



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

February 28, 2009

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The First National Bank of Santa Fe
Charter Number: 1750

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Santa Fe, New Mexico 87504-0000

Office of the Comptroller of the Currency

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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 Satisfactory.

The following table indicates the performance level of The First National Bank of Santa Fe (FNBSF) with respect to the Lending, Investment, and Service Tests.

Performance Levels	(Name of Depository Institution) 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.

The following factors support the overall rating and conclusions with respect to performance tests:

- FNBSF’s volume of lending and the percentage of loans made in the assessment areas (AAs) is adequate after considering the dollar amount of community development (CD) lending.
- FNBSF’s geographic distribution of home mortgage loan products is adequate in the Santa Fe multiple statistical area (MSA). The geographic distribution of small business loans is poor.
- Analyses of FNBSF’s geographic and borrower distribution of home mortgage loans in the Albuquerque AA are not meaningful due to the low volume. FNBSF’s geographic distribution of small business loans in the Albuquerque AA is adequate.
- The borrower distribution of home mortgage loan products is good in the Santa Fe MSA. FNBSF’s distribution of loans to businesses with revenues of \$1 million or less is poor in the Santa Fe MSA and adequate in the Albuquerque AA.
- FNBSF’s community development lending had a significantly positive impact on Lending Test performance in the Santa Fe MSA and the Albuquerque AA.
- FNBSF’s qualified investments are good in volume in relation to the banking opportunities to invest, and are responsive to identified needs in the AAs receiving full-scope reviews.
- FNBSF’s branches are reasonably accessible to geographies and individuals of all income levels. The level and nature of the bank’s community development services are good in the AAs receiving full-scope reviews.

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.

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.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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 householder 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 delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 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 metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

Metropolitan Statistical Area (MSA): An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The MSA comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

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 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 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 non-farm or non-residential real estate or are classified as commercial and industrial 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 at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of geography.

Description of Institution

FNBSF, headquartered in Santa Fe, New Mexico, was chartered in 1870 and is the oldest bank in the Southwest. FNBSF is a wholly owned subsidiary of New Mexico Banquest Corporation (NMBC), a one-bank holding company also headquartered in Santa Fe, New Mexico. NMBC also owns an insurance company and a 50 percent stake in an investment advisory firm. As of December 31, 2008, FNBSF had total assets of \$628 million, net loans of \$414 million, and Tier 1 Capital of \$49 million.

FNBSF's operations are centered primarily in New Mexico. FNBSF has a main office and six physical branches in Santa Fe, one office in Albuquerque, and one branch in Los Alamos. The bank recently opened a branch in Denver, Colorado and opened a second branch in Albuquerque during the examination. Although the FNBSF branches are located in moderate- and upper-income census tracts (CTs), management provided us with additional information proving the majority of the branches to be readily accessible to adjacent or nearby low- or moderate-income (LMI) CTs. In addition to the full service branches, FNBSF has two mobile offices which provide alternative delivery services. We will not include the Denver branch in the scope of this exam because it has not been in operation long enough to properly evaluate its performance.

FNBSF is a strong commercial and residential real estate lender. The composition of the loan portfolio includes: commercial real estate, 58 percent, residential loans, 24 percent construction and development, 10 percent, commercial loans, 5 percent, and individual loans, 3 percent. During the evaluation period, FNBSF sold \$60.5 million in residential mortgages to the secondary market.

FNBSF's primary deposit market, the Santa Fe MSA, is very competitive. FNBSF is one of five financial institutions that control roughly 80 percent of the deposit market share in the Santa Fe MSA. Two of these institutions are large national bank chains, one is a state bank and the other is the largest independent community bank operating solely in New Mexico. The Los Alamos, Albuquerque and Denver markets are competitive as well; however, FNBSF holds a much smaller deposit share in these markets because of its limited operations in these locations. FNBSF operated only one branch in each of these markets during the assessment period.

FNBSF's lending markets are also very competitive. FNBSF is one of 478 HMDA reporting lenders in the Albuquerque AA and has a 0.02 percent market share of reported home mortgage loans. FNBSF is one of 91 CRA reporting small business lenders in the AA and has a 0.08 percent market share of the CRA reported small business loans. In the Santa Fe MSA, FNBSF is one of 337 HMDA reporting lenders and has a 1.5 percent market share of reported home mortgage loans. FNBSF is also one of 45 CRA reporting small business lenders in the AA. FNBSF has a 2.5 percent market share of the reported small business loans. In the Los Alamos AA, FNBSF is one of 96 HMDA reporting lenders. FNBSF has a 1.6 percent market share of reported home mortgage loans. FNBSF is one of 20 CRA reporting small business lenders in the Los Alamos AA and has a 0.34 percent market share of reported small business loans.

FNBSF previously received a rating of "Satisfactory" in January 25, 2006 when it was evaluated as an Intermediate Small Bank. There are no financial or legal impediments that would impair the bank's ability to perform under the Community Reinvestment Act (CRA).

