



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **Public Disclosure**

January 3, 2004

# **Community Reinvestment Act Performance Evaluation**

**Western National Bank  
Charter Number: 15383**

**102 North Cascade Avenue  
Colorado Springs, CO 80909**

**Office of the Comptroller of the Currency**

**Denver Field Office  
1225 17<sup>th</sup> Street, Suite 450  
Denver, CO 80202**

**NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, 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.**

## Description of the Institution

Western National Bank of Colorado (WNB) is a commercial bank headquartered in Colorado Springs, Colorado. WNB is wholly owned by Sturm Banks of Colorado, Inc. (SBC), a multi-bank holding company that owns two other national banks located in Colorado and Wyoming, and a state bank in Kansas. In March 2002 WNB merged with The Bank of Cherry Creek, N.A. (owned by SBC), with WNB as the surviving charter. This merger resulted in WNB having offices in four distinct metropolitan statistical areas (MSA): Colorado Springs, Denver, Boulder-Longmont, and Greeley. WNB has designated the four MSAs as its assessment areas (AAs). The bank operates five branches in Colorado Springs, three branches in Denver, one branch in Boulder, and one branch in Greeley. WNB operates eight deposit-taking ATMs throughout the AAs, with the exception of the Greeley MSA. The AAs meet the requirements of the regulation and do not arbitrarily exclude any low- or moderate-income (LMI) areas. For additional information on WNB's assessment areas, see Market Profile – Demographic Information Tables in Appendix A.

At December 31, 2003, WNB had total assets of \$706 million and held \$47 million in Tier 1 capital. WNB is a business-oriented bank with primary focus on commercial real estate and construction/development loans. Consumer products are incidental to WNB's business. WNB also operates a mortgage loan department, however credit decisions are made by outside lenders and therefore not reported on the bank's Home Mortgage Disclosure Act (HMDA) report. The loans are immediately sold on the secondary market and are not reflected on the bank's balance sheet. WNB faces stiff competition from numerous national, regional, and local financial institutions. For additional information on the products and services and the AA of Western National Bank, please refer to the bank's CRA Public File.

WNB's performance was rated "Satisfactory" at the CRA examination as of January 2, 2001. The Bank of Cherry Creek was rated "Satisfactory" at the CRA examination as of August 3, 1998.

## Evaluation Period

We evaluated WNB's mortgage and small business lending using data for the period beginning January 1, 2001, through December 31, 2002. For community development loans, investments, and services, our evaluation period runs from the ending date of the last CRA examination, which is January 2, 2001, through January 3, 2004, the starting date of this evaluation.

# Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated **Satisfactory**.

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

Performance Levels	Western National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
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.

Due to WNB’s business focus, we gave the greatest weight to small loans to businesses. In addition, community development loans positively impacted the rating. Home mortgage activity is minimal, performed primarily as an accommodation to the bank’s business borrowers, and did not significantly impact the overall rating.

The major factors that support this rating include:

## Lending

Refer to Table 1 through 11 in Appendix B for facts and data used to evaluate the bank’s lending.

Lending performance is rated high satisfactory. We placed the greatest weight on performance in the Colorado Springs and Denver MSAs, as the bank does not maintain a strong presence in the Boulder-Longmont and Greeley MSAs. Furthermore, we placed more emphasis on the Colorado Springs MSA since the bank has less than a 1% market share of deposits and small loans to businesses in the Denver MSA. Both the geographic distribution of small loans to businesses and the bank’s practice of lending to small businesses in each of the full-scope MSAs were good. Home mortgage lending of all types in each of the MSAs is poor as this is not a primary focus of the bank. In fact, lending performance and market share for loans reportable under the HMDA is insignificant in every one of the bank’s AAs. In addition, farm lending is also insignificant in every AA with the exception of the Greeley MSA.

## Colorado Springs MSA

Lending performance in the Colorado Springs MSA is good. The bank’s deposit share in the Colorado Springs MSA is 6%; the bank ranks 5<sup>th</sup> among 35 financial institutions which take deposits in the AA. The bank’s market share of small loans to business within the MSA is 1%; the bank ranks 10<sup>th</sup> among 101 small business lenders in the AA. The bank’s practice of

lending in low-income geographies is lower than area demographics. However the bank's market share in low-income geographies exceeds its overall market share. Lending in moderate-income geographies exceeds both demographics and overall market share.

