



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

June 10, 2006

Community Reinvestment Act
Performance Evaluation

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

**3033 Iris Avenue
Boulder, CO 80301**

Office of the Comptroller of the Currency

**Mid-size Banks - Green
440 South LaSalle Street 2700
Chicago, IL 60605**

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:

- FNBC’s lending levels reflect an excellent responsiveness to the credit needs of the bank’s assessment area.
- The bank’s distribution of home mortgage loans and small loans to businesses in low- and moderate-income geographies is adequate.
- The bank’s distribution of loans to borrowers of all incomes and businesses of all sizes, including low- and moderate-income individuals and small businesses, is excellent.
- FNBC provided a high level of community development loans in its assessment area. During the review period, the bank provided nearly \$23 million in qualified community development loans.
- The bank participated in flexible mortgage loan programs to help meet the needs of low- and moderate-income individuals in its assessment area. During the review period, the bank provided over \$47 million in mortgage loans under flexible loan programs to qualified low- and moderate-income individuals.
- The bank’s level of qualified investments is good. Qualified investments total nearly \$2.3 million.
- The bank’s service delivery systems are reasonably accessible to individuals of different income levels throughout the assessment area.
- FNBC provided a 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.

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 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 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 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: 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 Metropolitan Statistical Area 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 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.

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. The bank offers a full range of products within its assessment area (AA) including real estate, commercial, and consumer loans. Although the bank offers agricultural loans, there is little demand for them.

FNBC is an intrastate bank with all of its offices located in Colorado. As of July 10, 2006, the bank's main office was located in Boulder, Colorado with seven other branches located in the cities of Boulder, Broomfield, Denver, Longmont, Louisville, and Westminster. All of the offices are located in the Consolidated Metropolitan Statistical Area (CMSA) of Denver-Boulder. The bank operates 12 automated teller machines (ATMs) disbursed throughout the assessment area. FNBC has no subsidiaries. There were no merger or acquisition activities during the evaluation period. The bank has had a national charter since October 2000 when it changed its name from the Bank in Boulder to First National Bank of Colorado.

The bank is a subsidiary of First National of Colorado, Inc. (FNCI), a multi-bank holding company. FNCI owns three banks in Colorado and had consolidated assets of \$2.4 billion as of December 31, 2005. FNCI is a subsidiary of First National of Nebraska, Inc. (FNNI). As of December 31, 2005, FNNI had consolidated assets of \$12.6 billion. FNNI owns a total of ten national banks and two state-chartered banks located primarily in Nebraska and adjacent states in the Midwest.

As of December 31, 2005, FNBC had total assets of \$667 million and tier one capital of \$64 million. The bank's loan to deposit ratio as of year-end 2005 was 92%. Net loans were at \$542 million and represented 81% of total assets. By dollar amount, the loan portfolio consisted primarily of the following types of credit: 36% commercial real estate secured loans, 30% commercial loans, 17% consumer loans, and 8% consumer real estate secured loans. The bank originated only three agricultural loans during the review period. 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. 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 attained an "Outstanding" rating at the last CRA examination dated February 10, 2003.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for home mortgage and small loans to businesses was from January 1, 2003, to December 31, 2005. We based market comparisons on 2004 peer data, which was the most recently available peer data at the time of this evaluation. The evaluation period for community development loans, investments, and services is February 11, 2003 to July 10, 2006.

The CRA regulation also gives consideration to a bank's small loans to farms. We did not include this loan product in our analysis of the Lending Test. FNBC's loan volume for small loans to farms represents less than 1% of all reported loan originations and purchases, and is insignificant.

Due to changes the Office of Management and Budget implemented to metropolitan area boundaries in 2004, we analyzed 2003 data and 2004/2005 data separately. (See 2004-2005 tables in appendix C.)

Data Integrity

We tested the accuracy of the bank's publicly reported data for home mortgage loans and small loans to businesses as part of the CRA evaluation. We found errors regarding the geocoding of small loans to businesses. However, we determined the level of errors did not prevent an accurate analysis of the bank's 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 meet the regulatory definition for community development. This evaluation considers only the loans, investments, and services that meet the definition and purpose of community development.