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation (PE) assesses information since the previous examination dated January 26, 2006. At management's request, FNBSF is being evaluated as a Large Bank for CRA purposes. The evaluation period for our review of FNBSF's Community Development loans, investments, and services, as well as retail banking services, covers the period from January 26, 2006 through February 28, 2009. The evaluation period for our review of FNBSF's home mortgage and small business loan originations [Home Mortgage Disclosure Act (HMDA) and CRA data] covers January 1, 2007 through December 31, 2008. FNBSF did not report CRA data for 2006.

Data Integrity

We determined the accuracy of the data used for the evaluation through a series of data integrity tests. Our first test identified issues with data integrity of 2007 and 2008 HMDA and small business loan originations. The 2007 data reported for HMDA and small business loan originations showed error rates greater than 5 percent. In response, bank management reviewed and corrected the 2007 data. In addition, the bank reviewed and corrected the data for 2008 prior to submission. We confirmed the reliability of the data at our second review. The data used in this evaluation is accurate.

Selection of Areas for Full-Scope Review

We performed full-scope reviews for two of FNBSF's three AAs. The full scope AAs include the portion of the Albuquerque MSA that falls within city limits and the Santa Fe MSA. We performed a limited scope review of the Los Alamos AA. See Appendix B of this report for more detailed market profiles of the full-scope AAs. We excluded the Denver area from this review because of FNBSF's limited time of operation in the market.

Ratings

The bank's overall CRA rating is based on the full-scope reviews on the Santa Fe MSA and Albuquerque AA for Lending, Investment and Services tests. The rating methodology is structured such that the Lending Test weighs most heavily on the three tests. In general, the performance in each AA is weighed according to the percentage of deposits

To conclude on FNBSF's overall record of performance, we assessed activities in the AAs under the Lending, Investment and Services tests. Based on the portion of lending during the evaluation period, geographic distribution and borrower distribution products are weighed as follows: 38 percent HMDA and 62 percent small loans to businesses. Based on the volume of total loans in each category, home purchase, home improvement and home mortgage refinance products were weighed as follows in arriving at an overall HMDA conclusion for each AA: 28 percent home purchase, 41 percent home improvement and 31 percent refinance home mortgagees. The impact that each AA has on the overall ratings is determined by the percentage of deposits each AA represents.

Other

We discussed the credit needs of the Santa Fe MSA and financial institution's responsiveness to these needs with the president of a local non-profit organization. The organization is a business incubator that promotes economic development by supporting growing businesses through business training and providing affordable rent for office space. The president discussed the ongoing importance of affordable housing and small business lending in the area to promote continued economic growth. As a result, we gave additional weight to CD investments and services that provide affordable housing and support small businesses.

Fair Lending or Other Illegal Credit Practices Review

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

Conclusions with Respect to Performance Tests

LENDING TEST

Refer to Tables 1 through 13 in Appendix C for facts and data used to evaluate the bank's lending activity.

Performance under the Lending Test is rated "Low Satisfactory". Based on our full scope reviews, performance in the Albuquerque AA is good and performance in the Santa Fe MSA is adequate. We completed a limited scope review of the Los Alamos AA.

In the Albuquerque AA, lending activity is good. In the Albuquerque AA, FNBSF reported a .28 percent market share of deposits in June 2008. This compares unfavorably with its market share of small business loans of .08 percent by number of loans, but favorably by dollar volume of loans of 0.62 percent. When combined with HMDA lending, FNBSF's market share by number of loans in the AA is only 0.02 percent, which is significantly below its deposit market share. The volume of CD lending had the most significant impact on our conclusions regarding lending activity in this AA.

FNBSF's lending activity in the Santa Fe MSA is adequate. In June 2008, FNBSF reported a 19.5 percent market share of deposits. Meanwhile, the bank's market share of small business loans by number is 2.51 percent which is significantly below its deposit market share. When combined with HMDA lending, FNBSF's market share by number of loans represents only 1.48 percent of the number of loans originated in this AA which, again, is significantly below its deposit market share. However, the bank's market share by dollar volume of small business loans of 14.67 percent and the dollar volume of CD lending were positively considered with respect to lending activity in this AA.

An analysis of multifamily loans is not meaningful because only one multi-family loan was reported during 2007-2008. FNBSF reported no small loans to farms over the evaluation period.

Albuquerque AA

The bank's lending performance in the Albuquerque AA is good. This is based mostly on the volume and nature of CD lending.

FNBSF only originated 22 HMDA reportable loans (including home purchase mortgages, home improvement and refinance mortgage loans) in the Albuquerque AA during 2007 and 2008. This volume is insufficient to perform a meaningful analysis of lending, from either a geographic or borrower distribution perspective.

During 2007 and 2008, FNBSF originated 62 small business loans. The geographic distribution of FNBSF's loans to small businesses in the Albuquerque AA is adequate. The bank reported no loans to small businesses in low income geographies however, only 1.5 percent of businesses are located there. The distribution of small business loans in moderate income geographies is poor because the percentage of businesses in moderate-income

geographies significantly exceeds FNBSF's percentage of loans originated in these geographies. However, the bank's market share of small business loans in moderate-income geographies substantially meets the bank's overall market share of 0.08 percent. In concluding that FNBSF's performance in the AA is adequate, we considered that the bank has only one office in the Albuquerque AA, a highly competitive banking environment.