- The bank's geographic distribution of small loans to businesses is good. The bank originated 3% of all its reportable small loans to businesses within low-income geographies. In comparison, 7% of the small businesses in the Colorado Springs MSA are located in low-income geographies. While the percentage of the bank's business loans in low-income areas is significantly lower than demographics, market share data, as noted below, demonstrates the bank's efforts to originate small business loans in low-income areas exceeds its overall efforts to originate these loans in all areas. The bank originated 29% of all its reportable small loans to businesses within moderate-income geographies. In comparison, 25% of the small businesses are located in moderate-income geographies. Market penetration compared to overall market share in both the low- and moderate-income geographies is good. While the bank maintains an overall market share of 1%, its market share in low-income geographies is 3% and in moderate-income geographies it is 2%.
- The bank's practice of lending to small businesses is good. Within the Colorado Springs MSA, 65% of the businesses are small businesses (revenues under \$1 million). Of all loans reported as small loans to businesses, 55% were made to small businesses. Further, of these loans, 61% were made to businesses with annual revenues of \$100 thousand or less. The bank's market share of loans to small businesses is 3% compared to an overall market share of 1%.
- Community development lending in the Colorado Springs MSA did not significantly impact the bank's rating. WNB did not originate any community development loans in the Colorado Springs MSA during this review period. However, the bank renewed one qualified loan originated in a prior period. The renewal totaled \$1.9 million, which represents 9% of the bank's tier one capital.

## **Denver MSA**

Lending performance in the Denver MSA is good. The bank's deposit share in the Denver MSA is 0.85%; the bank ranks 21<sup>st</sup> among 38 financial institutions that take deposits in the AA. The small business loan market share is 0.30%; the bank ranks 22<sup>nd</sup> among 223 small business lenders in the AA. The bank demonstrated strong lending performance in low-income geographies, far exceeding area demographics. Market share for loans to small businesses also exceeds overall market share, although both remain below 1%. Lending in moderate-income geographies is near to area demographics.

- The bank's geographic distribution of small loans to businesses is good. The bank originated 19% of small loans to businesses located in low-income geographies. This significantly exceeds area demographics, which indicate only 4% of businesses are located in low-income geographies. The bank originated 23% of small loans to businesses located in moderate-income geographies. This nearly meets area demographics indicating 26% of businesses are located in moderate-income geographies. Market penetration in both the low- and moderate-income geographies exceeds overall market share. While the bank maintains an overall market share of 0.30%, its market share in low-income geographies is

0.81%; and in moderate-income geographies it is 0.32%.

- The bank's practice of lending to small businesses is good. Within the Denver MSA, 62% of the businesses are small businesses (revenues under \$1 million). Of all loans reported as small loans to businesses, 51% were made to small businesses. Further, of these loans 68% were made to businesses with annual revenues of \$100 thousand or less. The bank's market share of loans to small businesses is 0.74% compared to an overall market share of 0.30%.
- Community development lending in the Denver MSA positively impacted the bank's rating. WNB originated seven qualifying loans totaling \$21 million. This represents 92% of the bank's tier one capital. One loan in the amount of \$5 million funded the purchase and rehabilitation of a 100-unit apartment complex. This development provides Section 8 affordable housing for elderly and handicapped individuals and specifically meets a stated need in the assessment area.

### **Areas Receiving Limited-scope Reviews**

The Boulder-Longmont MSA and Greeley MSA received a limited scope review, as the bank does not maintain a strong presence in these AAs. WNB's small business lending performance in the Boulder MSA is not consistent with its performance in the AAs receiving full-scope reviews; the data indicates weaker performance. Lending of any type, with the exception of small farm loans, is insignificant in the Greeley MSA. The bank's lending to small farms in the Greeley AA is adequate. Findings in areas receiving limited-scope reviews negatively impacted the overall rating.

### **Investments**

Refer to Table 13 in Appendix B for facts and data used to evaluate the bank's level of qualified investments.

Performance under the investment test is rated low satisfactory. We placed the greatest weight on performance in the Colorado Springs MSA and secondarily on performance in the Denver MSA. We performed limited-scope reviews for the Boulder-Longmont and Greeley MSAs as the bank does not maintain a strong presence in these AAs. There are numerous opportunities to make qualified investments in the AAs, and the bank has the expertise and capacity to participate in more complex investments. However the bank's relative size in the market and the significant competition for community development investments make it somewhat difficult, but not impossible, to obtain qualified investments.

