



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

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Community Reinvestment Act Performance Evaluation

**First National Bank of Colorado
Charter Number: 24133**

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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.

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Overall CRA Rating

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

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

Performance Levels	First National Bank of Colorado Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		
High Satisfactory		X	X
Low Satisfactory			
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:

- Lending levels reflected an excellent responsiveness by FNBC to the credit needs of the bank’s assessment area.
- The bank’s distribution of loans by geography income level was adequate for home mortgage loan products and good for loans to small businesses.
- The bank’s distribution of loans by borrower income level was excellent. Performance was especially strong for home mortgage loans.
- FNBC was a leader in originating community development (CD) loans in the assessment area. Qualified CD loans during the evaluation period totaled \$38 million.
- The bank’s volume of qualified investments was good. Qualified investments totaled \$1.5 million.
- The bank’s service delivery systems were reasonably accessible to individuals of different income levels throughout the assessment area.
- FNBC provided a relatively high level of CD services in the assessment area.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. 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 with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Block Numbering Area (BNA): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: Affordable housing (including multifamily rental 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.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male household and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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 area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

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

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited 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, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. 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 Area (MA): Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One 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: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

Description of Institution

FNBC is a full-service financial institution headquartered in Boulder, Colorado. FNBC offers a full range of credit products within its assessment area (AA) including real estate, agricultural, commercial, and consumer loans.

For purposes of CRA evaluation, FNBC is an intrastate bank with offices located in Colorado only. As of February 10, 2003, the bank's main office was located in Boulder, Colorado with seven branches located in the cities of Boulder, Broomfield, Denver, Longmont, Louisville, and Westminster. All of the offices were located in the Consolidated Metropolitan Area (CMA) of Denver-Boulder-Greeley, CO. The bank operated 12 automated teller machines (ATMs) disbursed throughout the assessment area. FNBC had no subsidiaries and no merger or acquisition activities during the evaluation period. The bank converted from a state to a national charter in October 2000 and changed its name from The Bank in Boulder to First National Bank of Colorado.

The bank is a subsidiary of First National of Colorado (FNC), a multi-bank holding company. FNC owns three banks in Colorado and has consolidated assets exceeding \$2 billion. FNC is a subsidiary of First National of Nebraska, Inc. (FNNI), a multi-bank holding company headquartered in Omaha, Nebraska. FNNI has consolidated assets of \$10 billion. In total, FNNI owns ten national banks and two state-chartered banks located primarily in Nebraska and adjacent states in the Midwest.

As of December 31, 2002, FNBC had \$709 million in total assets and Tier 1 Capital of \$48 million. The bank's loan-to-deposit ratio on that date was 92 percent and net loans represented 80 percent of total assets. By dollar amount, the loan portfolio consisted of the following types of credit: 26 percent commercial (including commercial real estate), 21 percent construction real estate, 17 percent residential real estate; 7 percent consumer; and 1 percent other. Credit card participations purchased from an affiliate bank comprised the remaining 28 percent of the bank's loan portfolio. FNBC sold a significant volume of its home purchase and refinance mortgage loans in the secondary market. The loan-to-deposit ratio and loan portfolio mix do not reflect these loans. During the evaluation period, the bank originated and sold 820 residential mortgage loans totaling \$162 million. There were no known legal, financial, or other impediments that hampered FNBC's ability to help meet the credit needs of its assessment area.

The bank previously attained a "Satisfactory" rating at the last CRA examination dated April 24, 2000. The Federal Reserve Bank of Kansas City performed the examination, as FNBC was a state-chartered member bank at that time.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for home mortgage and small loans to businesses was from January 1, 2000 to December 31, 2002. We based market comparisons on 2001 peer data, which was the most recently available data at the time of this evaluation. The evaluation period for community development loans, the Investment Test, and the Service Test was from April 25, 2000 to December 31, 2002.

While credit card loan participations comprised the largest portion of the bank's loan portfolio, we did not include these loans in the analysis of borrower and geographic distribution of loans. The participations represented a loan product offered nationwide by an affiliate bank. As a result, the vast majority of credit card borrowers were outside FNBC's assessment area. When analyzing lending activity, we took into consideration whether credit card loan participations were purchased to the detriment of borrowers within the AA.

The CRA regulation also gives consideration to a bank's multifamily mortgage lending and small loans to farms. We did not include these loan products in our analysis of the Lending Test because FNBC's loan volume for these products was insignificant. During the evaluation period, these two loan types accounted for less than one percent of all reported loan originations and purchases.