Selection of Areas for Full-Scope Review

FNBC has one AA. We performed a full-scope review of this area. Please refer to appendix A for more information on the scope of our review.

Ratings

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

In determining conclusions for the lending test, we weighted home mortgage lending more heavily than small loans to business. During the evaluation period, home mortgage loans represented 70% of originated and purchased loans, while small loans to businesses represented 30% 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 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

Conclusions for Areas Receiving Full-Scope Reviews

FNBC'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 for the facts and data used to evaluate the bank's lending activity.

The bank's lending activity in the assessment area is excellent. Over the three-year evaluation period, FNBC originated 1,739 reportable home mortgage loans totaling \$352 million and 757 small loans to business totaling \$141 million. At this level of lending activity, FNBC reinvested its entire deposit base into these types of loans every 1.2 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, on the other hand, includes lenders who do not have deposit-taking facilities in FNBC's AA, but reported one or more mortgage or business loans in the AA in 2004. Deposit market share data includes all deposit-taking financial institutions regardless of size. Lending market share data includes primarily larger banks, as well as 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.

Based on FDIC deposit market share data as of June 30, 2005, there were 77 deposit-taking financial institutions with one or more banking offices in the bank's AA. Based on dollar volume of deposits, FNBC ranked 13th and had a market share of 1.62%.

FNBC's volume of reportable home mortgage and business loans is excellent considering the significant volume of loans originated by all financial institutions that operate in this AA. There were 534 lenders reporting mortgage loans in FNBC's AA in 2004. The bank ranked 17th among these lenders with a 1.34% market share based both on number and dollar volume of loans. There were 217 lenders reporting small loans to businesses in 2004. FNBC ranked 24th with a 2.35% market share based on dollar volume and a 0.42% market share based on number of small loans to business.

Distribution of Loans by Income Level of the Geography

The bank's distribution of loans by geography income level is adequate. This is based primarily on the bank's adequate distribution of home mortgage loan products. Within home mortgage loans, we placed the most weight on home purchase lending. Geographic distribution of small loans to businesses was excellent; and although it carried less weight, it positively impacted our assessment of the overall geographic distribution of loans.

Home Mortgage Loans

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

The geographic distribution of home mortgage loans is adequate. This is based on an adequate distribution of home purchase and refinance loans in low-income census tracts given the demographics, and the adequate distribution of home purchase loans in moderate-income census tracts.

The geographic distribution of home mortgage loans in low-income census tracts is adequate considering the opportunities available to make home loans in the majority of the low-income census tracts. For both the 2003 and 2004/2005 reporting periods, the percentage of home purchase loans in low-income areas is well below the percentage of owner-occupied housing located in these tracts. Market share data reflects similar performance. The bank did not originate any home improvement loans in low-income census tracts in either reporting period. The 2003 home refinance data indicates the portion of loans compared to the owner-occupied housing is well below the demographics. Performance in 2004/2005 improved. Market share data also shows improved performance for home refinance loans made in 2004/2005.

A review of the demographics in the 17 low-income census tracts the bank serves indicates there is little opportunity for lending in these tracts. In the Boulder MSA where the bank has the most significant presence, the bank serves two low-income census tracts. One of the census tracts consists of the University of Colorado where 97% of the units are rental occupied. The other census tract consists of the east campus of the university and a park. In this census tract, 74% of the units are rental occupied. Within these census tracts, 28% and 34% of the households, respectively, are below the poverty level. A review of the remaining low-income census tracts, which are in the Denver MSA, indicates similar demographics. Demographic data indicates these tracts have high rental occupancy with some as high as 91%. All of these tracts also have households with high poverty levels ranging from a low of 15% to a high of 71% of the population who is below the poverty level, with most averaging around 25%. These combined factors make it difficult to originate a significant volume of mortgage loans in many of these tracts.

Geographic distribution in moderate-income census tracts is adequate for home purchase loans both in 2003 and 2004/2005. Geographic distribution is poor for home improvement and home refinance loans. Market share data indicates similar performance.

