



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

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Community Reinvestment Act Performance Evaluation

**First National Bank
Charter Number: 14146**

**205 West Oak
Fort Collins, CO 80521**

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** with respect to the Lending, Investment, and Service Tests:

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

- First National Bank’s lending levels demonstrate good responsiveness to the credit needs of the bank’s full-scope assessment area.
- The geographic distribution of home mortgage loans and small loans to businesses is excellent.
- The distribution of home mortgage loans to borrowers of different income levels is excellent; distribution of small loans to businesses of different sizes is good.
- The bank originated a high level of community development loans in its assessment area, demonstrating good performance.
- The bank’s level of qualified investments is good. Qualified investments total \$2.3 million.
- The bank’s branch delivery systems provide excellent accessibility to individuals living in low- and moderate-income geographies.
- First National Bank is a leader in providing community development services. The bank provided a very high level of community development services that are responsive and supportive of the community development needs in the Fort Collins-Loveland MSA.

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

First National Bank (FNB) is a full-service financial institution headquartered in Fort Collins, Colorado. The bank offers a full range of credit products within its assessment area (AA) including commercial, real estate, and consumer loan products. The bank's primary focus is small business and home mortgage lending.

For purposes of the CRA evaluation, FNB is an intrastate bank with offices located in Colorado only. The bank has nine business locations within the Fort Collins-Loveland MSA (Larimer County), its full-scope AA. The main bank and five branches are located in Fort Collins, two branches are located in the neighboring community of Loveland and one branch is located in nearby Wellington. The bank also has 33 automated teller machines (ATMs); 20 are full service and 13 are cash dispensing ATMs only. The bank has one full service ATM and no other full service banking facilities in its limited scope AA, which consists of Census Tract 70.00 located in the Colorado Springs MSA (El Paso County). The bank also operates a mobile cash dispensing ATM in the counties of Adams, Arapahoe, Boulder, Denver, Douglas, El Paso, Jefferson, Larimer, and Weld. During the review period, the bank operated a loan production office (LPO) in El Paso County. However, this facility was closed as of December 31, 2006.

FNB is a wholly owned subsidiary of First National of Colorado, Inc. (FNC). FNC is a multi-bank holding company that owns three full-service banks in Colorado. First National of Nebraska, Inc. (FNNI) owns 100 percent of FNC. FNNI is a multi-bank holding company headquartered in Omaha, Nebraska which owns a total of ten national banks and two state-chartered banks. It has consolidated assets of \$14 billion. The banks are primarily located in Nebraska and adjacent midwestern states. Non-bank subsidiaries include mortgage, insurance, management consulting, information technology, community development, and finance companies.

As of September 30, 2006, FNB had \$1.4 billion in total assets and Tier One Capital of \$87 million. The bank's loan-to-deposit ratio on that date was 90 percent and net loans represented 79 percent of total assets. Financial data as of September 30, 2006, indicates that by dollar amount, the loan portfolio consists of the following types of credit: 47 percent commercial and commercial real estate; 30 percent consumer, and 22 percent residential real estate. The remaining one percent consists of agricultural and other loans. It is important to note that a majority of the real estate secured home mortgage loans are sold on the secondary market and are not reflected in these percentages.

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

The bank's rating at the last CRA examination dated October 20, 2003, was "Outstanding."

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for home mortgage and small loans to businesses is from January 1, 2003, to December 31, 2005. We based market comparisons on 2005 Home Mortgage Disclosure Act (HMDA) and 2005 small business loan peer data. This was the most current peer data available at the time of this evaluation. The evaluation period for community development loans, investments, and services is January 1, 2003, to December 31, 2006.

The CRA regulation also gives consideration to a bank's small loans to farms. We did not include an analysis of this loan product in the summary of the Lending Test because FNB made only 66 small loans to farms during the evaluation period. With so few loans, an analysis of the data is not meaningful.

We also did not analyze multifamily loans as the bank reported only three loans. In addition, during the examination period, reporting requirements changed and banks are no longer required to report multifamily loans as a separate category.

Due to changes the Office of Management and Budget implemented to metropolitan area boundaries in 2004, it was necessary to create tables for 2003 data and combine 2004/2005 data. (The tables for 2003 and 2004/2005 are attached to this evaluation and may be found 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 and farms as part of the CRA evaluation. HMDA data was found to be substantially accurate. We found material inaccuracies in the reported data for CRA loans. However, management scrubbed all the CRA loan data and corrected the errors. During a subsequent review, we found the CRA data accurate. However, public reported data is not accurate. We also reviewed community development loans, investments, and services submitted by FNB to ensure they meet the regulatory definition for community development. This evaluation considers only those loans, investments, and services that meet the definition and purpose of community development.

