



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank of Albuquerque, National Association

Charter Number: 23742

201 Third Street, N.W.
Albuquerque, NM 87102-0000

Office of the Comptroller of the Currency

Mid-Size Bank Supervision
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NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

Institution's CRA Rating: This institution is rated Outstanding.

The following table indicates the performance level of Bank of Albuquerque, National Association (BAQ) with respect to the Lending, Investment, and Service Tests:

Performance Levels	(Name of Depository Institution) 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:

- A substantial majority of BAQ's loans were originated within the bank's assessment areas.
- BAQ originated a significant volume and dollar amount of community development loans during the evaluation period. This, combined with innovative and flexible products, has a positive impact on the Lending Test rating.
- The geographic distribution of loans reflects good penetration to individuals located in moderate-income tracts for purchase and refinance home mortgage products, and excellent penetration for multi-family loan products.
- The geographic distribution of loans to small business owners reflects excellent penetration in moderate-income tracts.
- The distribution of loans to borrowers of different income levels reflects excellent penetration to moderate-income borrowers for purchase, home improvement and refinance home mortgage products.
- The bank's parent company, Bank of Oklahoma Financial Corporation (BOKF) has made a high level of community development investments in the bank's AA and has taken an active role in creating investment opportunities for all affiliates, including BAQ.
- Delivery systems are readily accessible to individuals and geographies of different income levels in the bank's assessment areas.

- Community development services support BAQ's other community development efforts and address community needs.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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

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

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

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

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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

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

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

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

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

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

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

Limited Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of 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 at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Description of Institution

BAQ is headquartered in Albuquerque, New Mexico. BAQ is ranked on the FDIC Market Share Report as the fourth largest bank in Albuquerque with 11.68 percent of the market share out of 23 institutions reporting as of June 30, 2007. As of December 31, 2007, BAQ reported total assets of \$1.3 billion, Tier One capital of \$105 million, and a loan-to-deposit (LTD) ratio of approximately 38 percent. BAQ is a wholly-owned subsidiary of BOK Financial Corporation (BOKF), a multi-bank holding company, headquartered in Tulsa, Oklahoma. BOKF also owns banks in Arizona (Bank of Arizona, N.A.), Arkansas (Bank of Arkansas, N.A.), Colorado (Colorado State Bank and Trust, N.A.), Kansas (Bank of Kansas, N.A.), Oklahoma (Bank of Oklahoma), and Texas (Bank of Texas, N.A.). Other business units include BOSCO, Inc., a retail brokerage unit; TransFund, an electronic funds transfer network; and AXIA Investment Management. BOKF engages in mortgage activities through the affiliated Bank of Oklahoma (BOK) Mortgage Division. These activities include the origination, marketing, and servicing of conventional and government-sponsored mortgage loans. The mortgage loans originated by BOK Mortgage that are located in BAQ's primary market area are credited to BAQ for the evaluation of CRA performance. BAQ also makes HMDA loans through its consumer division. The tables in Appendix C and all discussion in this Performance Evaluation are based on the combined HMDA loans originated by BOK Mortgage, as well as BAQ.

There are two major factors affecting the bank's Loan-to-Deposit ratio. One is the high volume of commercial participations sold upstream to Bank of Oklahoma (BOK). During this review period, BAQ sold commercial participations to BOK totaling \$192 million. The second factor affecting the LTD ratio was that prior to 2007 all mortgage loans were originated by BOK for all seven affiliated institutions under the BOK Financial Corporation (BOKF) holding company. During the review period 2003 through 2006, BOK originated mortgage loans totaling \$181 million in the Albuquerque AA. The adjusted LTD would be 73 percent.

BOK Financial Corporation purchased BAQ in December 1998 when BOKF purchased some of the deposits and other assets after NationsBank acquired Bank of America.

BAQ is a commercial middle market bank whose strategy centers on commercial and industrial lending and consumer and wealth management. The bank also offers a wide array of retail and commercial deposit products. As of December 31, 2007, net loans represent approximately 32 percent of average assets with commercial and commercial real estate loans accounting for 67 percent of the loan portfolio. The high concentration of commercial loans is in line with the bank's business strategy. Residential Real Estate loans account for 21 percent of the loan portfolio.

Construction and land development loans account for 8 percent of the loan portfolio followed by consumer loans representing 3 percent of the loan portfolio. There are no significant financial or legal barriers limiting BAQ's ability to help meet the identified credit needs of its AAs. The bank is financially capable of meeting almost any request for credit, subject to certain legal restrictions applicable to all national banks.