In the Albuquerque AA, the borrower distribution of FNBSF's loans to businesses with revenues equal to or less than \$1 million is adequate. A comparison of the bank's reported loans to the percentage of businesses that are small, demonstrates poor performance. However, from a market share perspective, FNBSF's share of loans to businesses that are small (0.11 percent) exceeds the bank's share of the market (0.08 percent) in this AA. As noted earlier, the number of small business loans that FNBSF originated in the AA is very poor.

The volume and nature of FNBSF's CD lending had a significant positive impact on the lending conclusions in the Albuquerque AA. FNBSF originated \$20.5 million qualifying CD loans, representing 839 percent of allocated Tier One capital. The loans are for properties located in a Metro Redevelopment zone in downtown Albuquerque and include three hotel properties, two office complexes, and one multifamily real estate property. One of the hotel loans is to a historic hotel in downtown Albuquerque. This loan contains New Market tax credits, Historic tax credits, and energy tax credits. This activity received favorable qualitative consideration because the loans revitalize and stabilize the areas designated as redevelopment zones in this AA.

Santa Fe MSA

The bank's lending performance in the Santa Fe MSA is adequate. Residential housing affordability is a significant factor in this MSA because average home prices are high in relation to the median family income (refer to Appendix B for a detailed analysis of housing affordability).

FNBSF's geographic distribution of home purchase loans within the Santa Fe MSA is good. The single low-income CT in the Santa Fe MSA is located near the central business district in downtown Santa Fe. Residential mortgage loans are difficult to originate because only 0.84 percent of owner occupied housing is geographically located in this low-income census tract, limiting the bank's opportunities to originate residential mortgages in this geography. FNBSF originated no home purchase mortgage loans to the sole low-income geography. The portion of FNBSF's loans in moderate-income geographies is somewhat lower than the percentage of owner occupied housing in those geographies; performance is adequate. However, the bank's market share of loans in moderate-income geographies significantly exceeds its overall market share.

The geographic distribution of home improvement loans within the Santa Fe MSA is good. FNBSF originated no home improvement loans in the low-income census tract. The portion of home improvement loans FNBSF originated in moderate-income geographies is somewhat lower than the portion of owner-occupied housing in those geographies. However, FNBSF's market share of home improvement loans significantly exceeds its overall market share.

FNBSF's geographic distribution of home mortgage refinance loans within the Santa Fe MSA is adequate. The portion of FNBSF's mortgage refinance loans in the low-income geography significantly exceeds the demographic comparator of 0.84 percent; however, this represents only one loan. The portion of the bank's home mortgage refinance loans in moderate income geographies is somewhat lower than the portion of owner-occupied housing in these geographies. Bank market share of 0.86 percent substantially meets FNBSF's overall market share of 0.90 percent for moderate income geographies.

FNBSF's geographic distribution of small loans to businesses in the Santa Fe MSA is poor. Bank originated loans to small business in low-income geographies at 0.86 percent is significantly lower than the 2.07 percent of businesses located in this tract. Bank generated small loans to businesses in moderate-income geographies at 9.87 percent is significantly lower than the 17.87 percent of businesses geographically located in moderate-income areas. At 2.30 percent, the bank substantially meets its overall market share of 2.51 percent in low-income geographies. At 1.36 percent, the bank's market share in moderate income geographies is significantly below its overall market share.

Borrower distribution of home purchase loans in the Santa Fe MSA is adequate. The disparity between housing prices and median incomes in this MSA was considered. The portion of home purchase loans FNBSF originated to low-income borrowers of 4.23 percent is significantly lower than the demographic comparator of 22.01 percent. For moderate-income borrowers, the portion of bank originated loans at 15.49 percent is near to the 17.85 percent of moderate-income borrowers within the Santa Fe MSA. FNBSF's market share of loans to low-income borrowers substantially meets the overall market share of 1.04 percent for home purchase loans. At 1.36 percent, FNBSF's share of loans to moderate-income borrowers significantly exceeds its overall market share.

FNBSF's distribution of home improvement loans by income level of borrowers in the Santa Fe MSA is good. The bank's portion of originated loans to low-income borrowers of 12.61 percent is significantly lower than demographic comparator of 22.01 percent. FNBSF's portion of home improvement loans to moderate income borrowers of 18.02 percent exceeds the demographic comparator of 17.85 percent. FNBSF's market share of home improvement loans to low-income borrowers of 20.69 percent and 10.96 percent for moderate income borrowers significantly exceeds its overall market share of 9.81 percent.

FNBSF's distribution of home mortgage refinance loans to LMI borrowers in the Santa Fe MSA is excellent. The portion of bank originated loans to low-income borrowers is significantly lower than the demographic comparator, but significantly exceeds the demographics for moderate-income borrowers. FNBSF's market share of home mortgage refinance loans significantly exceeds the overall market share 0.94 percent for LMI borrowers.