Selection of Area for Full-Scope Review

FNB has two assessment areas. The bank's primary market is in the Fort Collins-Loveland MSA. During the review period, the bank collected 100 percent of its deposits and made 99.90 percent of its loans in this AA. The bank also has designated CT 70.00 in the Colorado Springs MSA as its AA. Other than a mobile cash dispensing ATM which operates throughout Colorado's Front Range, FNB operates only a full-service ATM in this AA. The bank does not have a measurable market share of deposits either in CT 70.00 or in the entire Colorado Springs MSA and originated only 0.10 percent of its loans in this AA. We performed a full-scope review of the bank's Fort Collins-Loveland MSA and a limited-scope review of its Colorado Springs AA. Please refer to Appendix A for more information on the scope of our review.

Ratings

The bank's overall rating is based primarily on a full-scope review of the Fort Collins-Loveland MSA. In arriving at the bank's overall record of performance, we evaluated activities under the Lending, Investment, and Service Tests. The rating method is structured such that the Lending Test weighs most heavily in the overall conclusions of the bank's CRA performance. Within loan products, we gave slightly more weight to HMDA loans as they represent 60 percent of all reportable loans. Small loans to businesses represent 39 percent of the bank's reportable lending. We did not give any weight to small farm lending as it represents only one percent of total loans.

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 illegal discrimination 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

The bank's performance under the lending test is rated "Outstanding". Based on a full-scope review, the bank's performance in the Fort Collins-Loveland MSA is excellent.

The key findings that support this rating include:

- The bank's level of originated and purchased loans is good and lending levels are consistent with its strategic focus and financial resources.
- The geographic distribution of home mortgage loans and small loans to businesses is excellent.
- The distribution of home mortgage loans to borrowers of different income levels is excellent; distribution of small loans to businesses of different sizes is good.
- The bank originated a high level of community development loans which positively impacted the overall Lending Test rating. The bank provided 18 qualified community development loans totaling \$9.7 million to help meet the community development needs of its AA.
- The bank developed and offers innovative and flexible loan products to help meet the needs of LMI individuals in its AA. This also reflected positively on the bank's overall Lending Test rating.

Lending Activity

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

Overall lending activity in the Fort Collins-Loveland MSA is good, relative to area credit needs and the bank's deposit market share. Over the evaluation period, FNB originated \$537 million in reportable home mortgage loans, \$292 million in reportable business loans, \$3 million in reportable farm loans, and almost \$10 million in community development loans.

To analyze FNB'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 includes 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 FNB's AA but reported one or more home mortgage loans and one or more small loans to businesses in the AA in 2005. Due to the different populations of financial institutions included in the data, we did not expect FNB's deposit

market share and lending market share percentages to match in order for performance to be considered good.

The level of lending in the Fort Collins-Loveland MSA is good. Based on FDIC deposit data as of June 30, 2006, there were 29 financial institutions with one or more offices in the Fort Collins-Loveland MSA. Based on dollar volume of deposits, the bank ranked first with \$1.2 billion in deposits and a market share of 31 percent. In comparison, the 2005 peer HMDA market share data indicates there were 515 lenders who made HMDA loans in the bank's AA. FNB ranked fifth with a market share of 2.96 percent based on number of loans and seventh with a market share of 2.85 percent based on dollar volume. This level of lending is considered to be good given the high level of competition in this market. Local competition includes several large, interstate banks, such as Countrywide Home Loans, Wells Fargo Bank, N.A., Lehman Brothers Bank, Washington Mutual, and Citimortgage, Inc.

The 2005 small business peer data indicates there were 83 lenders who made small loans to businesses in the Larimer County AA. FNB ranked sixth with a market share of 5.83 percent based on number of loans and first with a market share of 27.19 percent based on dollar volume of loans. In addition, the bank originated by far the highest dollar volume of small loans to businesses in its AA. This is particularly impressive given the high level of competition in this AA.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

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

Overall, the geographic distribution of home mortgage loans is excellent. This is based primarily on 2004/2005 home purchase loan data. Data indicates the volume of home purchase loans more than doubled during 2004/2005 while home refinance loans declined substantially during this same time period. Within home mortgage loan products we also placed less weight on home improvement loans since the bank only originated 84 home improvement loans during the entire review period. Furthermore, our conclusions are weighted more heavily on loan distribution in moderate-income CTs. Demographic data indicates there are limited opportunities for home mortgage lending in low-income CTs; the portion of owner occupied housing units is only 1.44 percent.

The geographic distribution of home purchase loans in low- and moderate-income CTs is excellent. Both the 2003 and the 2004/2005 data indicate the distribution of loans in low-income CTs is lower than the demographic comparator and is adequate. However, the bank's market share in these tracts is excellent; it is well above overall market share. The distribution of home purchase loans in moderate-income CTs is adequate in 2003, but excellent in 2004/2005. Market share data indicates similar performance.