The Office of the Comptroller of the Currency last evaluated BAQ's CRA performance on October 4, 2004. The bank received an overall rating of "Satisfactory" at that evaluation.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation assesses performance under the Lending, Investment, and Service Tests. In evaluating the bank's lending performance, we reviewed residential mortgage loans subject to filing under the Home Mortgage Disclosure Act (HMDA), small loans to businesses and farms, and community development (CD) loans. With the exception of CD loans, the evaluation period for the Lending Test is January 1, 2003 through December 31, 2006. The tables in Appendix C reflect only HMDA information for the 2004 - 2006 performance. This is due to a change in the HMDA regulation. New fields were added to the HMDA submission format in 2004. The software used by the OCC does not allow combining data collected before 2004 with data after the HMDA change date. Therefore, the 2003 performance is discussed in the narrative portions of this Performance Evaluation. Small Business loans in the tables in Appendix C represent all four years 2003 - 2006. For CD loans and the Investment and Service Tests, the evaluation period is October 4, 2004, which was the date of the last Performance Evaluation through January 28, 2008. The Investment Test includes a review of investments, grants, and donations made in the AAs that meet the definition of CD investments. The Service Test includes a review of retail and CD services in the AAs.

Conclusions regarding the Lending Test are based on four entire years. (i.e. 2003, 2004, 2005, and 2006) This information is evaluated using the 2000 Census demographics for home loans and 2006 Dun and Bradstreet demographics for businesses. Appendix C contains tables reflecting the overall performance.

Data Integrity

Prior to this CRA examination, we verified the accuracy of data available to the public in accordance with the HMDA and CRA regulation. This public data included home mortgage purchase, refinance, improvement, and multifamily loans; and small loans to businesses and farms. We also verified the bank's reporting of CD loans, investments, and services. Based on the results of our review, we considered the lending data to be reliable.

Selection of Areas for Full-Scope Review

During the review period, the Albuquerque AA was the only AA considered for a Full Scope review. The bank has a substantial majority of its business in the Albuquerque AAs with 99 percent of their deposits per FDIC June 30, 2007 institution deposit summary and 97 percent of total reported HMDA and CRA loans reported during the review period. The Santa Fe AA had 3 percent of the total HMDA and CRA reported loans and less than 1 percent of the total deposits. A limited scope review was conducted in this AA. Please refer to the table in Appendix A: Scope of the Examination, for additional information.

Ratings

The overall rating is based primarily on activity in the Albuquerque AA. As for loan products, the bank had a greater amount of HMDA loans with 61 percent of the reported loans for 2003-2006. Small business lending was 38 percent of the reported loans during this time-period. Small farm lending was less than 1 percent of the reported loans. The total reported loans for this four year period was 4,981 loans. This total consisted of 2,178 HMDA loans (2004-2006); 880 HMDA loans (2003); 1,887 Small Business loans; 12 Small Farm loans; and 24 Community Development Loans (2003-2006) Therefore, HMDA lending performance was assigned more weight in the final ratings. Further analyzing the HMDA products, over the four year period, refinance home loans were the greatest portion of home mortgage products at 46 percent of the reported loans. Home purchase was 30 percent and home improvement was 24 percent of total reported loans. No weight was assigned to small farm loans as the small farm loans were less than one percent of the total reported loans.

Other

The OCC conducted community contacts in the Albuquerque MSA during the evaluation period to better understand the public's perception of BAQ and other banks' performance in the noted AA. The community contacts were also made to determine credit needs and opportunities in the bank's AAs. Two community contacts were made during the review period in the AAs that received a full-scope review. The contacts included entities engaged in small business development and services to low income residents. Both entities agreed there was a need in the state for organizations to provide services targeted to low-income residents. Both contacts stated that the high poverty level in New Mexico was a cause for concern. One contact also stated that there were community development opportunities for area banks to provide programs which increase financial and business literacy levels. Prospective small business owners often turn to personal credit cards with high interest rates to fund business ventures. BAQ was specifically cited by both contacts as one of the banks that made positive community development efforts in the Albuquerque AA.

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

Performance under the lending test is rated “Outstanding”. The overall distribution of home loans by the income levels of the geography is good and by income levels of borrowers is excellent. CD lending had a positive effect on the final rating. The bank’s performance rating also includes positive consideration for product innovativeness and flexibility.