Data Integrity

We tested the accuracy of the bank's publicly filed information for home mortgage loans and small loans to businesses as part of the CRA evaluation. We found errors regarding loan geocoding; however, we determined the level of errors did not prevent an accurate analysis of the bank's CRA performance. We did not require FNBC to correct the reported loan data.

We also reviewed CD loans, investments, and services submitted by FNBC to ensure they met the regulatory definition for CD. We excluded from this evaluation some items submitted for consideration because they did not meet the definition or purpose of CD.

Selection of Area for Full-Scope Review

FNBC has only one AA. We performed a full-scope review of this area. Refer to the table in Appendix A for more information.

Ratings

We based the bank's overall rating on our full-scope review of the FNBC assessment area.

In determining conclusions for the lending test, we weighted loan products to be reflective of FNBC's loan volume by product type during the evaluation period. We weighted home mortgage lending more heavily than small loans to businesses. During the evaluation period, home mortgage loans represented 64 percent of the total number of originated and purchased loans during the evaluation period, while small loans to businesses were 36 percent of the total.

Other

Refer to Appendix B for performance context information and a description of the community contacts used in this evaluation.

Fair Lending Review

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

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Area Receiving Full-Scope Review

The bank's performance under the Lending Test is rated "Outstanding." This is based on a full-scope review of the bank's assessment area.

Lending Activity

(Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's lending activity. We removed "Other Products" from Table 1 in Appendix C as the bank chose not to provide this optional data.)

FNBC's lending activity in the assessment area was excellent. Over the three-year evaluation period, FNBC originated 975 reportable home mortgage loans totaling \$153 million and 551 reportable business loans totaling \$81 million. At this level of lending activity, FNBC reinvested its entire deposit base into these loan types every 2.3 years.

To analyze FNBC's lending activity, we compared the bank's deposit market share with its lending market share for home mortgage loans and small loans to businesses. In comparing the market share percentages, we took into consideration that deposit market share information included only deposit-taking financial institutions that had one or more branches located in the AA. Lending market share information included lenders who did not have deposit-taking facilities in FNBC's assessment area, but reported one or more mortgage or business loan in the area in 2001. Deposit market share data included all deposit-taking financial institutions regardless of their size. Lending market share data included primarily larger banks. In addition, lending market share data included a significant volume of non-bank lenders, including mortgage companies and other finance companies. Due to the different populations of financial institutions included in the data, we did not expect FNBC's deposit market share and lending market share percentages to match in order for performance to be considered good.

In addition, we took into consideration the bank's limited time in the Denver metro area. As of the start of this examination, FNBC's two branches in the Denver area had been open for less than two years. The bank has faced significant competition in establishing a customer base in this market.

Based on FDIC deposit market share data as of June 30, 2002, there were 84 deposit-taking financial institutions with one or more banking offices in the bank's assessment area. FNBC ranked 11th in size with a two percent market share.

FNBC's volume of reportable home mortgage and business loans was excellent. For each loan product reviewed, the bank's market share and rank were very good considering the significant volume of competing lenders. There were 405 lenders reporting home purchase loans in FNBC's assessment area in 2001. The bank ranked 74th among these lenders with a 0.2 percent market share. There were 152 lenders reporting home improvement loans in the assessment area in 2001. FNBC ranked 22nd among these lenders with a market share of one percent. There were 479 lenders reporting home mortgage refinance loans. The bank had a 0.3 percent market share and ranked 68th among these lenders. There were 200 lenders reporting business loans. FNBC ranked 23rd among these lenders with a 0.5 percent market share.

FNBC addressed local credit needs before purchasing credit card participations. During the evaluation period, FNFI policy required all affiliate banks to first help meet credit needs of their local assessment area. Then, FNFI made available credit card participations for affiliate banks to purchase with their excess liquidity. During the CRA evaluation period, FNBC demonstrated their commitment to assessment area lending needs as loan volume other than credit cards grew \$215 million (an increase of 82 percent). Meanwhile, the bank's volume of credit card participations remained steady at \$125 million (no change from the last CRA examination).

Distribution of Loans by Income Level of the Geography

The bank's distribution of loans by geography income level was adequate. This was primarily due to the bank's adequate distribution of all home mortgage loan products.