The geographic distribution of home improvement loans in low- and moderate-income CTs is good. For both reporting periods, distribution of home improvement loans in low-income CTs is very poor as the bank did not make any home improvement loans in low-income CTs during either review period. Distribution of home improvement loans in moderate-income CTs is

substantially above the demographics and is excellent for the 2003 review period and near the demographics and is good for the 2004/2005 review period. Market share in these tracts is excellent for both review periods.

The geographic distribution of home refinance loans in low- and moderate-income CTs is good. Distribution of these loans in low-income CTs is poor compared to the demographics for both review periods. However, in moderate-income CTs, distribution of home refinance loans is adequate with a good market share in 2003 and good with an excellent market share in 2004/2005.

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 business is excellent. In both the 2003 and 2004/2005 review periods, the distribution of small loans to businesses significantly exceeds the portion of businesses located in both low- and moderate-income CTs. Market share data for loans in these tracts substantially exceeds overall market share.

Lending Gap Analysis

We reviewed FNB's lending data, which includes home mortgage loans and small loans to businesses made in the AA, in order to identify gaps in the geographic distribution of these loans. We took into consideration the bank's size, competition in the AA, and demographic factors. We did not identify any gaps in lending. FNB made loans of one type or another in every CT in its full scope AA.

Inside/Outside Ratio

During the review period, FNB originated or purchased a majority of its loans within its AAs. By number of reported loans, the bank originated or purchased 67 percent of its home mortgage loans and 79 percent of its small loans to businesses in the AAs. We viewed this as a positive characteristic in our assessment of the bank's lending performance.

Distribution of Loans by Income Level of the Borrower

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.

Overall, the distribution of home mortgage loans to borrowers of different income levels is excellent. This is based primarily on home purchase loan data, with the most weight placed on 2004/2005 data since this represents a majority of home purchase loans. In evaluating the distribution of home mortgage loans, we considered the number of households that live below the poverty level and the barriers that this may have on home ownership. The percentage of total households living below the poverty level based on the 2000 census is 9 percent in the Fort Collins-Loveland MSA. This serves as a partial mitigating factor as to why the number of

home mortgage loans to low-income borrowers is below the percentage of low-income families. However, this does not totally offset any poor performance.

The distribution of home purchase loans to LMI borrowers is excellent. The portion of home purchase loans to low-income borrowers is below the demographic comparators but is adequate for both review periods; however market share of loans to low-income borrowers is near the overall market share for the 2003 review period and is good. It is well above overall market share for the 2004/2005 review period and is excellent. The distribution of home purchase loans to moderate-income borrowers is well above the demographic comparators for both the 2003 and the 2004/2005 review periods and is excellent. The market share of these loans is near the overall market share for both review periods and is good.

The distribution of home improvement loans to LMI borrowers is good. The portion of home improvement loans to low-income borrowers for both review periods is below the demographic comparator but is good. Market share of loans to low income borrowers for both review periods is well above overall market share and is excellent. Distribution of home improvement loans to moderate-income borrowers is near the demographic comparator and is good for the 2003 review period. It is substantially above the demographic comparator for the 2004/2005 review period and is excellent. Market share indicates similar performance for both review periods.

The distribution of home refinance loans to LMI borrowers is good. Distribution to low-income borrowers is adequate for both review periods. However, market share is well above overall market share and is excellent. Distribution of home refinance loans to moderate-income borrowers is near the demographic comparator and is good for the 2003 review period. It is above the demographic comparator and is excellent for the 2004/2005 review period. Market share data for both review periods is near overall market share and is good.

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 loans to businesses with revenues of \$1 million or less is good. The distribution of these loans is adequate for the 2003 review period and good compared to the demographic comparator for the 2004/2005 review period. Market share data indicates excellent performance for both years. The data indicates market share of loans to businesses with revenues of \$1 million or less is well above overall market share.

The aggregate small business peer data for 2005 indicates that all lenders in the aggregate originated or purchased 49 percent of their reportable business loans to businesses with revenues of \$1 million or less. In comparison, the bank originated or purchased 51 percent of its reportable business loans to businesses of this size.

The fact that over 80 percent of the bank's small business loans are in amounts of \$250,000 or less is indicative of the emphasis the bank has placed on making loans to smaller 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. In addition, Table 5 includes geographic lending data on multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

The bank's CD lending positively impacted the bank's Lending Test performance. FNB's responsiveness is considered good given its size, lending capacity, area needs, and opportunities. FNB originated or purchased a high level of CD loans during the evaluation period. Based on a sampling of CD loans, examiners qualified 18 loans in the bank's AA totaling \$9.7 million as having a community development purpose. Of the total CD loans, \$8 million will help meet the need of affordable housing for LMI individuals; \$1.3 million consists of loans to CD organizations that provide services to LMI individuals and the remaining \$400 thousand will help promote economic development. No CD loans were considered innovative.