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 overall geographic distribution of small loans to businesses is excellent. The geographic distribution of small loans to business in low-income census tracts was adequate in 2003; it was good in 2004/2005. In moderate-income census tracts, geographic distribution was excellent for both review periods. Market share data indicates similar performance. However, market share data for business loans has limited meaning in the bank's AA. 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, Broomfield, Denver, and Jefferson Counties that were outside the bank's assessment area.

Lending Gap Analysis

We reviewed FNBC's lending data, which included 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

FNBC originated or purchased a majority of its loans within the AA. By number of reported loans, the bank originated 67% of its home mortgage loans and 74% of its small loans to business in its AA. We viewed this as a positive characteristic in our assessment of lending performance.

Distribution of Loans by Income Level of the Borrower

Overall, the distribution of loans to borrowers of different incomes and loans to businesses of different sizes is excellent. We placed the most weight on the distribution of home mortgage loan products to moderate-income borrowers because it is easier for individuals at this income level to qualify for mortgage loans; but we also considered the distribution of loans to low-income borrowers and small loans to businesses. Distribution of home mortgage loans to low- and moderate-income borrowers is excellent. This is based on the good distribution to low-income borrowers and the excellent distribution to moderate-income borrowers. Distribution of small loans to businesses is good.

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 distribution of home purchase, home improvement, and home refinance loans to low-income borrowers overall is good. In comparing the portion of loans to the demographics, we considered that ten percent of households are below the poverty level and would not likely be able to qualify for any type of credit. Data indicates distribution of home purchase loans compared to the demographics is good in 2003 and adequate in 2004/2005. Distribution of home improvement loans to low-income borrowers is adequate in 2003 and good in 2004/2005. Home refinance data indicates adequate performance for both years. For home

purchase products, market share ratios indicate excellent performance in 2003 and good performance for 2004/2005. For home improvement products, market share ratios indicate adequate performance in 2003 and excellent performance in 2004/2005. Market share ratios for home refinance loans to low income borrowers compare favorably.

The distribution of all home mortgage loans to moderate-income borrowers is excellent. For both reporting periods, the bank's portion of loans to moderate-income borrowers significantly exceeded the demographics. For home improvement and home refinance loans, the portion of loans exceeded the demographics for both reporting periods, with the exception of the extension of home refinance loans to moderate-income borrowers during the 2003 reporting period. Distribution of these loans to moderate-income borrowers during 2003 was adequate. Market share ratios indicate similar performance.

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 distribution of small loans to business of different sizes is good for both reporting periods. For 2003 and 2004/2005, the portion of small loans to businesses was below the demographics but still good. Market share data indicates 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.

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.

CD lending had a positive impact on lending test conclusions. The bank's volume of CD loans originated in the assessment area was excellent. FNBC originated 22 CD loans totaling \$22.9 million. This dollar volume represents 36% of Tier 1 capital.

These CD loans were very responsive to community development needs. The majority (\$22.8 million) helped provide affordable housing for LMI which is an identified critical need in the bank's AA.

Other

FNBC also had four letters of credit totaling \$100 thousand to support the affordable housing efforts of organizations that provide affordable housing for LMI individuals.

Product Innovation and Flexibility

During the review period, FNBC participated in three flexible loan programs to help meet an identified credit need in the AA. The level of involvement in these programs is excellent and had a positive impact on the lending test conclusions.

The bank 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. From 2003 – 2005, the bank originated 60 CHFA loans totaling \$10 million.

FNBC also 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 the review period, the bank originated 190 loans totaling \$33.5 million under the Federal Housing Authority (FHA) loan programs and 22 loans totaling \$4 million under the Veteran's Administration (VA) loan programs.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

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". The bank's performance is considered good given management's efforts to identify qualified community development investments, the level of opportunity for local qualified investments, and competition in the AA for these investments. Please see *Market Profile* in Appendix B for more detail regarding community development opportunities in the area.

Qualified investments, including a prior period investment, total almost \$2.3 million. Investments were responsive to identified needs in the AA. None of the investments is considered to be innovative or complex. FNBC's investment strategy focuses on investing in opportunities that directly benefit the bank's AA as opposed to investing in statewide or regional investments that have a lower potential for direct benefit to the bank's market.

