Workshop topics include marketing, profitability, and personnel management. The event typically draws 900 or more attendees.
- Bank representatives assisted several organizations that provide community services targeted to LMI individuals. Bank employees served as officers, directors, and committee members of these organizations, providing financial expertise in preparing and reviewing budgets, analyzing financial statements, and participating in fund raising activities. Community services provided by the organizations included food assistance, financial advice, job counseling, health care, education, and youth development.
- FNB employees provided financial expertise to several organizations working to stabilize and revitalize downtown Fort Collins, a predominantly LMI area. Bank employees served as officers

and directors, performing project feasibility studies, identifying sources of funding for proposals, and reviewing loan and grant applications.

Appendix A: Scope of Evaluation

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term "Full-Scope") and those that received a less comprehensive review (designated by the term "Limited-Scope").

Time Period Reviewed	Lending Test (excluding CD Loans): CD Loans, Investment Test, and Service Test:	1/1/97 to 12/31/98 2/5/97 to 9/30/99
Financial Institution	Products Reviewed	
First National Bank (FNB) Fort Collins, Colorado	Home mortgage loans, small loans to businesses and farms, and community development loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
NA - No affiliate products reviewed.		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Fort Collins-Loveland, CO MSA # 2670	Full-Scope	

Appendix B: Market Profile for Full-Scope Area

Fort Collins-Loveland, CO MSA # 2670 Assessment Area

Demographic Information for Full-Scope Area: Fort Collins-Loveland, CO MSA # 2670						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	39	8%	15%	56%	21%	0%
Population by Geography	169,870	6%	15%	61%	18%	0%
Owner-Occupied Housing by Geography	39,608	4%	12%	63%	21%	0%
Businesses by Geography	9,530	12%	21%	51%	16%	0%
Farms by Geography	416	7%	9%	68%	16%	0%
Family Distribution by Income Level	42,762	19%	19%	24%	38%	0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	16,410	7%	20%	62%	11%	0%
Median Family Income	\$36,932	Median Housing Value				\$83,331
HUD Adjusted Median Family Income for 1999	\$53,300	Unemployment Rate (September 30, 1999)				2.9%
Households Below the Poverty Level	13.30%					

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census and 1999 HUD updated MFI.

FNB's designated assessment area (AA) includes the major portion of the Fort Collins-Loveland Metropolitan Statistical Area (MSA) #2670. The MSA consists of 43 census tracts located in Larimer County, the seventh most populated county in Colorado. FNB designated 39 contiguous census tracts within the MSA as its AA since this was where the majority of its lending and banking services were available. The AA included Fort Collins, Loveland, and the small surrounding communities of LaPorte, Wellington, Bellevue, Timnath, and Livermore. All bank office locations and deposit-taking ATMs were located within the AA. None of the excluded census tracts were low- or moderate-income. The tracts were excluded because they were uninhabited or geographically not close to an FNB branch. Inclusion of these geographies in the bank's AA would have made the area too large for the bank to reasonably serve. The excluded areas were served by local community banks.

Based on FDIC deposit market share data as of June 30, 1999, the bank had a 29% deposit market share and ranked as the largest deposit taking financial institution in the AA. The second largest deposit taking institution had a 15% market share.

Competition among financial institutions was strong with over thirty banks or credit unions competing for business and consumer loans. This included large interstate banks who had branches in the area, such as Norwest Bank Colorado, N.A.; Bank One, Colorado, N.A.; Keybank N.A.; and U.S. Bank N.A. Numerous mortgage companies also competed for home mortgage loans. Independent banks in the AA provided further competition for consumer and small business loans.

The local business climate was strong. The area offered a highly educated and skilled labor force, excellent transportation, and substantial education and training resources. Fort Collins is home to the main campus of Colorado State University, a major employer in the AA. Other major employers include high technology industries, medical facilities, and government.

The area population increased steadily in the last decade, with Larimer County as one of the ten fastest growing counties in Colorado. This resulted in a real estate market where the demand for housing exceeded the supply. The simultaneous upward pressure on real estate prices put home ownership beyond the reach of many median income families. According to a local housing counseling agency, the average family median income increased 9% since 1992, while the average sales price of a home increased 45%.