### **Colorado Springs MSA**

The bank's performance in the Colorado Springs MSA is poor. The bank made only 18 qualified community development investments in the Colorado Springs MSA totaling \$52 thousand in the three-year assessment period. The investments consist solely of grants and donations. The dollar volume is low considering the opportunities available. These opportunities include grants and investments in organizations that provide affordable housing,

support economic development, provide start-up loans to small businesses, or provide services to LMI individuals.

## **Denver MSA**

The bank's performance in the Denver MSA is adequate. The bank made 12 qualified community development investments in the Denver MSA totaling just over \$1 million. A substantial portion of the investment dollars consists of a \$1 million qualified mortgage-backed security, which helped provide home mortgage financing primarily for LMI borrowers. In addition the bank made other contributions totaling \$15 thousand that targeted services to LMI individuals and affordable housing.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

WNB's investment performance in the Boulder-Longmont and Greeley MSAs is not consistent with that noted in the AAs which received full-scope reviews. It is weaker than the investment performance in those areas. Findings for areas receiving limited-scope reviews negatively impacted the overall rating.

## **Services**

Refer to Table 14 and 15 in Appendix B for facts and data used to evaluate the distribution of the bank's branch delivery system, branch openings and closings, and ATM delivery systems.

Performance under the service test is rated high satisfactory. We placed the greatest weight on performance in the Colorado Springs MSA, and secondarily on performance in the Denver MSA. The bank does not maintain a strong presence in the Boulder-Longmont and Greeley MSAs.

## **Colorado Springs MSA**

- The bank's offices and retail services in the Colorado Springs MSA are reasonably accessible to geographies and individuals of all income levels. The bank operates five branches in the Colorado Springs MSA. Although the bank does not have any branches in low-income geographies, only 2% of the area population lives in these geographies. Two, or 40%, of the branches are located in moderate-income geographies. This compares very favorably to area demographics which note that 26% of the population lives in moderate-income geographies. Deposit-taking ATMs are available at each branch. The bank closed one branch and opened one branch since our last evaluation. These actions did not have any effect on LMI geographies.
- Community development services in the Colorado Springs MSA are adequate. These services include financial advice and recommendations for affordable housing, community service to LMI individuals, and credit needs of small businesses.

## **Denver MSA**

- The bank's offices and retail services in the Denver MSA are reasonably accessible to geographies and individuals of all income levels. The bank operates three branches in the Denver MSA. One of the branches is located in a low-income geography. This represents 33% of the bank's branches and compares favorably to area demographics, which indicate 7% of the population lives in low-income geographies. The bank does not have any branches in moderate-income geographies. Deposit-taking ATMs are available at two of the branches, including the branch located in a low-income geography. The bank closed two branches and opened one branch since our last evaluation, all located in a low-income geography. These changes did not negatively impact the bank's delivery systems in low-income geographies, since there are numerous financial institutions in these geographies that provide retail services.
- Community development services in the Denver MSA are considered poor. Only one individual provided minimal services for a community service organization. There are numerous opportunities in the Denver MSA for the bank to provide needed community development services.

### **Areas Receiving Limited-scope Reviews**

The Greeley and Boulder-Longmont MSAs received a limited review, since the bank does not maintain a strong presence in these geographies. Distribution of branches and retail services in the Boulder-Longmont MSA is consistent with the performance in the Colorado Springs and Denver MSAs. Distribution of branches and retail services in the Greeley MSA is not consistent with that noted in the AAs which received full-scope reviews; it is weaker than the performance noted in those AAs. However, this branch was originally chartered as an institution with a primary focus of providing agricultural loans. Findings in areas receiving limited-scope reviews did not significantly impact the overall rating.

### **Fair Lending Review**

We found no evidence of illegal discrimination or other illegal credit practices.

# Appendix A: Market Profiles for Full-Scope Areas

## Market Profiles for Areas Receiving Full-Scope Reviews

### Denver Metropolitan Area

Demographic Information for Denver MSA, Colorado						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	498	6.83	21.89	32.53	21.49	17.27
Population by Geography	1,622,980	6.86	23.97	43.35	25.82	0.00
Owner-Occupied Housing by Geography	399,963	3.67	19.89	45.25	31.19	0.00
Business by Geography	177,247	4.15	25.96	36.51	32.73	.65
Farms by Geography	3,110	1.74	21.74	39.36	37.04	.12
Family Distribution by Income Level	424,057	18.79	18.71	24.56	37.94	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	159,032	12.16	35.54	40.02	12.28	0.00
Median Family Income		40,222	Median Housing Value		89,581	
HUD Adjusted Median Family Income for 2003		69,900	Unemployment Rate (as of 11/30/03)		5.8%	
Households Below Poverty Level		9.52%				