One of the measures of a bank's performance in community development lending is the correlation of the percentage of CD loans relative to the bank's Tier One Capital as defined in the "*Definitions and Common Abbreviations*" section. The bank's level of CD lending represents 11 percent of Tier One Capital as of September 30, 2006. This high level of CD lending indicates good performance. Examples of significant community development projects the bank financed include:

- \$3.7 million represents a loan to a local housing authority. The loan provided financing to be used for the infrastructure of a development which will help provide affordable housing for low- and moderate-income senior citizens.
- \$2.5 million was used to provide funds for the construction of a 49-unit Low Income Housing Tax Credit (LITC) apartment complex. The apartment complex will provide affordable housing specifically for low- and moderate-income individuals who are over 55.
- \$1.3 million provided funds to purchase a commercial/residential property in Fort Collins. The property consists of 15 low-income residential units and four commercial units. The owner of the property specializes in providing affordable housing for low-income individuals.
- \$501 thousand provided funds for an organization that primarily serves LMI individuals by providing shelter, education, counseling, recreation, and street intervention for troubled youth aged 10-21.
- \$400 thousand provided gap financing for the completion of a real estate purchase which will be used to develop affordable housing for very low-income elderly individuals in Fort Collins.

The bank also provided a loan totaling \$411 thousand to a CD organization that provides affordable housing for LMI individuals in Boulder and a \$44 thousand loan to another CD organization that provides affordable housing for LMI individuals in Windsor. Both of these cities are near the bank's AA. Since the bank adequately addressed the community

development needs in its AA, we also gave consideration to the CD loans FNB made outside its AA. This had a positive impact on our conclusions.

Product Innovation and Flexibility

FNB, in conjunction with Poudre Valley Hospital, continues to offer an innovative loan program for individuals with uninsured medical expenses. The loan program primarily benefits LMI individuals and families. Flexible terms include waiver of the bank's normal loan fees, a fixed interest rate of 11 percent, and no collateral requirement. In comparison, the hospital's financing program has an interest rate of 18 percent. Over the evaluation period, FNB originated 1,136 loans totaling \$2.9 million under this program.

FNB also implemented an Employee Assisted Housing Benefit program which is both innovative and flexible. The program is open to LMI bank employees who meet certain employment requirements and income limitations. These employees must also be first time homebuyers or individuals who have not owned a home within the last three years and/or who are single heads of households and currently do not own a home. The purpose of the loan is to provide a secured loan for down payment, closing costs, or interest rate reduction assistance for a purchase money loan. No interest will be accrued or charged unless the employment terminates. The loan is forgivable up to five years; 20 percent will be forgiven each year up to 100 percent of the loan. During this review period, the bank originated 8 loans totaling just over \$52 thousand to qualifying employees.

Conclusions for Area Receiving Limited-Scope Review

Based on a limited-scope review, the bank's performance under the lending test in the Colorado Springs AA (CT 70.00) is weaker than the bank's excellent performance in its full scope AA. However, this does not detract from the bank's overall "Outstanding" performance for the Lending Test. Performance is mitigated by the fact that the bank's primary presence in this AA consists of a full-service ATM. Only 0.10 percent of the bank's loans were originated in this upper-income CT, which has a family distribution of 3.41 percent families that are low-income and 3.14 percent that are moderate-income income. The bank has neither a measurable lending market share nor a measurable deposit market share in this AA. Refer to Tables 1 through 11 in Appendix C for the facts and data that support these conclusions.

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." 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 details regarding community development opportunities in the AA.

The key findings that support the rating include:

- FNB provided a good number and dollar volume of qualified investments to benefit its AA during this evaluation period. This conclusion considers the investment opportunities within the AA and the bank's capacity to address the needs in its AA.
- The bank's qualified investments are very responsive to the identified needs of the Fort Collins-Loveland MSA.
- In addition to the \$2.3 million in investments in the AA, the bank made a qualified investment outside its AA totaling over \$17 thousand to help provide funds for the victims of Hurricane Katrina.

FNB demonstrated good responsiveness to the AA's community development needs with \$2.3 million in investments and donations. This represents 2.6 percent of the bank's Tier One Capital. The bank funded over \$1.3 million during the current evaluation period; \$850 thousand remains outstanding from prior evaluation period. This amount represents an equity investment 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. During the examination period, the CDC invested \$200 thousand in an affordable housing project for low-income families in the bank's AA.

Qualified investments primarily support community services targeted to LMI individuals and affordable housing for LMI families. None of the investments is considered to be complex or innovative. The bank's investments also consist of monetary donations totaling \$916 thousand to 26 CD organizations. A majority, or 94 percent, represents donations to organizations that provide community services targeted to LMI individuals. The types of services the CD organizations provide include assistance such as emergency shelter, food, clothing, medical care, child care, financial management programs, and college scholarships for LMI individuals.