Lending Activity

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

Lending levels reflect an adequate responsiveness in relation to the bank’s deposit market share and area credit needs. Lending performance reflected a higher penetration of home mortgage originations with 62 percent of the reported loans. Small business lending represented 38 percent of the reported loans. Small farm lending represented less than 1 percent of the reported loans. Therefore, more weight was assigned in evaluating the performance of home mortgage originations.

In the Albuquerque AA, BAQ ranked fourth in deposit market share with 11.68 percent of the total market share as of June 30, 2007, FDIC Deposit Market Share reports. This ranking is impressive as they are trailing two regional banks (Wells Fargo and Bank of America), and only one other community bank in the AA. Based on 2006 HMDA aggregate data, BAQ had less than 1 percent of overall market share for residential home loan products. There are 511 lenders offering home mortgage products in this AA. Home purchase loans represented 0.04 percent; home Improvement loans represented 5 percent and Refinance home loans represented 0.03 percent of overall market share. BAQ ranks fourteenth for small business loans with 1.26 percent of overall market share. There are 80 small business lenders in the AA. While BAQ’s market share of both home mortgage and small business loans is lower than its deposit market share, this performance is adequate given the high level of competition from mortgage companies, credit unions, many community banks, regional and credit card banks in the area.

Distribution of Loans by Income Level of the Geography

The geographic distribution of loans by income level of the geography is good.

In evaluating the geographic distribution of home loans in the Albuquerque AA, it is important to note the number of low-and-moderate income tracts and the population distribution in these tracts. The Albuquerque AA contains 8 low-income tracts, and 52 moderate-income tracts. There are 6,602 households (2 per cent of total households) living in low-income tracts, and 74,158 households (26 per cent of total households) living in moderate-income tracts. It is also important to note the number of households that live below the poverty level in these tracts. The low-income tracts contain 7 percent of households living below the poverty level. The

moderate-income tracts contain 45 percent of households living below the poverty level. The significant level of households living below the poverty level makes lending for home mortgages difficult in the low-and-moderate income tracts.

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.

Home Purchase

The geographic distribution of home purchase loans is good in moderate-income tracts. In 2004 - 2006, the percentage of home purchase loans in low-income geographies was lower than the percent of owner-occupied housing units. The percentage of home purchase loans in moderate-income geographies was near to the percentage of owner-occupied housing units. The bank did not have a notable market share in low-income tracts. The bank's market share in moderate-income tracts is equal to its overall market share for home purchase loans. The 2003 penetration in low-and-moderate income tracts was similar to the 2004 - 2006 performance.

Home Improvement

The geographic distribution of home improvement loans is adequate. In 2004 - 2006, the percentage of home improvement loans in low-income geographies is lower than the percentage of owner-occupied housing units. The percentage of home improvement loans in moderate-income geographies was lower than the percentage of owner-occupied housing units. The bank did not have a notable market share in low-income tracts. The bank's market share in moderate-income geographies is lower than its overall market share for home improvement loans. The 2003 performance was similar to the 2004 - 2006 performance for low-income tracts and better in moderate-income tracts. The percentage of home improvement loans in moderate-income tracts in 2003 was near to the percentage of owner-occupied housing units.

Home Refinancing

The geographic distribution of home refinance loans is good in moderate-income tracts. In 2004 - 2006, the percentage of home refinance loans in low-income geographies was significantly lower than the percentage of owner-occupied housing units. Home refinance loans in moderate-income geographies was near to the percentage of owner-occupied housing units. The bank did not have a notable market share for home refinance loans in low-income tracts. The bank's market share in moderate-income geographies exceeds its overall market share for home refinance loans. The 2003 performance was weaker than the 2004 - 2006 performance in low-and-moderate income tracts.

Multifamily

The geographic distribution of multi-family loans is excellent. BAQ originated 2 multifamily loans in the Albuquerque AA for the period of 2003 - 2006. One of these units was located in a low-income geography and originated in 2003. This loan is not reflected on Table 5, as the

tables report HMDA activity for 2004 - 2006. The second multi-family unit was located in a moderate-income geography. The bank's percentage of multi-family loans exceeds the number of multi-family units in both low-and-moderate income tracts. The bank did not have a notable market share for multi-family loans in low or moderate income tracts.

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.

BAQ's geographic distribution of small loans to businesses is excellent in moderate income tracts. The percentage of small loans to businesses in low-income tracts is lower than the percentage of businesses located in these tracts. The bank's market share for low-income tracts is lower than its overall market share for small loans to businesses. There are less than 2 percent of businesses located in low-income tracts in the Albuquerque AA. The percentage of small loans to businesses in moderate-income geographies exceeds the percentage of businesses located in these tracts. The bank's market share for moderate-income tracts exceeds its overall market share. Small loans to businesses account for 38 per cent of the reported loans, therefore less weight was given to this product in the final ratings.