When evaluating the geographic distribution of the bank's reported loans, we took into consideration 93 percent of the low-income tracts and 85 percent of the moderate-income tracts in the bank's assessment area were in the Denver metro portions of the assessment area. As of the start of this examination, the bank's branches in the Denver metro area had been open for less than two years. We did not expect the bank's penetration of these low- and moderate-income (LMI) census tracts to be significant given the bank's limited presence in this market.

Home Mortgage Loans

(Refer to Tables 2, 3, 4 and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.)

The bank's geographic distribution of home mortgage loans was adequate. For all mortgage loan products reviewed, the bank's percentage of loans in LMI areas was below the percentage of owner-occupied housing located in these areas. Market share data reflected similar performance. FNBC's market shares of home purchase, home improvement, and refinance loans in LMI geographies were generally below the bank's overall market shares for these products.

FNBC reported no home improvement loans in low-income geographies during the evaluation period. This did not detract from performance given the limited opportunities for this type of lending. Low-income census tracts in the bank's assessment area contained 11,527 owner-occupied units. Only 11 of these units were in Boulder County. The remaining units were in the Denver metro area where the bank has only had branches for less than two years.

Small Loans to Businesses

(Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.)

The bank's geographic distribution of small loans to businesses was good. Over the evaluation period, the bank originated a high volume of business loans in moderate-income geographies and an adequate level in low-income areas.

The geographic distribution of small loans to businesses in moderate-income census tracts was excellent. The bank's percentage of business loans in these areas exceeded the percentage of businesses in the assessment area that were located in moderate-income areas.

FNBC's geographic distribution of business loans in low-income areas was below comparable demographic data. Concern was mitigated given 93 percent of the low-income tracts were in the Denver metro area, where the bank's branches have been open less than two years.

Market share information for business loans had limited meaning in the bank's assessment area. The market share information is incomplete because many local small business lenders were not subject to CRA data reporting requirements. In addition, data is compiled at the county level. As a result market share ratios in Table 6 include a significant volume of geographies in Adams, Denver, and Jefferson Counties that were outside the bank's assessment area.

Lending Gap Analysis

We reviewed maps and reports of FNBC's home mortgage loans and small loans to businesses in the AA to identify gaps in the geographic distribution of these loans. We did not identify any conspicuous gaps in lending.

Inside/Outside Ratio

A high percentage of FNBC's reported loans were within its assessment area. By number of reported loans, the bank originated 73 percent of home purchase loans, 82 percent of home improvement loans, 80 percent of home mortgage refinance loans, and 84 percent of small loans to businesses within the its assessment area. For all loan products combined, FNBC originated 80 percent of the number of reported loans within the assessment area. We viewed this as a positive characteristic in our assessment of lending performance.

Distribution of Loans by Income Level of the Borrower

The bank's distribution of loans by borrower income level was excellent. The bank's excellent distribution of home mortgage loans was the primary factor supporting this conclusion.

When evaluating the borrower distribution of the bank's home mortgage lending, we took into consideration the percentage of families throughout the assessment area living below the poverty level. According to the 1990 U.S. Census, 10 percent of families in FNBC's assessment area were below the poverty level. These families would have had a more difficult time qualifying for residential mortgage loans due to their limited income. Also, the lack of moderately-priced housing throughout the assessment area limited the number of LMI families seeking home mortgage loans. Refer to the Market Profile in appendix B for more information on the lack of affordable housing for LMI families.

Home Mortgage Loans

(Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.)

The overall distribution of home mortgage loans to borrowers of different income levels was excellent. This was based primarily on the very high volume of mortgage loans to moderate-income borrowers. The volume of mortgage loans to low-income borrowers was considered high given the contextual issues noted above.

The distribution of FNBC's home improvement and home mortgage refinance loans by borrower income level was excellent. For both loan products, performance was especially strong for moderate-income borrowers. The bank's percentage of these loans to moderate-income borrowers exceeded the percentage of families in the assessment area that were moderate-income. FNBC's percentage of home improvement and refinance loans to low-income borrowers was below the portion of families in the assessment area that were low-income. Performance was strong given the number of families below poverty level and the limited supply of affordable housing in the assessment area.

Market share information also reflected excellent performance, especially for home improvement and home mortgage refinance loans to moderate-income borrowers. For both loan products, the bank's market share percentage of loans to moderate-income borrowers exceeded its overall market share. FNBC's market share of home improvement and refinance loans to low-income borrowers was below its overall market share percentages.