Conclusions for Area Receiving Limited-Scope Review

Based on a limited-scope review, the bank's performance under the investment test in the Colorado Springs AA (CT 70.00) is weaker than the bank's good performance in its full-scope AA. However, this does not detract from the bank's overall "Satisfactory" performance for the Investment Test. Performance is mitigated by the fact that the bank's primary presence in this AA consists of a full-service ATM. Refer to Table 14 in Appendix C for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "Outstanding." Based on a full-scope review, the bank's performance in the Fort Collins-Loveland MSA is excellent.

The key findings that support the rating include:

- The distribution of branches is excellent. The branches are readily accessible to geographies and individuals of different income levels.
- Branch openings or consolidations did not adversely affect the accessibility of the bank's delivery systems, particularly to LMI individuals.
- Bank services are tailored to the needs of the AA and do not vary in a way that would inconvenience portions of the AA, particularly LMI individuals or geographies.
- FNB is a leader in providing community development services. The bank provides an excellent level of community development services that are responsive and supportive of the community development needs in the AA.

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 retail delivery systems provide excellent accessibility to geographies and individuals of different income levels. FNB operates nine offices and 33 ATMs in its AA. Twenty are full-service and 13 are cash dispensing ATMs. The bank also operates a mobile cash dispensing ATM in several counties that are inside and outside its AAs. FNB has the most offices and the largest share of deposits (31 percent) of 29 institutions that have one or more branches in this AA.

The geographic distribution of FNB's offices exceeds the demographic comparators in both low- and moderate-income geographies. One branch, representing eleven percent of the branches, is located in a low-income CT; and three branches, representing 33 percent of the branches, are located in moderate-income CTs. In comparison, 3.62 percent of the population in the AA is low-income and just over 21 percent of the population is moderate-income.

The bank did not consolidate or close any full-service offices in the Fort Collins-Loveland MSA during the review period. FNB opened two offices in upper-income CTs and one in a middle-income CT. The bank also opened a loan production office in an upper-income CT. This office was closed in December 2006. This activity did not, in any way, adversely impact the accessibility of the bank's delivery systems to LMI.

The geographic distribution of the bank's ATMs is similarly strong. Three ATMs, or 9 percent, are located in low-income tracts; and nine ATMs, or 27 percent, are located in moderate-income tracts. All three of the ATMs in low-income tracts and five ATMs in moderate-income tracts accept deposits.

Business hours at FNB offices vary slightly based on customers' needs, but not in ways that specifically inconvenience low- or moderate-income areas or individuals. All offices are open at least eight hours and most are open nine hours. In addition, drive-up facilities at all the branches except for one offer extended hours, including four hours on Saturday. This branch is located in a low-income CT on a university campus and does not have a drive-up facility.

FNB's complete line of products and services is available at each office facility. The branch on the university campus does not have an onsite mortgage lender, but mortgage loan services are available by appointment. The difference is based on customer demand and does not specifically inconvenience LMI individuals. FNB continues to offer no-fee checking accounts at all offices.

Community Development Services

FNB provides a very high level of community development services that are responsive and supportive of the needs of LMI families in the AA. The level of services and responsiveness to CD service needs in the AA is excellent.

During the review period the bank provided 5,836 hours of community service to 37 CD organizations. Most services were provided to organizations that provide community services to LMI individuals. Bank representatives often serve in leadership roles such as executive officers, board members, chairs of finance and audit committees or oversee budget and fund raising activities.

Conclusions for Area Receiving Limited-Scope Review

Based on a limited-scope review, the bank's performance under the service test in the Colorado Springs AA (CT 70.00) is weaker than the bank's excellent performance for the Service Test in its full-scope AA. However, this does not detract from the bank's overall "Outstanding" performance in the Service Test. Performance is mitigated by the fact that the bank has a very limited presence in this AA. The bank's primary presence is a full service ATM. FNB's only other presence in this AA is a mobile cash dispensing ATM which the bank operates in a number of counties along the Front Range, including El Paso County. This AA is a significant distance from the bank's full-scope AA. (The bank's full-scope AA is in northern Colorado closer to the Wyoming border; and this limited-scope AA is in southern Colorado.) Consequently, providing CD services in this AA would be difficult because all the staff is located in northern Colorado. Refer to Table 15 in Appendix C for the facts and data that support these conclusions.

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: 01/01/03 to 12/31/06	
Financial Institution	Products Reviewed	
First National Bank Fort Collins, Colorado	--Home mortgage loans --Small loans to businesses --Community development loans --Community development investments --Community development services --Retail banking services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
First National Bank of Omaha	Sister	--Community Development Investments
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Fort Collins-Loveland MSA #22660	Full Scope	
El Paso County – CT 70 (MSA #17820)	Limited Scope	

Appendix B: Market Profiles for Full-Scope Areas

Fort Collins-Loveland MSA (#22660)