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2003 HUD updated MFI

### Colorado Springs Metropolitan Area

Demographic Information for Colorado Springs MSA, Colorado						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	84	2.38	32.14	44.05	21.43	0.00
Population by Geography	397,014	1.81	25.89	44.03	28.27	0.00
Owner-Occupied Housing by Geography	84,307	1.30	18.80	45.72	34.18	0.00
Business by Geography	36,33	6.48	26.25	39.51	27.76	0.00
Farms by Geography	860	2.67	17.91	50.00	29.42	0.00
Family Distribution by Income Level	104,914	18.03	19.64	23.31	39.02	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	39,513	3.46	39.44	43.55	13.55	0.00
Median Family Income		33,932	Median Housing Value		82,238	
HUD Adjusted Median Family Income for 2003		56,800	Unemployment Rate (as of 11/30/03)		5.8%	
Households Below Poverty Level		10.04%				

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2003 HUD updated MFI



## Appendix B: Tables of Performance Data

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### 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 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. Tables without data are not included in this PE.

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 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 Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. 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 share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank’s assessment area.

- Table 7. 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 share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. 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 share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. 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. 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 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) 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. 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 13. 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 be legally binding and tracked and recorded by the bank's financial reporting system.

**Table 14. Distribution of Branch Delivery System and Branch Openings/Closings -** Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.

**Table 1. Lending Volume**

LENDING VOLUME		Geography: COLORADO				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002						
MSA/Assessment Area (2003):	% of Rated Area Loans (#) in MSA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MSA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Co Springs MSA	43.93	111	2,796	182	29,266	0	0	0	0	293	32,062	46.00
Denver MSA	44.98	98	2,627	202	27,984	0	0	0	0	300	30,611	49.17
<b>Limited Review:</b>												
Boulder MSA	6.45	6	278	37	7,123	0	0	0	0	43	7,401	4.24
Greeley MSA	4.65	2	14	2	60	27	5,025	0	0	31	5,099	0.59

\* Loan Data as of December 31, 2003. Rated area refers to either the state or multi-state MSA rating area.

\*\* The evaluation period for Community Development Loans is From January 01, 2001 to December 31, 2003.

\*\*\* Deposit Data as of June 30, 2003. Rated Area refers to either the state or institution, as appropriate.

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: COLORADO				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002									
MSA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% 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
<b>Full Review:</b>															
Co Springs MSA	8	57.14	1.30	0.00	18.80	0.00	45.72	25.00	34.18	75.00	0.02	0.00	0.00	0.00	0.05
Denver MSA	5	35.71	3.67	0.00	19.89	0.00	45.25	60.00	31.19	40.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
Boulder MSA	0	0.00	0.02	0.00	15.38	0.00	52.22	0.00	32.38	0.00	0.00	0.00	0.00	0.00	0.00
Greeley MSA	1	7.14	1.87	0.00	20.83	0.00	54.17	100.00	23.13	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2002 Peer Mortgage Data: Western Region 1.

\*\* Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: COLORADO					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002									
MSA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% 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	
<b>Full Review:</b>																
Co Springs MSA	88	57.89	1.30	0.00	18.80	10.23	45.72	43.18	34.18	46.59	1.33	0.00	0.26	1.37	1.69	
Denver MSA	63	41.45	3.67	3.17	19.89	17.46	45.25	44.44	31.19	34.92	0.41	0.30	0.56	0.31	0.51	
<b>Limited Review:</b>																
Boulder MSA	1	0.66	0.02	0.00	15.38	0.00	52.22	100.00	32.38	0.00	0.00	0.00	0.00	0.00	0.00	
Greeley MSA	0	0.00	1.87	0.00	20.83	0.00	54.17	0.00	23.13	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2002 Peer Mortgage Data: Western Region 1.