The bank's four most significant investments, based on the impact they made to meet the most critical identified community development need, totaled over \$1 million. One of the investments is in a closed end mutual fund which helps support single- and multi-family housing for LMI, small business lending, and job creation. During this evaluation period, the investment helped support 41 mortgage loans to low- and moderate individuals and families. The bank also made \$300 thousand available in equity equivalent investments which helped raise permanent capital for affordable housing for LMI individuals.

FNBC demonstrated good responsiveness to the most significant identified needs in the AA by providing contributions. During the review period, the bank provided \$295 thousand in donations to numerous qualified CD organizations. These organizations include nonprofit developers of affordable housing for LMI and various organizations that provide services to

LMI, including emergency shelter, food, education, job training, day care, and medical assistance.

The bank also has a prior period equity investment of \$908 thousand in a community development corporation (CDC) subsidiary of an affiliate bank. This CDC was formed to provide financing for projects that benefit LMI persons, LMI areas, and areas targeted for redevelopment by a government entity. The bank has an active role in identifying and pursuing local projects for the CDC. Although the bank submitted projects to the CDC for funding consideration, none of the projects was approved. We did not place significant weight on this investment in determining the investment rating.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

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 AA. The bank's main office and one other office are located in moderate-income census tracts in Boulder, Colorado. The Denver branch, while located in a middle-income census tract, is in the Denver Enterprise Zone and is surrounded by LMI areas. It is easily accessible by bus or rapid transit which runs primarily through the surrounding LMI areas into downtown Denver. One branch is located in an upper-income census tract and five remaining branches are located in middle-income census tracts.

The bank did not open or close any branches during the review period, but did open two mortgage loan offices in middle-income census tracts.

Hours and services FNBC offers throughout the AA are good. They do not vary in any way that would inconvenience customers, particularly low- and moderate-income individuals or individuals living in low- and moderate-income-geographies. FNBC supplemented its Monday through Friday hours with Saturday hours at all locations with the exception of the downtown Denver branch. That office is open Monday through Friday only. Management made a decision not to open the branch on Saturdays since there is little business activity in the downtown area on week-ends. Otherwise, office hours and services vary only slightly among locations based on customers' needs. All offices have a 24-hour drive-up ATM. The bank offers a complete line of products and services at each full-service branch. Retail non-deposit investment services are also available at the main bank and the Denver branch.

FNBC's ATM network offers a reasonably effective alternative system for delivering retail banking services to LMI individuals and geographies. The bank operates 12 ATMs throughout the AA. By geography income level, 17% of the ATMs are in moderate-income geographies, 75% are in middle-income geographies and 8% are in upper-income geographies.

The bank also offers other alternative delivery systems, including banking by telephone and Internet. Telephone banking services are available 24 hours a day through a toll-free telephone number. This service allows customers to access deposit and loan information, transfer funds, make payments on personal lines of credit, and obtain bank product information. Internet banking services are also available 24 hours a day. This service allows customers to access account balances, download account transaction information, transfer funds, apply for loans and new accounts, and pay bills. The bank did not collect information 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 high level of CD services in the bank's AA. The number of services and responsiveness to the most significant needs is excellent in relation to opportunities and the performance of competing financial institutions in the AA. During the review period, bank employees provided qualifying services to 39 community development organizations. These services include participating in planning, budgeting, fundraising, and other managerial decisions, as well as serving on boards of directors and various finance committees. Organizations assisted were involved in a variety of CD activities. These include affordable housing and community services targeted to LMI individuals.

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): (01/01/03 to 12/31/05) Investment and Service Tests and CD Loans: (02/11/03 to 07/10/06)	
Financial Institution	Products Reviewed	
First National Bank of Colorado (FNBC) Boulder, Colorado	Home mortgage loans, small loans to businesses, and community development loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A		None
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Denver-Boulder CMSA	Full-Scope	

Appendix B: Market Profiles for Full-Scope Areas

FNBC AA (Includes portions of the Denver-Boulder CMSA)