Demographic Information for Full Scope Area: Fort Collins-Loveland MSA (#22660)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	52	3.85	23.08	53.85	19.23	0.00
Population by Geography	227,975	3.62	21.01	57.39	17.98	0.00
Owner-Occupied Housing by Geography	58,349	1.44	15.34	61.28	21.95	0.00
Business by Geography	20,508	1.53	29.92	47.08	21.47	0.00
Farms by Geography	778	1.29	18.51	55.53	24.68	0.00
Family Distribution by Income Level	56,818	17.26	19.43	25.17	38.14	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	20,845	3.05	27.00	57.77	12.18	0.00
Median Family Income		58,840		Median Housing Value		175,967
HUD Adjusted Median Family Income for 2006		69,200		Unemployment Rate (November 30, 2006)		3.4%
Households Below Poverty Level		9.10%				

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

Source: 2000 US Census and 2004 HUD updated MFI

FNB has designated the Fort Collins-Loveland MSA as its AA. It includes 52 of 56 census tracts in MSA # 22660. The MSA consists of Larimer County, which is in the north central part of Colorado bordering the east side of the Rocky Mountains. The Fort Collins-Loveland MSA includes the communities of Fort Collins, Loveland, LaPorte, Wellington, Bellevue, Timnath, and Livermore. Three census tracts on the southern edge of Larimer County including the community of Estes Park are not included in the delineation due to their poor proximity to the bank. One census tract on the southern edge of Larimer County including the community of Berthoud is also not included in the delineation. The AA meets the requirements of the regulation and does not exclude any LMI areas in the MSA; none of the four excluded CTs is LMI.

Most of the census tracts in the AA (44 of 56, or 79 percent) are middle- or upper income. There is a contiguous group of 6 LMI tracts in Fort Collins and a contiguous group of 2 LMI tracts in Loveland that includes the downtown areas of these cities. There is also a moderate-income tract that covers the entire northwest quadrant of Larimer County. This area is sparsely populated and primarily consists of national forestland and parks.

All of the bank's deposits, as well as a substantial majority of its loan originations, are in this AA. Please see Appendix C for additional detail.

FNB's main office is in Fort Collins, Larimer County's largest city. The bank has eight additional branches in Larimer County - six in Fort Collins, two in Loveland, and one in Wellington. The bank also serves the area with 33 automated teller machines (ATMs) – twenty which accept deposits and dispense cash (primarily located at bank offices); and thirteen which dispense cash only (primarily located at retail businesses). FNB provides a full range of financial products/services in this area and is an active small business and home mortgage lender.

The bank operates in a competitive market that includes large interstate banks, national mortgage companies and local financial institutions. Based on FDIC deposit market share data as of June 30, 2006, FNB has the largest share of deposits of 29 financial institutions that have one or more branches in its AA. Bank deposits total \$1.2 billion and represent 31 percent of area deposits.

The Fort Collins-Loveland MSA is the fourth most populous in Colorado. The population growth rate compared to the rest of the State of Colorado is slowing and Larimer County is now only the 17th fastest growing county in Colorado. Between 2000 and 2003, the county's population increased 6 percent. Population growth is fueled, in part, by the area's diverse economy, close proximity to several other metropolitan areas, and natural beauty.

Affordable housing stock is a primary need in the area. Housing stock has increased at a similar rate as the population, but housing costs have outpaced wage increases. In 2005, the median housing costs for mortgaged owners was \$1,410 and for renters \$771. Thirty-eight percent of owners with mortgages and fifty-two percent of renters in Larimer County spent more than thirty percent of their household income on housing.

The local economy is diverse, but it has decelerated considerably over the evaluation period. Major employers include high technology industries (particularly hard-hit by the economic slowdown), medical facilities, and government. The unemployment rate has decreased since the last examination and is at 3.4 percent as of November 30, 2006. This is lower than the state unemployment rate which is at 4 percent for this same time period.

Colorado State University (CSU) is the single largest employer in Fort Collins with more than 6,000 employees. The university's student population (approximately 25,000 during the academic year) positively impacts the economy, but also exacerbates the housing problem by increasing the competition for affordable rental units.

The presence of CSU (and other universities) contributes to a highly educated and skilled workforce. The workforce is also fluid. Transportation corridors link the community to other nearby metropolitan areas - Denver (62 miles south of Fort Collins), Greeley (29 miles east), and Boulder (46 miles southwest), making it possible for workers to live in one community and work in another.

There are opportunities to provide loans, contributions and service work to community development organizations. We identified several organizations at the local level alone, including social service, affordable housing, technical resources for small business borrowers and economic development organizations. Equity investment opportunities, however, are limited. Some banks in the area have used regional/statewide investments, qualified

mortgage-backed securities, or low-income housing tax credits to meet performance goals under the large bank investment test.

We performed three community contacts which focused on organizations that promote affordable housing for LMI and reviewed two existing community contacts that focused on organizations which provide micro-enterprise loan funds. The contacts reaffirmed the area's need for affordable housing stock and additional technical resources for small businesses. Contacts generally felt that local financial institutions are meeting area credit needs and that competition for available community development opportunities is strong.