FNBC achieved a good distribution of home purchase loans to borrowers of different income levels. The percentage of the bank's home purchase loans to moderate-income borrowers was near to the percentage of families in the assessment area that were moderate-income. The percentage of the bank's home purchase loans to low-income borrowers was below the percentage of families in the assessment area that were low-income. Performance was considered good given the mitigating factors noted above.

Small Loans to Businesses

(Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.)

The bank's distribution of loans to businesses of different sizes was adequate. FNBC's percentage of reported loans to businesses with gross annual revenues of \$1 million or less was below the percentage of businesses in the AA with revenues of \$1 million or less. Performance was stronger when looking at market share data. The bank's market share of loans to businesses with revenues of \$1 million or less exceeded the bank's overall market share of small loans to businesses.

Another indication of the bank's adequate performance was the percentage of loans originated in amounts of \$100,000 or less. Loan size often loosely correlates to the size of the business. During the evaluation period, FNBC originated 64 percent of its reported loans to businesses in amounts of \$100,000 or less, regardless of the size of the business.

Community Development Lending

(Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.)

CD lending had a positive impact on lending test conclusions. FNBC was a leader in making CD loans. The bank's volume of CD loans originated in the assessment area was excellent. FNBC originated 41 CD loans totaling \$38 million during the evaluation period. This dollar volume represented 84 percent of Tier 1 capital.

CD loans originated by FNBC were very responsive to community needs. Over \$20 million of the loans helped provide affordable housing for LMI persons. An additional \$17 million funded efforts to revitalize and stabilize LMI geographies in the Denver Enterprise Zone.

Product Innovation and Flexibility

In 2001, FNBC began participating in three flexible loan programs to help meet the credit needs of LMI borrowers in the assessment area. As the bank's involvement in these programs has been moderate to date, these programs did not have a significant impact in the analysis of lending test performance.

FNBC participated in two loan programs sponsored by the federal government that primarily serve LMI home mortgage loan applicants. These loan programs generally had reduced down payment requirements, lower interest rates, and more liberal underwriting criteria than conventional loans. During 2001 and 2002, the bank originated 27 loans totaling \$5 million under the Federal Housing Authority (FHA) loan programs and one loan totaling \$275,000 under Veteran's Administration (VA) loan programs.

The bank also participated in loan programs offered through the Colorado Housing and Finance Authority (CHFA). CHFA's loan programs provided financing to qualified LMI borrowers throughout Colorado. The programs included reduced interest rates and lower down payment requirements than traditional mortgage loan programs. Applicants receiving CHFA home purchase loans were also eligible for an optional CHFA second mortgage loan for down payment and closing cost assistance. During 2001 and 2002, FNBC originated 18 CHFA loans totaling \$3 million.

INVESTMENT TEST

Conclusions for Area Receiving Full-Scope Review

(Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.)

The bank's performance under the Investment Test is rated "High Satisfactory." This is based on a full-scope review of the bank's assessment area.

The bank's performance under the investment test was good. Qualified investments totaled \$1.5 million. Investments were responsive to identified needs in the assessment area. None of the investments were considered innovative or complex. FNBC's CRA investment strategy focused on investing in opportunities that directly benefited the bank's assessment area, as opposed to investing in statewide or regional investments that has a lower potential for direct benefit to the bank's market.

The bank's level of performance was good given the level of opportunity for local equity investment and the competition for these investments. Refer to the Market Profile in Appendix B for more detail regarding community development opportunities in the area.

FNBC's qualified investments included an equity investment of \$908,000 in a community development corporation (CDC) subsidiary of an affiliate bank. The CDC was formed to provide financing for projects to benefit LMI persons, LMI areas, and areas targeted for redevelopment by a government entity. The opportunity for FNBC to invest in the CDC became available to the bank approximately one year ago and FNBC invested shortly thereafter. FNBC chose to invest in the CDC because the bank will have an active role in identifying and pursuing local CD projects based upon bank management's expertise and knowledge of assessment area needs. In addition, the CDC intends to reinvest all of the bank's money in qualified projects that would directly benefit the bank's assessment area. Due to the short time of FNBC's investment, the CDC has not had the opportunity to invest in projects benefiting FNBC's assessment area. In concluding on the bank's investment test rating, we took into consideration the bank's decision to invest in a CDC that would directly benefit FNBC's assessment area. We also took into consideration the fact that the bank would have an active role in identifying and pursuing local CD projects for the CDC.