Demographic Information for Full-Scope Area: (Name of MA or Non-metropolitan Area)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	230	7.39	33.91	37.39	18.26	3.04
Population by Geography	922,223	7.73	36.21	38.18	17.60	0.28
Owner-Occupied Housing by Geography	220,405	3.42	30.77	42.53	23.28	0.00
Businesses by Geography	98,863	5.93	34.04	38.63	19.63	1.77
Farms by Geography	1,506	2.86	29.22	43.43	23.11	1.39
Family Distribution by Income Level	217,214	23.40	20.53	23.06	33.01	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	95,430	10.51	48.56	31.87	9.06	0.00
Median Family Income HUD Adjusted Median Family Income for 2005 Boulder MSA #1125 Denver MSA #2080			Median Housing Value = \$180,986			
Households Below the Poverty Level = 10%			Unemployment Rate (as of 05/31/06) Boulder-Longmont = 3.7% Denver-Aurora = 4.4%			

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 U.S. Census and 2005 HUD updated MFI.

FNBC designated Boulder County and contiguous portions of Adams, Broomfield, Denver, and Jefferson Counties as its assessment area. The counties are all part of the Denver-Boulder, Colorado Combined Metropolitan Statistical Area (CMSA #216). Boulder County is in the Boulder-Longmont PMSA (#1124). Adams, Broomfield, Denver, and Jefferson Counties are in the Denver-Aurora PMSA (#2080). The assessment area contains 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 four branches are within Boulder County in the cities of Boulder, Longmont, and Louisville. One branch is in Broomfield County; one branch is in downtown Denver; and one is 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 is not reasonable to expect the bank to serve the entire portions of these counties. Please 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 \$596 million as of June 30, 2005. Based on FDIC deposit market share data as of that date, the bank ranked 13th and had a market share of 1.62%.

The bank faces stiff competition from numerous financial institutions. Primary competitors include Wells Fargo; US Bank North Dakota; University of Colorado Federal Credit Union; Keybank, N.A.; Vectra Bank of Colorado, N.A.; Guaranty Bank and Trust; First Mainstreet Bank, N.A.; Citywide Banks; Horizon Banks, N.A.; Heritage Bank; Colorado State Bank & Trust; American National Bank; and CoBiz Bank, N.A.

The bank's assessment area is located centrally within Colorado's Front Range. (The Front Range extends along Interstate 25 from Colorado Springs to Fort Collins and is home to 75% of Colorado's population.) The Denver MSA is the 22nd largest metropolitan statistical area in the United States, with a population of 2.3 million. This represents over half of Colorado's population.

The economy in the bank's assessment area has improved over the past three years. As of May 2006, the unemployment rate for the Denver-Aurora PMSA was at 4.4%, the lowest monthly unemployment rate since 9/11/01. The unemployment rate for the Boulder-Longmont PMSA was at 3.7% as of this same date. Both are lower than the national unemployment rate which was at 4.6%. A closer look indicates the total employment rate in the Denver-Aurora PMSA is up 2.3% compared to a 1.4% increase for the Boulder-Longmont PMSA. Employment growth has been the strongest in the natural resources & construction, professional & business services, transportation, warehousing and utilities sectors. Travel and tourism have rebounded while the telecommunications and technology sectors remain soft.

Colorado is one of the fifteenth wealthiest states in the United States. This is reflective of the median family incomes for the PMSAs in the bank's assessment area. The 2006 HUD updated median family income for the Boulder PMSA was \$82,000. For the Denver PMSA it was \$71,700.

While the median family incomes for the assessment area are high, the cost of living is also correspondingly high. First quarter 2006 reports indicate the median price of a home in Boulder-Longmont MSA is \$360,400; which ranks as the 20th highest median price in the nation. In the Denver-Aurora MSA, it is \$244,200, the 39th highest median price in the nation. Both are well above the national median home price of \$217,900.

Understandably, affordable housing remains one of the most critical needs in the assessment area. To complicate matters, recent reports indicate that 95% of the residential land in the city of Boulder is already developed. Zoning restrictions in several communities throughout the assessment area also make it difficult to provide affordable housing stock. Communities, including Boulder, Erie, Lafayette, Louisville, and Superior have implemented "no growth" or "slow growth" zoning restrictions. These restrictions severely limit new construction as well as rehabilitation of existing structures. For example, the number of residential units in Boulder increased at a rate of approximately 0.5% per year since 2000. Because of limited housing affordable to the range of worker incomes, some people have no housing and many are purchasing or renting homes that are far more expensive than they can afford or that require long commutes to work or school. The U.S. Department of Housing and Urban Development (HUD) found that 80% of the problem of housing is lack of adequate income not supply.