FNBSF's distribution of loans to businesses with revenues of \$1 million or less in the Santa Fe MSA is poor. FNBSF's portion of loans to businesses with revenues of \$1 million of 40.34 percent is lower than the percentage of businesses of this type in the Santa Fe MSA of 66.88 percent. FNBSF's market share of small loans to businesses exceeds its overall market share however, the limited number of banks subject to CRA reporting in the Santa Fe MSA makes this measure less meaningful.

The volume and nature of FNBSF's CD lending had a positive impact on the lending conclusions in the Santa Fe MSA. FNBSF originated more than \$8 million in qualifying CD loans, representing 19.7 percent of allocated Tier One capital. The qualifying CD loans include three loans to a tribal entity. These loans are complex because the funding package carries a 90 percent guaranty from the Bureau of Indian Affairs, along with a credit enhancement consisting of an assignment of income received by the borrower from the State of New Mexico under the Gasoline Tax Sharing Agreement. Coordinating and finalizing the loan was time intensive and required legal and financial expertise. Two additional loans to this entity possess the same CD characteristics, but do not exceed the \$1 million threshold required to be included in the tables in Appendix C of this evaluation.

FNBSF also put together a financing package for the purchase of a commercial condominium located in a designated revitalization zone. The package consists of two loans, a mortgage loan for \$2.19 million and a SBA 504 loan for \$1.33 million. Both loans funded the purchase of a single commercial condominium in the Santa Fe Rail Yard area. The Santa Fe Rail Yard is the only area specifically designated for revitalization in all of Santa Fe. This funding package was favorably considered because the activities revitalize and stabilize an area designated as a revitalization zone and because CD opportunities are limited in this AA.

FNBSF's partnership with Homewise, Inc. is also noteworthy. The mission of Homewise, Inc. is to help modest-income New Mexicans become successful homeowners. The organization provides training and education for homebuyers and provides financial and technical assistance for home repairs. Overall totals for bank originated Homewise loans totaled 22 by number and \$4.0 million by dollar volume. In 2006, originated loans totaled approximately \$1.5 million in dollar amount and eight by number. Loans originated in 2007 are included in the HMDA tables and total \$2.6 million by dollar amount and 14 by number. The Santa Fe AA has a significant credit need for affordable housing. The structure of the bank's relationship with Homewise, Inc. changed mid year 2007, when the organization essentially became a FNBSF competitor for home mortgage loans products. Homewise, Inc. began underwriting and originating its own loans, which decreased the number and dollar volume of loans originated by FNBSF.

Inside/Outside Ratio

The vast majority of FNBSF's loans were made inside its AA. Specifically, 92.5 percent of mortgage loans by number and 95 percent of small business loans by number were made inside its AA.

Product Innovation and Flexibility

The bank had no innovative or flexible loan products to report.

Conclusions for Area Receiving Limited-Scope Reviews

Based on a limited scope review, the bank's performance under the lending test in the Los Alamos AA is inconsistent with the bank's overall performance under the lending test. Performance in the Los Alamos AA is weaker than the bank's overall performance. Weaker performance is centered in very low HMDA and small business lending activity in relation to AA deposits and no community development lending. Contributing factors are the lack of any LMI

census tracts, a shortage of affordable housing in the AA, as well as limited infrastructure for community development activities.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the Albuquerque AA and Santa Fe MSA is good. In total, FNBSF invested over \$1.33 million in its AAs, representing 2.74 percent of the bank's Tier 1 Capital.

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

Opportunities for investments in FNBSF's AAs are somewhat limited. We considered this along with the innovation and responsiveness of the investments in arriving at our conclusions for the investment test.

The volume and nature of qualified investments in the Albuquerque AA is good. FNBSF funded \$62 thousand in qualified investments which represents 2.53 percent of allocated Tier 1 Capital. Two-thirds of the qualified investments promote economic development. The remainder was for services to LMI families and individuals. This is considered good because of the limited presence FNBSF currently has in the Albuquerque market. We also considered the significant volume of CD lending in the Albuquerque AA in arriving at our conclusion.

The volume and nature of qualified investments in the Santa Fe MSA is good. FNBSF funded qualified investments approximating \$1.2 million which represents 2.96 percent of the bank's allocated Tier 1 Capital. The substantial majority of the qualified investments funded entities that provide or promote affordable housing. One example is a qualified investment of \$500 thousand to an affordable housing organization which provides technical and financial counseling to LMI homebuyers. Affordable housing is the most frequently identified need of the Santa Fe MSA and these investments demonstrate FNBSF's responsiveness to this need.

Five qualified investments totaling \$61 thousand were in entities that provide either regional or state-wide benefit, including FNBSF's AAs. These investments funded entities that provide: affordable housing; economic development by financing and providing technical assistance to small businesses, as well as promoting new job creation; and services to LMI families and individuals. The regional and state-wide investments had no material impact on the investment test rating.