FNBC demonstrated a good responsiveness to identified needs in the AA. Qualified CD organizations receiving contributions from the bank provided a variety of services to the community. These included nonprofit developers of affordable housing for LMI and entities providing various services to LMI, including emergency shelter, food, education, job training, day care, and medical assistance.

SERVICE TEST

Conclusions for Area Receiving Full-Scope Review

The bank's performance under the Service Test is rated "High Satisfactory." This is based on a full-scope review of the bank's assessment area.

Retail Banking Services

(Refer to Table 15 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.)

The bank's service delivery systems were reasonably accessible to geographies and individuals of different income levels throughout its assessment area. The bank's main office was located in a moderate-income geography in Boulder, CO. In addition, the Denver branch, while located in a middle-income census tract, was in the Denver Enterprise Zone and was surrounded by LMI areas. The bank's remaining six branches were located in middle-income geographies throughout the assessment area.

The bank's record of opening branches did not adversely affect CRA performance. FNBC opened three branches, all in middle-income geographies. The bank did not close any branches during the evaluation period.

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, particularly LMI areas. FNBC supplemented its banking hours and services offered Monday through Friday with Saturday hours at all locations except the downtown Denver branch. Office hours and services varied slightly among locations based on customers' needs; however, all offices were open at least eight hours per day Monday through Friday. The bank's complete line of products and services were available at each full-service branch location. Retail non-deposit investment services were also available at the main bank and the Denver branch.

The bank's ATM network offered a reasonably effective alternative system for delivering retail banking services to LMI individuals and geographies. FNBC operated 12 ATMs throughout the assessment area. By geography income level, 17 percent of the ATMs were in moderate-income geographies and 83 percent were in middle-income tracts.

FNBC offered other alternative delivery systems, including banking by telephone and Internet. Telephone banking services were available 24 hours a day via a toll-free telephone number. This service allowed customers to access deposit and loan information, transfer funds, make payments on personal lines of credit, and obtain bank product information. Internet banking services were also available 24 hours a day. This service allowed customers to access account balances, download account transaction information, transfer funds, apply for loans and new accounts, and pay bills. No information was available on the effectiveness of these services in reaching LMI individuals. We did not place significant weight on these systems when drawing conclusions under the service test.

Community Development Services

FNBC provided a relatively high level of CD services in the bank's assessment area. During the evaluation period, FNBC employees provided qualifying service activities to 22 community development organizations. Services provided included participating in planning, budgeting, fundraising, and other managerial decisions. Bank employees also served on boards of directors and various finance committees. Organizations assisted were involved in a variety of CD activities including primarily affordable housing and community services targeted to LMI individuals. The number and responsiveness of the bank's service activities was good in relation to opportunities and the performance of competing financial institutions in the assessment area.

Appendix A: Scope of Examination

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 (excludes CD Loans): 1/1/00 to 12/31/02 Investment and Service Tests and CD Loans: 4/25/00 to 12/31/02	
Financial Institution	Products Reviewed	
First National Bank of Colorado (FNBC) Boulder, Colorado	Home mortgage loans, small loans to businesses, 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
FNBC Assessment Area	Full-Scope	NA

Appendix B: Market Profile for Full-Scope Area

FNBC Assessment Area

Demographic Information for Full-Scope Area: FNBC Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	207	14.01	28.02	33.33	15.94	8.70
Population by Geography	749,390	12.66	29.66	41.96	15.58	0.15
Owner-Occupied Housing by Geography	334,621	6.83	27.37	45.97	19.83	0.00
Businesses by Geography	84,307	13.29	26.57	43.69	16.41	0.04
Farms by Geography	1,144	6.56	22.20	47.64	23.51	0.09
Family Distribution by Income Level	184,600	24.36	20.17	24.21	31.26	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	82,205	18.94	39.46	33.83	7.77	0.00
Median Family Income Boulder MSA # 1125 Denver MSA # 2080	\$43,782 \$40,222	Median Housing Value Boulder MSA # 1125 Denver MSA # 2080				\$113,210 \$80,229
HUD Adjusted Median Family Income for 2002 Boulder MSA # 1125 Denver MSA # 2080	\$87,900 \$69,900	Unemployment Rates as of 12/02 Adams County Boulder County Denver County Jefferson County				6.2% 5.8% 6.9% 5.3%
Households Below the Poverty Level	13.57%					

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

Source: 1990 U.S. Census, and 2002 HUD updated MFI, and U.S. Department of Labor Bureau of Labor Statistics.