A review of the inventory levels of existing homes in Metropolitan Denver indicates housing supply exceeds demand. In May 2006, the number of homes on the market rose to 30,457 from 24,945 a year earlier. Experts note the growing number of foreclosed homes on the

market combined with the seasonal increase created the record high. Data indicates metropolitan Denver foreclosures increased significantly in 2006. The City and County of Denver leads the seven-county region for 2006 with 2,027 foreclosures as of May 2006, a 38.3% increase over last year. Adams County reported the third highest number of foreclosures for this same time period with 1,778 foreclosures, a 24.7% increase over 2005. The Florida-based Foreclosure.com ranked Colorado's rate of foreclosure as the highest in the nation, with one of every 325 homes across the state in foreclosure during the month of May.

In recent years, some communities have adopted zoning ordinances requiring up to 20% of residential developments to be permanently affordable to LMI persons. However, these efforts have not always produced the desired results. Many developers tend to make the smallest units (often those 800 to 1,000 square feet) in the development affordable. These units generally tend to be priced at the upper end, making these units both unaffordable and impractical for families.

A moderate level of resources and opportunities exist to facilitate activities to address the unmet credit and community development needs of the assessment area. Several areas throughout the assessment area are 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 as an Enterprise Community by HUD. These designations provide incentives to lend or invest in these targeted areas and encourage partnerships with community development organizations.

There has been little formal coordination of efforts among financial institutions, government entities, or nonprofit organizations to meet the affordable housing needs of the assessment area. While four of the five counties comprising the Denver MSA, as well as Boulder County, have Consolidated Plans; there are few if any cooperative strategies between the counties to meet area needs. All the counties in the assessment area have housing authorities, but the cities and counties have traditionally concentrated on economic development and ignored affordable housing needs until recent years. Some nonprofit companies try to address the affordable housing needs; however, they need better support from the banking community, city and county government, and the private sector in order to have a significant impact.

Four of the most recent community contacts—three affordable housing organizations and one small business development corporation—indicate the following are the most significant community development needs:

- Grants which in turn will provide down payment assistance for low income individuals who do not have a down payment. (Often a \$20,000 to \$45,000 subsidy is needed for an LMI person to qualify for home ownership.
- Bridge financing to build or rehabilitate multi family housing.
- Mortgage loan programs that offer a lower down payment and a fixed rate.
- Investments to provide affordable housing developers with access to low cost and quick turnaround financing for higher risk projects. And,
- Letters of credit and short-term working capital for businesses that appear to be cash poor.

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 % 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. 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 in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column with the appropriate caption, such as: “Statewide/Regional,” “Statewide/Regional with potential benefit to one or more AAs” or “Out of Assessment Area.” “Out of Assessment Area” is used ONLY if the bank has otherwise adequately met the CD lending needs of its assessment area.

- 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 in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column with the appropriate caption, such as: "Statewide/Regional," "Statewide/Regional with potential benefit to one or more AAs" or "Out of Assessment Area." "Out of the Assessment Area" is used ONLY if the bank has otherwise adequately met the qualified investment needs of its assessment area.

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 31, 2005		Geography: BOULDER/DENVER CMSA						Evaluation Period: JANUARY 1, 2004 TO DECEMBER				
MA/Assessment Area (2005):	% 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 Color	100.00	1,072	221,216	538	109,867	2	200	22	22,586	1,634	353,869	100.00

* Loan Data as of December 31, 2005. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from February 11, 2003 to June 10, 2006.