Conclusions for Area Receiving Limited-Scope Reviews

Based on a limited scope review, the bank's performance under the investment test in the Los Alamos AA is inconsistent with the bank's overall performance under the investment test. Performance in the Los Alamos AA is weaker than the bank's overall performance. No qualified investments were made in the Los Alamos AA. However, investment opportunities are somewhat limited by the demographics of the community. See the Los Alamos AA market profile in Appendix B for more information. FNBSF has been unable to penetrate the Los Alamos market at this point.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "High Satisfactory". Based on full-scope reviews of the Albuquerque AA and Santa Fe MSA, performance is good. FNBSF provides a good level of CD services that are responsive to the credit needs of the communities served. CD services had a positive impact on the service test rating.

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. None of FNBSF's branches are located in LMI geographies. However, the vast majority are readily accessible to the low- and moderate-income population.

The only office in the Albuquerque AA is located in a middle-income CT. This office is within one mile of neighboring LMI CTs and is readily accessible to pedestrians and public transportation. Based on these considerations, the percentage of offices accessible to low- and moderate-income areas exceeds the percentage of the population that resides in LMI areas.

All seven of the bank's branches in the Santa Fe MSA are located in middle- or upper-income CTs. However, three of these branches are within walking distance of nearby low-income CTs and are easily accessible to pedestrians. Based on these considerations, the percentage of offices accessible to low-income areas exceeds the percentage population that resides in these areas. Additionally, three other branches are within walking distance of nearby moderate-income CTs and are easily accessible to pedestrians. Based on this consideration, the percentage of offices accessible to moderate-income areas exceeds the percentage of population that resides in these areas.

FNBSF offers a wide range of services that do not vary in ways that inconvenience its customers, including LMI individuals. The products, services and business hours are reasonable and bi-lingual service representatives are present at all offices. Refer to FNBSF's CRA Public File for a current list of available products and services.

Alternative service delivery systems include internet and phone banking, as well as bill-payment services.

Community Development Services

The level and nature of FNBSF's CD services is good. The substantial majority of CD services are provided to the Santa Fe MSA. CD services provided in the Albuquerque AA did not materially impact the Service Test rating. Board members, bank officers and employees have all contributed to provide over 3,260 hours of technical assistance in financial matters to community organizations and programs throughout the bank's AAs. A significant amount of time has been dedicated to CD services and the services are responsive to identified credit needs. However, the services provided are not particularly innovative.

One example of a CD service provided is a senior officer that works with affordable housing groups to provide technical assistance to LMI individuals interested in purchasing a home. The officer teaches the potential homebuyers what to expect when approaching a lender for a mortgage loan and what information the prospective buyer should have readily available when applying for a loan. This allows the borrower to be better prepared and thus more likely to succeed in securing financing for a home purchase.

Another example is a member of the Board of Directors and a senior officer sit on the loan committee of a non-profit economic development organization that provides loans to small businesses that otherwise would not qualify for a business loan. In addition, the organization provides financial consultation services to small business in New Mexico.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank's performance under the service test in the Los Alamos MSA is inconsistent with the bank's overall performance under the service test. The performance in the Los Alamos MSA is weaker than the bank's overall performance in New Mexico. FNBSF has only one branch in the Los Alamos MSA and the MSA consists of only upper income geographies, so an analysis of branch distribution is not meaningful. No CD services were identified for the Los Alamos MSA. The opportunity for qualified CD services in the Los Alamos MSA is somewhat limited in comparison to FNBSF's other AAs; however, the opportunities for qualified services do exist.

Appendix B: Market Profiles for Full-Scope Areas

Albuquerque AA

Demographic Information for Full-Scope Area: (Name of MA or Nonmetropolitan Area)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	185	3.24	27.03	40.54	27.03	2.16
Population by Geography	707,504	2.53	28.60	41.43	27.44	0.00
Owner-Occupied Housing by Geography	183,761	1.21	23.79	42.66	32.34	0.00
Businesses by Geography	58,869	1.48	24.78	46.74	27.00	0.00
Farms by Geography	992	1.61	25.10	48.39	24.90	0.00
Family Distribution by Income Level	181,483	21.19	17.85	21.07	39.89	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	70,855	4.13	40.67	40.83	14.36	0.00
Median Family Income	= \$45,783					
HUD Adjusted Median Family Income for 2008	= \$58,000					
Households Below the Poverty Level	=13%					
					Median Housing Value = \$121,290 Unemployment Rate = 2.90%	

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2000 U.S. Census, and 2008 HUD updated MFI.

The Albuquerque AA spans four counties, Bernalillo, Sandoval, Torrance, and Valencia. FNBSF has designated all geographies located in the City of Albuquerque proper as its Albuquerque AA. The entire AA is located in Bernalillo County. FNBSF operated only one office in the Albuquerque AA during the evaluation period and opened a second during our examination.