FNBC designated Boulder County and contiguous portions of Adams, Denver, and Jefferson County as its assessment area. The counties were all part of the Denver-Boulder-Greeley, CO CMSA # 34. Boulder County was in the Boulder-Longmont, CO PMSA # 1125. Adams, Denver, and Jefferson Counties were in the Denver, CO PMSA # 2080. The assessment area contained FNBC's main office, seven branches, 12 ATMs, and the surrounding areas in which the bank originated a substantial portion of its loans during the evaluation period. The main office and five branches were within Boulder County in the cities of Boulder, Broomfield, Longmont, and Louisville. One branch was in downtown Denver and one branch was in Westminster in the extreme northeast corner of Jefferson County. The bank excluded outlying portions of Adams, Denver, and Jefferson Counties. With only two branches in this large metropolitan area, it was not reasonable to expect the bank to serve the entire portions of these counties. Refer to the bank's CRA Public File for a map and list of census tracts within the bank's assessment area.

The bank's deposits in the assessment area totaled approximately \$541 million as of June 30, 2002. Based on FDIC deposit market share data as of that date, this equated to a 2 percent deposit market share and ranked FNBC as the eleventh largest deposit-taking financial institution in the assessment area.

Competition among financial institutions was very strong. Eighty-four financial institutions operated 459 banking offices in FNBC's assessment area as of June 30, 2002. Primary competitors included Wells Fargo, Bank One, U.S. Bank, N.A., World Savings Bank, and Commercial Federal Bank. Credit unions and finance companies also competed for loan production. Also, several mortgage companies competed with FNBC throughout the assessment area for home mortgage loans. Aggregate HMDA data noted 591 lenders reporting mortgage loans in FNBC's assessment area in 2001.

The assessment area is located in the north central portion of Colorado. The City of Denver serves as the state capital and is the largest city in the state and the center of the state's economic activity. The Denver, Adams, and Jefferson Counties portions of the assessment area are urban. The western half of Boulder County is mountainous, while the eastern half of the county contains a mix of urban and rural areas. The assessment area has seen a large influx of people and a growth in high tech firms, especially in Boulder County. Biotechnology, computer technology, and communications technology are rapidly growing and important sectors of the economy. The September 2001 Boulder Valley Comprehensive Plan noted large employment growth relative to population growth, and a widening gap between the number of people employed in the area and the amount of housing available for these employees.

Despite its diversification, the assessment area's economy has declined. Unemployment rates throughout the area rose from a low of approximately two percent in December 2000 to approximately six percent or higher two years later. A combination of a slowing economy and the events of September 11, 2001 impacted the assessment area's economy in much the same way the national economy was affected. Employment contracted in almost every industry. State and local governments reduced jobs to meet budgetary constraints. Commercial and residential rental property vacancy rates rose. However, the area has a well-developed transportation hub including the interstate highway system, railroad connections, and the Denver International Airport. This access to transportation along with the area's skilled workforce and an expansive research base support economic forecasts that the area will remain attractive to new residents and capital investment.

Affordable housing was the most pressing need throughout the assessment area during the evaluation period. Several barriers existed throughout the assessment area that made it difficult to address affordable housing concerns.

Housing costs soared and are high throughout the assessment area. According to U.S. Census information, the median housing value in the Denver metro area rose from \$80,000 in 1990 to \$187,000 in 2000. Updated data for 2002 showed the median housing price in the Denver metro area at over \$200,000. Similarly, median housing prices in Boulder County increased from \$113,000 in 1990 to \$257,000 in 2000. Updated data for 2002 showed the median housing price ranging from \$225,000 to \$400,000 for cities throughout Boulder County. At these prices, few LMI families could afford to buy homes.

Rental rates also increased significantly throughout the assessment area. The average monthly gross rent for the Denver metro area increased from \$390 in 1990 to \$694 in 2000. Similarly, the average monthly gross rent in Boulder County increased from \$513 in 1990 to \$853 in 2000.

Although banks provided loans for affordable housing development, real estate developers had few, if any, financial incentives to build affordable housing. Land and material costs were very high. Also, affordable housing providers faced stiff competition from market-rate developers and often had difficulties obtaining land for development and contractors to build projects. Real estate redevelopment activity in and near downtown Denver focused on mid-range and high-end lofts, condos, and apartments; however, some mixed-income condo projects were built. Suburban housing construction was explosive, but heavily focused on mid-range and high-end single-family residences.