*** Deposit Data as of July 19, 2006. 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 DECEMBER 31, 2005			Geography: BOULDER/DENVER CMSA						Evaluation Period: JANUARY 1, 2004 TO						
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 Colorado AA	598	100.00	3.42	0.50	30.77	19.40	42.53	45.32	23.28	34.78	0.84	0.09	0.51	0.90	1.30

* Based on 2004 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)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT DECEMBER 31, 2005		Geography: BOULDER/DENVER CMSA								Evaluation Period: JANUARY 1, 2004 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 Colorado AA	98	100.00	3.42	0.00	30.77	10.20	42.53	57.14	23.28	32.65	1.93	0.00	0.56	2.37	3.85

* Based on 2004 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)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE TO DECEMBER 31, 2005			Geography: BOULDER/DENVER CMSA								Evaluation Period: JANUARY 1, 2004				
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 Colorado AA	349	100.00	3.42	1.43	30.77	15.19	42.53	46.99	23.28	36.39	0.39	0.20	0.22	0.41	0.63

* Based on 2004 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)

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES TO DECEMBER 31, 2005		Geography: BOULDER/DENVER CMSA										Evaluation Period: JANUARY 1, 2004				
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 Colorado AA	520	100.00	5.93	5.19	34.04	39.42	38.63	32.69	19.63	22.69	0.42	0.45	0.55	0.37	0.38	

* Based on 2004 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 (2006).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS 2004 TO DECEMBER 31, 2005		Geography: BOULDER/DENVER CMSA										Evaluation Period: JANUARY 1,				
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 Colorado AA	2	100.00	2.86	0.00	29.22	0.00	43.43	100.00	23.11	0.00	0.35	0.00	0.00	0.65	0.00	

* Based on 2004 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 (2006).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE DECEMBER 31, 2005		Geography: BOULDER/DENVER CMSA								Evaluation Period: JANUARY 1, 2004 TO					
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 ¹	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overa ll	Low	Mod	Mid	Upp
Full Review:															
FNB Colorado AA	621	100.00	23.40	7.68	20.53	24.57	23.06	27.65	33.01	40.10	0.97	0.84	0.69	0.91	1.26

* Based on 2004 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 5.6% of loans originated and purchased by bank.

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

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT TO DECEMBER 31, 2005		Geography: BOULDER/DENVER CMSA										Evaluation Period: JANUARY 1, 2004				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share					
	#	% of Total**	% Famili es***	% BANK Loans****	% Families ²	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
Full Review:																
FNB Colorado AA	100	100.00	23.40	11.58	20.53	22.11	23.06	16.84	33.01	49.47	1.96	2.21	1.19	0.79	3.77	

* Based on 2004 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 5.0% 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.

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE TO DECEMBER 31, 2005		Geography: BOULDER/DENVER CMSA										Evaluation Period: JANUARY 1, 2004				
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 ³	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans**	Overa ll	Low	Mod	Mid	Upp	
Full Review:																
FNB Colorado AA	351	100.00	23.40	5.59	20.53	22.05	23.06	23.60	33.01	48.76	0.48	0.30	0.39	0.39	0.66	

* Based on 2004 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 8.3% 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.

³ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES TO DECEMBER 31, 2005			Geography: BOULDER/DENVER CMSA				Evaluation Period: JANUARY 1, 2004		
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 Colorado AA	538	100.00	63.73	51.30	52.23	21.19	26.58	0.42	0.67

* Based on 2004 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 - 2006).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 2.04% of small loans to businesses originated and purchased by the bank.

Table12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2005			Geography: BOULDER/DENVER CMSA				Evaluation Period: JANUARY 1, 2004 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 Colorado AA	2	100.00	90.11	100.00	100.00	0.00	0.00	0.35	0.43

* Based on 2004 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 - 2006).

**** 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 DECEMBER 31, 2005		Geography: BOULDER/DENVER CMSA				Evaluation Period: JANUARY 1, 2004 TO			
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 Colorado AA	1	908	63	1,345	64	2,253	100.00	0	0

* 'Prior Period Investments' means investments made in a previous 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 JANUARY 1, 2004 TO DECEMBER 31, 2005								Geography: BOULDER/DENVER CMSA				Evaluation Period:					
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 Colorado AA	100.00	8	100.00	0.00	25.00	62.50	12.50	0	0	0	0	0	0	7.73	36.21	38.18	17.60