Competition in the Albuquerque market is intense. The main competitors in the market are large national chain banks and larger state institutions. FNBSF opened its Albuquerque branch in 2002. The branch specializes in delivering trust, investment advisory, brokerage and insurance services and commercial/development loans. FNBSF's deposit market share emphasizes this point as the bank currently ranks 17 out of 23 institutions in Bernalillo County with a deposit share of 0.28 percent.

Government is the primary employer in the Albuquerque AA. Kirtland Air Force Base employs nearly 40,000 people. In addition, the national laboratories located in Albuquerque provide a significant amount of federal jobs. The state and local governments also provide significant employment, but this is largely concentrated in the public school system. Schools of higher education are the second largest industry in Albuquerque. The local university and community college provide roughly 16,000 jobs.

The local economy has shown signs of deterioration, but not to the extent experienced nationally. The Albuquerque unemployment rate has moved in step with, but has consistently stayed below,

the national average. At year end, the Albuquerque unemployment rate was 4.3 percent, compared to 6.6 percent nationally. The largest slowdown in the Albuquerque market is the residential real estate market. Residential real estate building permits peaked in 2006 and have since fallen roughly 66 percent from that peak.

As New Mexico's largest city, Albuquerque serves as headquarters for several local- and state-wide organizations that qualify as CD investments or services. These organizations provide or promote affordable housing, economic development and community services which target small businesses or low- and moderate-income persons and families. In addition, parts of the city have been designated for revitalization. This provides additional opportunity for CD lending.

Santa Fe MSA

Demographic Information for Full-Scope Area: (Name of MA or Nonmetropolitan Area)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	40	2.50	22.50	32.50	35.00	7.50
Population by Geography	129,292	1.40	29.81	35.71	33.08	0.00
Owner-Occupied Housing by Geography	35,977	0.84	24.88	36.23	38.05	0.00
Businesses by Geography	15,929	2.07	17.87	27.31	52.74	0.00
Farms by Geography	292	1.71	18.49	34.93	44.86	0.00
Family Distribution by Income Level	33,000	22.01	17.85	18.89	41.25	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	13,151	1.81	42.93	34.94	20.32	0.00
Median Family Income	= \$50,000					
HUD Adjusted Median Family Income for 2008	= \$64,300					
Households Below the Poverty Level	=12%					
				Median Housing Value	= \$196,766	
				Unemployment Rate	= 2.48%	

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2000 U.S. Census, and 2008 HUD updated MFI.

The Santa Fe MSA consists of all geographies in Santa Fe County. FNBSF operates seven offices in the Santa Fe MSA and has a license to operate 2 mobile offices as well. Competition is strong in the Santa Fe market. Eleven institutions compete for deposits in the market and FNBSF controls roughly 20 percent of the deposit market. Competitors include large and small national banks as well as state institutions.

Santa Fe is the capitol of New Mexico. The primary employment base in the Santa Fe MSA is government, but federal and local governments provide jobs in addition to the state. Tourism is a major industry for the area and the volume of tourism drives the Santa Fe economy. Retail and services are the second largest provider of employment because of this. The local economy normally moves in step with the national economy and the recent economic downturn has impacted the volume of tourists. The unemployment rate of 3.6 percent remains well below the national average of 6.6 percent.

Housing affordability remains a significant challenge in the MSA. The median sales price for a home in Santa Fe County was \$427 thousand in 2008.¹ The income needed to qualify for a traditional mortgage for a home at this price would be 163 percent of the median family income.² This means that all of the population categorized as low-, moderate- or middle-income could not afford a traditional mortgage on the median home price. Low-, moderate- and middle-income persons account for 67 percent of the population.

The local government has responded to high housing costs by requiring residential developers to incorporate affordable housing in new subdivisions as a stipulation of building permits issued. These stipulations are having a positive impact on the supply of affordable housing.

¹ Santa Fe MLS dated 12/31/08

² Qualifying income assumes 6.62% interest rate (2008 monthly average) and a 20% down payment

Affordable housing presents the greatest opportunity for community development lending. In addition, the city has designated one area for revitalization which provides further opportunity for CD lending. The opportunity for community development services and investments is expanding along with the local initiatives, but these opportunities remain somewhat limited at this time.

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: (1) 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; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and percent Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE. [Note: Do not renumber the tables.]

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. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- 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. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

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.

Institution ID: FIRST NATIONAL BANK (1000001750) (Included)

Table 1. Lending Volume

LENDING VOLUME		Geography: FNB SF CRA 2008						Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2008				
MA/Assessment Area (2008):	% 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:												
FNB SF 2008 - Abq AA	9.94	23	3,274	62	13,227	0	0	6	20,520	85	16,501	4.90
FNB SF 2008 - SF MSA	86.43	273	44,686	466	68,605	0	0	5	8,132	739	113,291	84.15
FNB SF 2008 - Los Alamos	3.63	27	3,505	4	486	0	0	0	0	31	3,991	10.95

* Loan Data as of December 31, 2008. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2008 to December 31, 2008.