Zoning restrictions in several communities throughout the assessment area also made it difficult to provide affordable housing stock. Communities such as Boulder, Erie, Lafayette, Louisville, and Superior implemented “no growth” or “slow growth” zoning restrictions. These restrictions severely limited new construction as well as rehabilitation of existing structures.

In recent years, some communities adopted inclusionary zoning ordinances requiring up to 20 percent of residential developments to be permanently affordable to LMI persons. However, these efforts have not always produced the desired results. Many developers tended to make the smallest units in the development available as affordable housing. These units were often under 800 to 1,000 square feet and were not practical for families. They also tended to be priced at the upper end of what was considered affordable, making them out of reach for most LMI persons. Finally, restrictions on the resale of these units often made them undesirable to prospective owners.

A moderate level of resources and opportunities existed to facilitate activities to address the unmet credit and community development needs in the assessment area. Several areas throughout the assessment area were designated as Enterprise Zones, Redevelopment Zones, or Blighted Areas by the State of Colorado, including portions of the City of Denver, Adams County, and Jefferson County. In addition, a portion of the City of Denver was designated an Enterprise Community by HUD. These designations provided incentives to lend or invest in these targeted areas and encouraged partnerships with community development organizations.

However, there was little formal coordination of efforts among financial institutions, government entities, or nonprofit organizations. For example, Denver spent considerable resources on large municipal building projects during recent years. These projects included a new airport, several professional sports stadiums and facilities, light rail, government offices, retail and leisure activities centers, and the redevelopment of the old Stapleton airport. These projects were financed using a combination of tax incentives, grants, bonds, and private funding sources. There was little direct bank involvement. Also, four of the five counties comprising the Denver MSA, as well as Boulder County, all had Consolidated Plans. However, the plans contained little, if any, cooperative strategies between the counties to meet area needs.

While all counties in the assessment area had housing authorities, the cities and counties concentrated on economic development and largely ignored affordable housing needs until recently. The cities and the State of Colorado did not provide a significant amount of housing funds. Most support for affordable housing has traditionally come from the federal government, although the state did issue housing bonds. Some nonprofit companies tried to address the affordable housing issue; however, they needed better support from the banking community, city and county government, and the private sector in order to have a significant impact.

Eight community development financial institutions and seven small business investment companies operated within the assessment area. There were also numerous private and public organizations that assisted with small business financing needs.

Recent contacts with community representatives included five government offices, four housing authorities, two realtor associations, and two economic development corporations. Contacts reaffirmed the area's critical need for affordable housing stock. They also noted the continuing need for residential mortgage loans. Various groups reported the need for financing and technical support for small businesses. Contacts were complimentary of local banks' responsiveness to area credit needs and participation with community development initiatives.

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 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 MA/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 MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- 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 MA/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. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table 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 households within each geography. For borrower distribution, the table 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 of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/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.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

Table 15. 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 MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1. Lending Volume

LENDING VOLUME												
Geography: COLORADO												
Evaluation Period: January 1, 2000 to December 31, 2002												
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
FNBC AA	100.00%	975	152,560	551	81,017	6	729	41	38,512	1,573	272,818	100.00%

* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is April 25, 2000 to December 31, 2002.

*** Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: COLORADO					Evaluation Period: January 1, 2000 to December31, 2002									
MA/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	Over all	Low	Mod	Mid	Upp	
Full Review:																
FNBC AA	252	100.00	6.83	2.78	27.37	14.29	45.97	51.98	19.83	30.95	0.20	0.00	0.17	0.24	0.25	

^{*} Based on 2001 Peer Mortgage Data: Western Region.

^{**} Home purchase loans originated and purchased in the MA/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, 2000 to December 31, 2002							
MA/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	Over all	Low	Mod	Mid	Upp
Full Review:															
FNBC AA	168	100.00	6.83	0.00	27.37	10.12	45.97	61.90	19.83	27.98	1.04	0.00	0.69	1.44	0.85

^{*} Based on 2001 Peer Mortgage Data: Western Region.