\*\* Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: COLORADO					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002									
MSA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% 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	
<b>Full Review:</b>																
Co Springs MSA	14	28.00	1.30	0.00	18.80	7.14	45.72	64.29	34.18	28.57	0.03	0.00	0.02	0.05	0.02	
Denver MSA	30	60.00	3.67	6.67	19.89	13.33	45.25	36.67	31.19	43.33	0.00	0.01	0.01	0.00	0.00	
<b>Limited Review:</b>																
Boulder MSA	5	10.00	0.02	0.00	15.38	0.00	52.22	80.00	32.38	20.00	0.01	0.00	0.00	0.01	0.01	
Greeley MSA	1	2.00	1.87	0.00	20.83	0.00	54.17	100.00	23.13	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2002 Peer Mortgage Data: Western Region 1.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: COLORADO				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MSA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans					
<b>Full Review:</b>															
Denver MSA	0	0.00	12.36	0.00	35.84	0.00	40.34	0.00	11.46	0.00	0.00	0.00	0.00	0.00	0.00
Co Springs MSA	1	100.00	3.07	0.00	38.12	100.00	36.85	0.00	21.96	0.00	2.08	0.00	4.00	0.00	0.00
<b>Limited Review:</b>															
Greeley MSA	0	0.00	9.42	0.00	46.63	0.00	22.15	0.00	21.80	0.00	0.00	0.00	0.00	0.00	0.00
Boulder MSA	0	0.00	4.21	0.00	33.45	0.00	46.71	0.00	15.63	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2002 Peer Mortgage Data: Western Region 1.

\*\* Multifamily loans originated and purchased in the MSA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: COLORADO				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MSA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans					
<b>Full Review:</b>															
Co Springs MSA	182	43.03	6.48	2.75	26.25	28.57	39.51	36.81	27.76	31.87	1.30	2.60	1.56	1.22	1.33
Denver MSA	202	47.75	4.15	18.91	25.96	22.89	36.51	27.86	32.73	30.35	0.30	0.81	0.32	0.22	0.29
<b>Limited Review:</b>															
Boulder MSA	37	8.75	1.45	0.00	29.78	10.81	40.33	64.86	28.44	24.32	0.32	0.00	0.09	0.42	0.38
Greeley MSA	2	0.47	8.42	0.00	16.04	0.00	46.86	100.00	28.52	0.00	0.05	0.00	0.00	0.10	0.00

\* Based on 2002 Peer Small Business Data: US and PR.

\*\* 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.

\*\*\* Source Data - Dun and Bradstreet (2003).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS		Geography: COLORADO					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MSA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans						
<b>Full Review:</b>																
Co Springs MSA	0	0.00	2.67	0.00	17.91	0.00	50.00	0.00	29.42	0.00	0.00	0.00	0.00	0.00	0.00	
Denver MSA	0	0.00	1.74	0.00	21.74	0.00	39.36	0.00	37.04	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Boulder MSA	0	0.00	0.00	0.00	20.84	0.00	50.82	0.00	28.34	0.00	0.00	0.00	0.00	0.00	0.00	
Greeley MSA	27	100.00	1.38	3.70	7.86	7.41	65.90	81.48	24.86	7.41	3.97	25.00	16.67	3.23	6.67	

\* Based on 2002 Peer Small Business Data: US and PR.

\*\* 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.

\*\*\* Source Data - Dun and Bradstreet (2003).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: COLORADO					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share*				
MSA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
Co Springs MSA	8	57.14	18.03	0.00	19.64	0.00	23.31	37.50	39.02	62.50	0.02	0.00	0.00	0.03	0.03	
Denver MSA	5	35.71	18.79	0.00	18.71	0.00	24.56	40.00	37.94	60.00	0.00	0.00	0.00	0.00	0.01	
<b>Limited Review:</b>																
Boulder MSA	0	0.00	18.09	0.00	18.09	0.00	25.55	0.00	38.28	0.00	0.00	0.00	0.00	0.00	0.00	
Greeley MSA	1	7.14	20.07	0.00	18.18	0.00	22.96	0.00	38.78	100.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2002 Peer Mortgage Data: Western Region 1.

\*\* As a percentage of loans with borrower income information available.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: COLORADO					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002									
MSA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Co Springs MSA	88	57.89	18.03	8.14	19.64	20.93	23.31	15.12	39.02	55.81	1.34	1.40	1.21	0.63	1.84	
Denver MSA	63	41.45	18.79	13.33	18.71	30.00	24.56	23.33	37.94	33.33	0.39	0.84	0.45	0.29	0.32	
<b>Limited Review:</b>																
Boulder MSA	1	0.66	18.09	0.00	18.09	100.00	25.55	0.00	38.28	0.00	0.00	0.00	0.00	0.00	0.00	
Greeley MSA	0	0.00	20.07	0.00	18.18	0.00	22.96	0.00	38.78	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2002 Peer Mortgage Data: Western Region 1.