*** Deposit Data as of April 02, 2009. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: FIRST NATIONAL BANK (SANTA FE) (10000001750) (Included)

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE 31, 2008			Geography: FNB SF CRA 2008						Evaluation Period: JANUARY 1, 2007 TO DECEMBER						
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	Overa ll	Low	Mod	Mid	Upp
Full Review:															
FNB SF 2008 - Abq AA	8	8.33	1.21	0.00	23.79	25.00	42.66	37.50	32.34	37.50	0.02	0.00	0.03	0.02	0.02
FNB SF 2008 - SF MSA	75	78.13	0.84	0.00	24.88	17.33	36.23	20.00	38.05	62.67	1.00	0.00	1.29	0.64	1.16
FNB SF 2008- Los Alamos	13	13.54	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	2.72	0.00	0.00	0.00	2.72

* Based on 2007 Peer Mortgage Data (Western)

** 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: FIRST NATIONAL BANK (SANTA FE) (10000001750) (Included)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT DECEMBER 31, 2008			Geography: FNB SF CRA 2008						Evaluation Period: JANUARY 1, 2007 TO						
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:															
FNB SF 2008 - Abq AA	5	4.07	1.21	0.00	23.79	40.00	42.66	20.00	32.34	40.00	0.03	0.00	0.00	0.06	0.00
FNB SF 2008 - SF MSA	112	91.06	0.84	0.00	24.88	16.96	36.23	25.00	38.05	58.04	9.58	0.00	10.64	6.31	12.50
FNB SF 2008- Los Alamos	6	4.88	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	2.86	0.00	0.00	0.00	2.86

* Based on 2007 Peer Mortgage Data (Western)

** 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: FIRST NATIONAL BANK (SANTA FE) (10000001750) (Included)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2008			Geography: FNB SF CRA 2008								Evaluation Period: JANUARY 1, 2007 TO				
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	Overa ll	Low	Mod	Mid	Upp
Full Review:															
FNB SF 2008 - Abq AA	9	8.82	1.21	0.00	23.79	11.11	42.66	66.67	32.34	22.22	0.02	0.00	0.00	0.02	0.02
FNB SF 2008 - SF MSA	85	83.33	0.84	1.18	24.88	16.47	36.23	31.76	38.05	50.59	0.90	0.00	0.86	0.63	1.18
FNB SF 2008- Los Alamos	8	7.84	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	0.86	0.00	0.00	0.00	0.86

* Based on 2007 Peer Mortgage Data (Western)

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: FIRST NATIONAL BANK (SANTA FE) (10000001750) (Included)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY 2008			Geography: FNB SF CRA 2008				Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31,					Market Share (%) by Geography*				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies							
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp	
Full Review:																
FNB SF 2008 - Abq AA	1	50.00	3.74	0.00	27.16	0.00	46.34	100.00	22.77	0.00	0.00	0.00	0.00	0.00	0.00	
FNB SF 2008 - SF MSA	1	50.00	2.34	0.00	35.29	0.00	30.73	0.00	31.65	100.00	16.67	0.00	0.00	0.00	33.33	
FNB SF 2008- Los Alamos	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2007 Peer Mortgage Data (Western)

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Institution ID: FIRST NATIONAL BANK (SANTA FE) (10000001750) (Included)

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2008			Geography: FNB SF CRA 2008						Evaluation Period: JANUARY 1, 2007 TO						
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 Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
FNB SF 2008 - Abq AA	62	11.65	1.48	0.00	24.78	14.52	46.74	53.23	27.00	32.26	0.08	0.00	0.08	0.12	0.03
FNB SF 2008 - SF MSA	466	87.59	2.07	0.86	17.87	9.87	27.31	25.75	52.74	63.52	2.51	2.30	1.36	2.50	3.19
FNB SF 2008- Los Alamos	4	0.75	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	0.34	0.00	0.00	0.00	0.34

* Based on 2007 Peer Small Business Data -- US and PR

** 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 (2008).

Institution ID: FIRST NATIONAL BANK (SANTA FE) (10000001750) (Included)

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2008			Geography: FNB SF CRA 2008								Evaluation Period: JANUARY 1, 2007 TO				
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	Overa ll	Low	Mod	Mid	Upp
Full Review:															
FNB SF 2008 - Abq AA	0	0.00	1.61	0.00	25.10	0.00	48.39	0.00	24.90	0.00	0.00	0.00	0.00	0.00	0.00
FNB SF 2008 - SF MSA	0	0.00	1.71	0.00	18.49	0.00	34.93	0.00	44.86	0.00	0.00	0.00	0.00	0.00	0.00
FNB SF 2008- Los Alamos	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2007 Peer Small Business Data -- US and PR

** 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 (2008).

Institution ID: FIRST NATIONAL BANK (SANTA FE) (10000001750) (Included)

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE 2008		Geography: FNB SF CRA 2008								Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31,					
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share ¹				
	#	% of Total ²	% Families ³	% BANK Loans ³	% Families ³	% BANK Loans ²	% Families ³	% BANK Loans ⁴	% Families ²	% BANK Loans ⁴	Overall	Low	Mod	Mid	Upp
Full Review:															
FNB SF 2008 - Abq AA	8	8.33	21.19	0.00	17.85	16.67	21.07	0.00	39.89	83.33	0.02	0.00	0.00	0.00	0.04
FNB SF 2008 - SF MSA	75	78.13	22.01	4.23	17.85	15.49	18.89	23.94	41.25	56.34	1.04	0.99	1.36	2.39	0.59
FNB SF 2008- Los Alamos	13	13.54	2.57	0.00	3.00	0.00	5.22	7.69	89.20	92.31	3.00	0.00	0.00	0.00	3.29

¹ Based on 2007 Peer Mortgage Data (Western)

² As a percentage of loans with borrower income information available. No information was available for 6.3% of loans originated and purchased by bank.