Presently, the average sales price for a single family home is \$167,000. In comparison, the 1990 census showed a median housing value of \$83,331 for the county. The housing stock available under \$120,000 continues to decrease. The Fort Collins area also has a declining supply of mobile homes, the majority of which were affordable to LMI families. The decline is due in part to the closure of a mobile home park and a flood in July 1997 that destroyed two additional parks. The Red Cross determined that 1,200 housing units were damaged or destroyed during the flood. The housing problem is worsened by a large college student population competing for low-income rental units.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations/purchases; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/assessment area.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 7. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.

- Table 8. Borrower Distribution of Home Improvement Loans** - See Table 7.
- Table 9. Borrower Distribution of Refinance Loans** - See Table 7.
- Table 10. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small business reporters in the bank's AA to businesses with revenues of \$1 million or less and is based on the most recent aggregate market data available. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 11. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small farm reporters in the bank's AA to farms with revenues of \$1 million or less and is based on the most recent aggregate market data available. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must have been reported on schedule RC-L of the Call Reports as an off-balance sheet item.
- Table 13. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches and ATMs in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MSA/AA.

Table 1. Lending Volume

LENDING VOLUME													State: Colorado	Evaluation Period: January 1, 1997 to December 31, 1998
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development		Total Reported Loans		% of Rated Area Loans(#) in MSA/AA		
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)			
Full-Scope:														
Fort Collins-Loveland, CO MSA # 2670	100%	593	20,789	912	113,233	56	5,995	13	9,354	1,574	149,371	100%		

* Deposit data as of June 30, 1999.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE																	State: Colorado	Evaluation Period: January 1, 1997 to December 31, 1998
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans			
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**		
Full-Scope:																		
Fort Collins-Loveland, CO MSA # 2670	4%	8%	12%	9%	63%	27%	21%	56%	21	1%	2%	1%	1%	1%	93	100%		

(*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(**) Home purchase loans originated in the MSA/AA as a percentage of all home purchase loans originated in the rated area.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT										State: Colorado		Evaluation Period: January 1, 1997 to December 31, 1998					
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans		
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**	
Full-Scope:																	
Fort Collins-Loveland, CO MSA # 2670	4%	2%	12%	14%	63%	57%	21%	27%	1	21%	29%	20%	19%	29%	465	100%	

(*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(**) Home improvement loans originated in the MSA/AA as a percentage of all home improvement loans originated in the rated area.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE										State: Colorado		Evaluation Period: January 1, 1997 to December 31, 1998					
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans		
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**	
Full-Scope:																	
Fort Collins-Loveland, CO MSA # 2670	4%	3%	12%	19%	63%	59%	21%	19%	75	< 1%	0%	< 1%	< 1%	< 1%	32	100%	

(*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(**) Home mortgage refinance loans originated in the MSA/AA as a percentage of all home mortgage refinance loans originated in the rated area.

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES																State: Colorado		Evaluation Period: January 1, 1997 to December 31, 1998	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans				
	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**			
Full-Scope:																			
Fort Collins-Loveland, CO MSA # 2670	12%	*** 18%	21%	*** 22%	51%	*** 42%	16%	*** 18%	1	17%	23%	22%	15%	22%	*** 552	100%			

(*) Based on 1998 Aggregate Small Business Data only. Market rank is for all income categories combined.

(**) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

(***) Includes all 1998 reported small loans to businesses and a sample of 70 small loans to businesses for 1997.

Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS																State: Colorado		Evaluation Period: January 1, 1997 to December 31, 1998	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans				
	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**			
Full-Scope:																			
Fort Collins-Loveland, CO MSA # 2670	7%	5%	9%	5%	68%	81%	16%	9%	1	34%	33%	25%	38%	43%	56	100%			

(*) Based on 1998 Aggregate Small Farm Data only. Market rank is for all income categories combined.

(**) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE																	State: Colorado		Evaluation Period: January 1, 1997 to December 31, 1998				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Purchase Loans								
	% of Families	% Bank Loans*	% of Families	% Bank Loans*	% of Families	% Bank Loans*	% of Families	% Bank Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***							
Full-Scope:																							
Fort Collins-Loveland, CO MSA # 2670	19%	11%	19%	24%	24%	11%	38%	48%	21	1%	1%	1%	< 1%	1%	93	100%							

(*) As a percentage of loans with borrower income information available. No information was available for 6% of loans originated by the bank.

(**) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(***) Home purchase loans originated in the MSA/AA as a percentage of all home purchase loans originated in the rated area.