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 MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.

Table 1. Lending Volume

LENDING VOLUME		Geography: COLORADO						Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2005					
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:													
Fort Collins AA	20	100.00	1,469	257,636	578	86,527	24	1,094	4	600	2075	345,857	100.00
2004-2005 FNB Fort Collins AA		99.84	1,620	278,914	1,451	205,909	42	2,346	16	9,596	3,129	496,765	100.00
Limited Review:													
2003 FNB CT 70 Colorado Springs A		0.00	0	0	0	0	0	0	0	0	0	0	0.00
2004-2005 FNB CT 70 Colorado Springs A		0.16	5	1,065	0	0	0	0	0	0	5	1,065	0.00
Outside AA									2	455			

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

** The evaluation period for Community Development Loans is from January 01, 2003 to December 31, 2006.

*** Deposit Data as of September 30, 2006. Rated Area refers to either the state, multi-state MSA, or institution, as appropriate.

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE 2005			Geography: COLORADO				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31,					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overa II	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
2003 FNB Fort Collins AA	409	100.00	1.44	0.49	15.34	11.49	62.21	61.86	21.01	26.16	3.73	6.90	3.12	4.51	2.81	
2004-2005 FNB Fort Collins AA	975	99.80	1.44	0.41	15.34	15.90	61.28	51.08	21.95	32.62	3.89	4.35	4.55	3.74	3.83	
Limited Review:																
2003 FNB CT 70 Colorado Springs A	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	
2004-2005 FNB CT 70 Colorado Springs A	2	0.20	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	1.03	0.00	0.00	0.00	1.03	

* Based on 2005 Peer Mortgage Data (Western)

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

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT 2005			Geography: COLORADO						Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31,						
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:															
2003 FNB Fort Collins AA	25	100.00	1.44	0.00	15.34	32.00	62.21	56.00	21.01	12.00	5.69	0.00	12.90	5.05	3.00
2004-2005 FNB Fort Collins AA	59	100.00	1.44	0.00	15.34	13.56	61.28	61.02	21.95	25.42	6.44	0.00	7.53	6.77	5.00
Limited Review:															
2003 FNB CT 70 Colorado Springs	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
2004-2005 FNB CT 70 Colorado Springs	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 2005 Peer Mortgage Data (Western)

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2005			Geography: COLORADO								Evaluation Period: JANUARY 1, 2003 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:															
2003 FNB Fort Collins AA	1,034	100.00	1.44	0.10	15.34	11.90	62.21	55.80	21.01	32.21	3.31	2.13	2.89	3.10	3.99
2004-2005 FNB Fort Collins AA	584	99.49	1.44	0.17	15.34	14.38	61.28	56.85	21.95	28.60	2.74	0.00	2.87	2.82	2.56
Limited Review:															
2003 FNB CT 70 Colorado Springs	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
2004-2005 FNB CT 70 Colorado Springs	3	0.51	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	1.09	0.00	0.00	0.00	1.09

* Based on 2005 Peer Mortgage Data (Western)

** Home refinance loans originated and purchased in the MSA/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.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: COLORADO					Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2005					Market Share (%) by Geography				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
Full Review:																
2003 FNB Fort Collins AA	1	100.00	4.18	0.00	41.64	0.00	46.48	100.00	7.70	0.00	3.13	0.00	0.00	5.88	0.00	
2004-2005 FNB Fort Collins AA	2	100.00	4.18	0.00	41.64	50.00	43.85	50.00	10.32	0.00	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
2003 FNB CT 70 Colorado Springs	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2004-2005 FNB CT 70 Colorado Springs	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2005 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.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES 31, 2005			Geography: COLORADO								Evaluation Period: JANUARY 1, 2003 TO DECEMBER				
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:															
2003 FNB Fort Collins AA	578	100.00	1.53	1.73	29.92	39.97	47.81	34.95	20.74	23.36	5.69	13.10	8.53	4.44	6.33
2004-2005 FNB Fort Collins AA	1,451	100.00	1.53	2.21	29.92	36.60	47.08	35.49	21.47	25.71	6.82	14.88	9.09	5.66	7.50
Limited Review:															
2003 FNB CT 70 Colorado Spring	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
2004-2005 FNB CT 70 Colorado Spring	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 2005 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2005).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2005		Geography: COLORADO								Evaluation Period: JANUARY 1, 2003 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:															
2003 FNB Fort Collins AA	24	100.00	1.29	0.00	18.51	0.00	55.91	87.50	24.29	12.50	13.81	0.00	0.00	18.26	7.27
2004-2005 FNB Fort Collins AA	42	100.00	1.29	0.00	18.51	4.76	55.53	95.24	24.68	0.00	9.66	0.00	7.41	15.00	0.00
Limited Review:															
2003 FNB CT 70 Colorado Spring	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
2004-2005 FNB CT 70 Colorado Spring	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 2005 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2005).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: COLORADO						Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2005							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share [*]				
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{**}	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp
Full Review:															
2003 FNB Fort Collins AA	370	100.00	17.26	8.11	19.43	21.89	25.17	25.41	38.14	44.59	4.00	3.65	3.78	3.40	4.69
2004-2005 FNB Fort Collins AA	921	99.78	17.26	9.55	19.43	23.89	25.17	27.36	38.14	39.20	4.40	5.36	3.98	4.34	4.53
Limited Review:															
2003 FNB CT 70 Colorado Springs	0	0.00	3.41	0.00	3.14	0.00	13.38	0.00	80.07	0.00	0.00	0.00	0.00	0.00	0.00
2004-2005 FNB CT 70 Colorado Springs	2	0.22	3.41	0.00	3.14	0.00	13.38	0.00	80.07	100.00	1.26	0.00	0.00	0.00	1.69