^{**} Home improvement loans originated and purchased in the MA/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, 2000 to December 31, 2002									
MA/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	Over all	Low	Mod	Mid	Upp	
Full Review:																
FNBC AA	549	100.00	6.83	1.46	27.37	10.56	45.97	59.20	19.83	28.78	0.25	0.04	0.16	0.30	0.29	

* Based on 2001 Peer Mortgage Data: Western Region.

** Home mortgage refinance loans originated and purchased in the MA/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, 2000 to December 31, 2002							
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography *				
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
FNBC AA	6	100.00	19.99	0.00	35.46	33.33	34.00	66.67	10.54	0.00	0.76	0.00	0.00	3.28	0.00

* Based on 2001 Peer Mortgage Data: Western Region.

** Multifamily loans originated and purchased in the MA/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, 2000 to December 31, 2002									
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
Full Review:																
FNBC AA	551	100.00	13.29	3.09	26.57	31.03	43.69	49.00	16.41	16.70	0.48	0.15	0.72	0.54	0.35	

* Based on 2001 Peer Small Business Data: US.

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

*** Source Data - Dun and Bradstreet 2002.

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															Geography: COLORADO					Evaluation Period: January 1, 2000 to December 31, 2002				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
FNBC AA	6	100.00	6.56	0.00	22.20	0.00	47.64	100.00	23.51	0.00	0.73	0.00	0.00	1.54	0.00									

* Based on 2001 Peer Small Business Data: US.

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

*** Source Data - Dun and Bradstreet 2002.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: COLORADO					Evaluation Period: January 1, 2000 to December 31, 2002									
MA/Assessment Area:	Total Home Purchase 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****	Over all	Low	Mod	Mid	Upp	
Full Review:																
FNBC AA	252	100.00	24.36	13.19	20.17	18.72	24.21	26.81	31.26	41.28	0.20	0.28	0.14	0.30	0.28	

* Based on 2001 Peer Mortgage Data: Western Region.

** As a percentage of loans with borrower income information available. No information was available for 6.75% of loans originated and purchased by Bank.

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

**** Home purchase loans originated and purchased in the MA/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, 2000 to December 31, 2002									
MA/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****	Over all	Low	Mod	Mid	Upp	
Full Review:																
FNBC AA	168	100.00	24.36	7.59	20.17	20.89	24.21	29.75	31.26	41.77	1.04	0.64	1.35	0.85	1.06	

* Based on 2001 Peer Mortgage Data: Western Region.

** As a percentage of loans with borrower income information available. No information was available for 5.95% of loans originated and purchased by Bank.

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

**** Home improvement loans originated and purchased in the MA/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, 2000 to December 31, 2002									
MA/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****	Over all	Low	Mod	Mid	Upp	
Full Review:																
FNBC AA	549	100.00	24.36	9.48	20.17	23.71	24.21	28.87	31.26	37.94	0.25	0.17	0.34	0.25	0.32	

* Based on 2001 Peer Mortgage Data: Western Region.

** As a percentage of loans with borrower income information available. No information was available for 11.66% of loans originated and purchased by Bank.

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

**** Home mortgage refinance loans originated and purchased in the MA/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, 2000 to December 31, 2002					
MA/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
Full Review:									
FNBC AA	551	100.00	64.05	54.63	64.07	18.87	17.06	0.48	0.69

^{*} Based on 2001 Peer Small Business Data: US.

^{**} Small loans to businesses originated and purchased in the MA/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 - 2002).

^{****} 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 7.80% of small loans to businesses originated and purchased by the Bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: COLORADO			Evaluation Period: January 1, 2000 to December 31, 2002				
MA/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 \$500,000	All	Rev \$1 Million or Less
Full Review:									
FNBC AA	6	100.00	90.38	16.67	83.33	0.00	16.67	0.73	0.00

* Based on 2001 Peer Small Business Data: US.

** Small loans to farms originated and purchased in the MA/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 - 2002).

**** 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 16.67% of small loans to farms originated and purchased by Bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: COLORADO				Evaluation Period: April 25, 2000 to December 31, 2002			
MA/Assessment Area:	Prior Period Investments *		Current Period Investments		Total Investments			Unfunded Commitments **	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
FNBC AA	1	200	31	1,301	32	1,501	100.00%	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 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: COLORADO Evaluation Period: April 25, 2000 to December 31, 2002																	
MA or 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
Full Review:																	
FNBC AA	100.00	8	100.00	0.00	12.50	87.50	0.00	3	0	0	0	+3	0	12.66	29.66	41.96	15.58