\*\* As a percentage of loans with borrower income information available. No information was available for 3.29% of loans originated and purchased by Western National Bank.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: COLORADO					Evaluation Period: JANUARY 1, 2001 DECEMBER 31, 2002									
MSA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Co Springs MSA	14	28.00	18.03	16.67	19.64	58.33	23.31	8.33	39.02	16.67	0.04	0.11	0.13	0.01	0.01	
Denver MSA	30	60.00	18.79	0.00	18.71	27.59	24.56	37.93	37.94	34.48	0.00	0.00	0.01	0.01	0.00	
<b>Limited Review:</b>																
Boulder MSA	5	10.00	18.09	20.00	18.09	0.00	25.55	20.00	38.28	60.00	0.01	0.04	0.00	0.01	0.01	
Greeley MSA	1	2.00	20.07	100.00	18.18	0.00	22.96	0.00	38.78	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2002 Peer Mortgage Data: Western Region 1.

\*\* As a percentage of loans with borrower income information available. No information was available for 6.00% of loans originated and purchased by Western National Bank.

\*\*\* Percentage of Families is based on the 1990 Census information.

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



**Table11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: COLORADO			Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MSA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Co Springs MSA	182	43.03	64.66	54.40	60.99	19.78	19.23	1.30	3.31
Denver MSA	202	47.75	61.54	50.99	67.82	16.34	15.84	0.30	0.74
<b>Limited Review:</b>									
Boulder MSA	37	8.75	63.45	48.65	51.35	32.43	16.22	0.32	0.64
Greeley MSA	2	0.47	65.10	100.00	100.00	0.00	0.00	0.05	0.17

\* Based on 2002 Peer Small Business Data: US and PR.

\*\* 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.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2003).

\*\*\*\* 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 2.13% of small loans to businesses originated and purchased by the bank.

**Table12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: COLORADO			Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MSA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Co Springs MSA	0	0.00	89.65	0.00	0.00	0.00	0.00	0.00	0.00
Denver MSA	0	0.00	87.78	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>									
Boulder MSA	0	0.00	89.96	0.00	0.00	0.00	0.00	0.00	0.00
Greeley MSA	27	100.00	87.66	74.07	51.85	22.22	25.93	3.97	2.17

\* Based on 2002 Peer Small Business Data: US and PR.

\*\* 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.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2003).

\*\*\*\* 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 3.70% of small loans to farms originated and purchased by the bank.

**Table 13. Qualified Investments**

QUALIFIED INVESTMENTS									
Geography: COLORADO				Evaluation Period: JANUARY 2, 2001 TO JANUARY 3, 2004					
MSA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Co Springs MSA	0	0	18	52	18	52	4.78	0	0
Denver MSA	0	0	12	1,036	12	1,036	95.13	0	0
<b>Limited Review:</b>									
Boulder MSA	0	0	1	1	1	1	0.09	0	0
Greeley MSA	0	0	0	0	0	0	0.00	0	0

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

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**Table 14. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: COLORADO								Evaluation Period: JANUARY 2, 2001 TO JANUARY 3, 2004									
MSA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Co Springs MSA	46.00	5	50	0.00	40.00	20.00	40.00	1	1	0	0	0	0	1.81	25.89	44.03	28.27
Denver MSA	49.17	3	30	33.33	0.00	66.67	0.00	1	2	-1	0	0	0	6.86	23.97	43.35	25.82
<b>Limited Review:</b>																	
Boulder MSA	4.24	1	10	0.00	100.00	0.00	0.00	0	0	0	0	0	0	3.03	17.92	51.96	26.62
Greeley MSA	0.59	1	10	0.00	0.00	0.00	100.00	0	0	0	0	0	0	3.47	27.07	50.19	19.27

**Table 15. Distribution of Branch and ATM Delivery System**

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM				Geography: COLORADO				Evaluation Period: JANUARY 2, 2001 TO JANUARY 3, 2004									
MSA/Assessment Area:	Deposits	Branches						ATMs				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of ATMs	% of Total Bank ATMs	Location of ATMs by Income of Geographies				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Co Springs MSA	46.00	5	50	0.00	40.00	20.00	40.00	5	62.50	0	2	1	2	1.81	25.89	44.03	28.27
Denver MSA	49.17	3	30	33.33	0.00	66.67	0.00	2	25.00	1	0	1	0	6.86	23.97	43.35	25.82
<b>Limited Review:</b>																	
Boulder MSA	4.24	1	10	0.00	100.00	0.00	0.00	1	12.50	0	1	0	0	3.03	17.92	51.96	26.62
Greeley MSA	.59	1	10	0.00	0.00	0.00	100.00	0	0.00	0	0	0	0	3.47	27.07	50.19	19.27