³ Percentage of Families is based on the 2000 Census information.

⁴ 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.

⁵ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: FIRST NATIONAL BANK (SANTA FE) (10000001750) (Included)

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT DECEMBER 31, 2008		Geography: FNB SF CRA 2008								Evaluation Period: JANUARY 1, 2007 TO					
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 ⁴	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
FNB SF 2008 - Abq AA	5	4.07	21.19	0.00	17.85	20.00	21.07	20.00	39.89	60.00	0.03	0.00	0.00	0.10	0.00
FNB SF 2008 - SF MSA	112	91.06	22.01	12.61	17.85	18.02	18.89	15.32	41.25	54.05	9.81	20.69	10.96	9.17	8.78
FNB SF 2008- Los Alamos	6	4.88	2.57	0.00	3.00	0.00	5.22	50.00	89.20	50.00	3.17	0.00	0.00	16.67	1.75

* Based on 2007 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 0.8% of loans originated and purchased by bank.

*** Percentage of Families is based on the 2000 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.

⁴ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

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Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2008		Geography: FNB SF CRA 2008								Evaluation Period: JANUARY 1, 2007 TO					
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 ⁵	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans**	Overa ll	Low	Mod	Mid	Upp
Full Review:															
FNB SF 2008 - Abq AA	9	8.82	21.19	11.11	17.85	0.00	21.07	11.11	39.89	77.78	0.02	0.00	0.00	0.00	0.04
FNB SF 2008 - SF MSA	85	83.33	22.01	6.33	17.85	12.66	18.89	18.99	41.25	62.03	0.94	2.61	1.48	0.79	0.82
FNB SF 2008- Los Alamos	8	7.84	2.57	0.00	3.00	0.00	5.22	0.00	89.20	100.00	1.00	0.00	0.00	0.00	1.08

* Based on 2007 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 6.9% of loans originated and purchased by bank.

*** Percentage of Families is based on the 2000 Census information.

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

⁵ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: FIRST NATIONAL BANK (SANTA FE) (10000001750) (Included)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2008			Geography: FNB SF CRA 2008				Evaluation Period: JANUARY 1, 2007 TO		
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:									
FNB SF 2008 - Abq AA	62	11.65	66.39	32.26	54.84	19.35	25.81	0.08	0.11
FNB SF 2008 - SF MSA	466	87.59	66.88	40.34	67.81	16.09	16.09	2.51	4.75
FNB SF 2008- Los Alamos	4	0.75	63.49	25.00	50.00	50.00	0.00	0.34	0.38

* Based on 2007 Peer Small Business Data -- US and PR

** 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 - 2008).

**** 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 34.59% of small loans to businesses originated and purchased by the bank.

Institution ID: FIRST NATIONAL BANK (SANTA FE) (10000001750) (Included)

Table12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2008		Geography: FNB SF CRA 2008				Evaluation Period: JANUARY 1, 2007 TO			
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 \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
FNB SF 2008 - Abq AA	0	0.00	95.16	0.00	0.00	0.00	0.00	0.00	0.00
FNB SF 2008 - SF MSA	0	0.00	95.55	0.00	0.00	0.00	0.00	0.00	0.00
FNB SF 2008- Los Alamos	0	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2007 Peer Small Business Data -- US and PR

** 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 - 2008).

**** 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 0.00% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS 2008		Geography: FNB SF CRA 2008				Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31,				
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:										
FNB SF 2008 – Abq AA	1	41	1	21	2	62	4.63	1	59	
FNB SF 2008 – SF MSA	2	590	30	627	32	1217	90.82	0	0	
FNB SF 2008 – Los Alamos	0	0	0	0	0	0	0	0	0	
Statewide	1	50	2	8	3	58	4.33	0	0	
Regional	0	0	2	3	2	3	0.22	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: FNB SF CRA 2008 Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2008																	
MA/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:																	
FNB SF 2008 – ABQ AA	4.90	1	11	0	0	100	0	0	0	0	0	0	0	2.53	28.60	41.43	27.44
FNB SF 2008 – SF MSA	84.15	7	78	0	0	14	86	0	0	0	0	0	0	1.40	29.81	35.71	33.08
FNB SF 2008 – Los Alamos	10.95	1	11	0	0	0	100	0	0	0	0	0	0	0.00	0.00	0.00	100