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT																	State: Nebraska		Evaluation Period: January 1, 1997 to December 31, 1998				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Improvement Loans								
	% of Families	% Bank Loans*	% of Families	% Bank Loans*	% of Families	% Bank Loans*	% of Families	% Bank Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***							
Full-Scope:																							
Fort Collins-Loveland, CO MSA # 2670	19%	8%	19%	15%	24%	28%	38%	46%	1	21%	23%	18%	20%	22%	465	100%							

(*) As a percentage of loans with borrower income information available. No information was available for 3% of loans originated by the bank.

(**) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(***) Home improvement loans originated in the MSA/AA as a percentage of all home improvement loans in the rated area.

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE										State: Colorado		Evaluation Period: January 1, 1997 to December 31, 1998					
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans		
	% of Families	% Bank Loans*	% of Families	% Bank Loans*	% of Families	% Bank Loans*	% of Families	% Bank Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***	
Full-Scope:																	
Fort Collins-Loveland, CO MSA # 2670	19%	6%	19%	28%	24%	19%	38%	35%	75	< 1%	< 1%	< 1%	< 1%	< 1%	32	100%	

(*) As a percentage of loans with borrower income information available. No information was available for 12% of loans originated by the bank.

(**) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(***) Home mortgage refinance loans originated in the MSA/AA as a percentage of all home mortgage refinance loans originated in the rated area.

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: Small Loans to Businesses										State: Colorado		Evaluation Period: January 1, 1997 to December 31, 1998					
MSA/Assessment Area:	Businesses with Revenues of \$1 Million or Less			Loans by Original Amount Regardless of Business Size			Market Share****		Total Small Loans to Businesses								
	% of Businesses*	% Bank Loans**	% Market Loans***	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Revenues \$1 Million or Less	#	\$ of Total *****							
Full-Scope:																	
Fort Collins-Loveland, CO MSA # 2670	77%	***** 60%	60%	***** 72%	***** 17%	***** 11%	17%	18%	***** 552	100%							

(*) Businesses with revenues of \$1 million or less as a percentage of all businesses.

(**) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 5% of small loans to businesses originated by the bank.

(***) The market consists of all Small Business reporters in the MSA/AA and is based on 1998 Aggregate Small Business Data only.

(****) Based on 1998 Aggregate Small Business Data only.

(*****) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

(*****) Includes all 1998 reported small loans to businesses and a sample of 70 small loans to businesses for 1997.

Table 11. Borrower Distribution of Small Loans to Farms

Borrower Distribution: Small Loans to Farms			State: Colorado			Evaluation Period: January 1, 1997 to December 31, 1998				
MSA/Assessment Area:	Farms with Revenues of \$1 Million or Less			Loans by Original Amount Regardless of Business Size			Market Share****		Total Small Loans to Farms	
	% of Farms*	% Bank Loans**	% Market Loans***	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Revenues \$1 Million or Less	#	\$ of Total *****
Full-Scope:										
Fort Collins-Loveland, CO MSA # 2670	92%	76%	91%	73%	16%	11%	34%	31%	56	100%

(*) Farms with revenues of \$1 million or less as a percentage of all farms.

(**) Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 4% of small loans to farms originated by the bank.

(***) The market consists of all Small Farms reporters in the MSA/AA and is based on 1998 Aggregate Small Farm Data only.

(****) Based on 1998 Aggregate Small Farm Data only.

(*****) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

Table 12. Qualified Investments

QUALIFIED INVESTMENTS			State: Colorado			Evaluation Period: January 1, 1997 to September 30, 1999			
MSA/Assessment Areas:	Prior Period Investments*			Current Period Investments			Total Investments		
	#	\$ (000)	% **	#	\$ (000)	% **	#	\$ (000)	% of Total \$
Full-Scope:									
Fort Collins-Loveland, CO MSA # 2670	1	100	23%	27	333	77%	28	433	100%

(*) "Prior Period Investments" means investments made in a previous evaluation period that are outstanding as of the examination date.

(**) Percentage of the dollars invested in that MSA/Assessment Area that are prior period investments or current period investments.

Table 13. Distribution of Branch and ATM Delivery Systems

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEMS				State: Colorado				Evaluation Period: January 1, 1997 to September 30, 1999									
MSA/Assessment Area:	Deposits	Branches						ATMs						Population			
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies				# of Bank ATMs	% of Total Bank ATMs	Location of ATMs by Income of Geographies				% of the Population Within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope:																	
Fort Collins-Loveland, CO MSA # 2670	100%	6	100%	33%	17%	33%	17%	18	100%	22%	11%	56%	11%	6%	15%	61%	18%

Source: Bank Records.