* Based on 2005 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT DECEMBER 31, 2005		Geography: COLORADO								Evaluation Period: JANUARY 1, 2003 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**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
2003 FNB Fort Collins AA	24	100.00	17.26	12.50	19.43	16.67	25.17	37.50	38.14	33.33	5.87	7.50	5.41	7.09	4.76
2004-2005 FNB Fort Collins AA	56	100.00	17.26	12.50	19.43	33.93	25.17	28.57	38.14	25.00	6.49	8.47	10.06	5.08	4.37
Limited Review:															
2003 FNB CT 70 Colorado Sp AA	0	0.00	3.41	0.00	3.14	0.00	13.38	0.00	80.07	0.00	0.00	0.00	0.00	0.00	0.00
2004-2005 FNB CT 70 Colorado Sp AA	0	0.00	3.41	0.00	3.14	0.00	13.38	0.00	80.07	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2005 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2005		Geography: COLORADO								Evaluation Period: JANUARY 1, 2003 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*	% BANK Loans****	% Families*	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overa ll	Low	Mod	Mid
Full Review:																
2003 FNB Fort Collins AA	942	100.00	17.26	9.13	19.43	17.41	25.17	28.13	38.14	45.33	3.79	4.48	3.35	3.79	3.88	
2004-2005 FNB Fort Collins AA	527	99.43	17.26	7.40	19.43	20.87	25.17	28.27	38.14	43.45	2.99	3.70	2.87	2.92	3.00	
Limited Review:																
2003 FNB CT 70 Colorado Sp AA	0	0.00	3.41	0.00	3.14	0.00	13.38	0.00	80.07	0.00	0.00	0.00	0.00	0.00	0.00	
2004-2005 FNB CT 70 Colorado Sp AA	3	0.57	3.41	0.00	3.14	0.00	13.38	33.33	80.07	66.67	1.36	0.00	0.00	4.17	0.85	

* Based on 2005 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

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

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

Table11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES 31, 2005			Geography: COLORADO			Evaluation Period: JANUARY 1, 2003 TO DECEMBER			
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****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
2003 FNB Fort Collins AA	578	100.0 0	67.13	50.69	64.53	17.13	18.34	5.69	8.26
2004-2005 FNB Fort Collins AA	1,451	100.0 0	67.13	57.48	66.64	16.68	16.68	6.82	7.95
Limited Review:									
2003 FNB CT 70 Colorado Springs	0	0.00	61.59	0.00	0.00	0.00	0.00	0.03	0.06
2004-2005 FNB CT 70 Colorado Springs	0	0.00	61.59	0.00	0.00	0.00	0.00	0.02	0.02

* Based on 2005 Peer Small Business Data -- US and PR

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2005).

**** 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 6.27% of small loans to businesses originated and purchased by the bank.

Table12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS			Geography: COLORADO		Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2005				
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:									
2003 FNB Fort Collins AA	24	100.00	87.66	87.50	91.67	8.33	0.00	13.81	13.50
2004-2005 FNB Fort Collins AA	42	100.00	87.66	90.48	90.48	7.14	2.38	9.66	10.24
Limited Review:									
2003 FNB CT 70 Colorado Springs	0	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
2004-2005 FNB CT 70 Colorado Springs	0	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2005 Peer Small Business Data -- US and PR

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

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2005).

**** 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		Geography: COLORADO				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2005			
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:									
FNBFC Fort Collins AA			91	1,437	91	1,437	100.00		
Limited Review:									
2004-2005 FNBFC CT 7 Colorado Springs AA	0	0	0	0	0	0	0.00	0	0
Statewide/Regional	1	850	4	29	5	879			
Outside the AA			1	17	1	17			

* '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								Geography: COLORADO				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2005					
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:																	
FNBFC Fort Collins AA	100.00	10	100.00	10.00	30.00	20.00	40.00	3	0	0	0	1	2	3.62	21.01	57.39	17.98
Limited Review:																	
FNBFC CT 70 Colorado Springs AA	0.00	0	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0.00	0.00	0.00	100.00