Small Loans to Farms

Small farm loans represent less than one percent of the reported loans. There was no analysis performed on this product. No weight was given to this product in the final ratings.

Refer to Table 7 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

Lending Gap Analysis

A lending gap analysis was conducted on the 2004 - 2006 evaluation period. There were no unexplained conspicuous gaps identified. The bank designated the entire Albuquerque MSA as its AA during the review period. This AA contains all income tract levels.

Inside/Outside Ratio

A majority of BAQ's home mortgage loans were originated in the combined AAs. For the 2003 - 2006 evaluation period, approximately 94 percent of the number and 92 percent of the dollar amount was originated in the bank's combined AAs. A substantial majority of small loans to businesses, approximately 95 percent of the number and 95 percent of the dollar amount also was originated in BAQ's combined AAs

Distribution of Loans by Income Level of the Borrower

The distribution of loans by income level of the borrower is excellent.

In evaluating the borrower 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 poverty level based on the 2000

census data is 13 percent. In addition, the AA has 21 percent of its population classified as low income families. At these income levels, it would be difficult for these individuals to afford a home. This serves as a mitigating factor in the Albuquerque AA for why the number of home mortgage loans to low-income borrowers is below the percentage of low-income families.

Home Mortgage Loans

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

Home Purchase

The borrower income distribution of home purchase loans is excellent for moderate-income families. BAQ has done an adequate job of addressing the low-income borrower credit needs for home purchase loans. However it has done an excellent job of addressing the moderate-income borrower credit needs for home purchase loans. In 2004 - 2006, the percentage of home purchase loans to low-income borrowers is lower than the percentage of low-income families in the AA. The percentage of home purchase loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. In fact, the bank made 31 percent of its home purchase loans to moderate-income borrowers, and the AA has 18 percent of moderate-income families in this income category. The bank does not have a notable market share for home purchase loans in the AA for low-income borrowers however the market share for moderate-income borrowers is near to its overall market share. The 2003 performance was somewhat better than the 2004 - 2006 performance. The bank had good penetration to low-income borrowers and excellent penetration to moderate-income borrowers.

Home Improvement

The borrower income distribution for home improvement loans is excellent for moderate-income families. BAQ has done an adequate job of addressing the low-income borrower credit needs for home improvement loans. However it has done an excellent job of addressing the moderate-income borrower credit needs for home improvement loans. In 2004 - 2006, the percentage of home improvement loans to low-income borrowers is lower than the percentage of low-income families in the AA. The percentage of home improvement loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The market share of home improvement loans for low-income borrowers exceeds its overall market share. The market share of home improvement loans for moderate-income borrowers is near to the bank's overall market share for home improvement loans. The 2003 performance was somewhat better than the 2004 - 2006 performance, with the bank having good penetration for low-income borrowers, and excellent penetration for moderate-income borrowers.

Home Refinance

The borrower income distribution for refinance loans is excellent for moderate-income families. BAQ has done an adequate job of addressing the low-income borrower's credit needs for refinance loans. However, BAQ has done an excellent job of addressing the moderate-income borrower's credit needs for home refinance loans. In 2004 - 2006, the percentage of home refinance loans to low-income borrowers is lower than the percentage of low-income families in the AA. The percentage of home refinance loans to moderate-income borrowers exceeds the

percentage of moderate-income families in the AA. The market share of home refinance loans to low-income borrowers exceeds the bank's overall market share for home refinance loans. The market share of home refinance loans to moderate-income borrowers also exceeds the bank's overall market share for home refinance loans. This product represents 46 percent of the total HMDA reportable loans. The excellent performance in the moderate income tracts was given considerable weight in the final ratings. The 2003 performance was similar to the 2004 - 2006 performance for home refinance loans.

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.

BAQ's penetration of small loans to businesses with revenues of \$1 million or less is adequate. In 2003 - 2006, the percentage of small loans to businesses is lower than the percentage of businesses with revenues of \$1 million or less in the AA. The bank's market share to businesses with revenues of \$1 million or less exceeds the bank's overall market share for small loans to businesses, regardless of revenue size. This product represents 38 percent of the CRA reportable loans, and was given considerably less weight in the overall final ratings.

Small Loans to Farms

Refer to Table 12 in the Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

Small farm loans represent less than one percent of the reported loans. There was no analysis performed on this product. No weight was given to this product in the final ratings.

Community Development Lending

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

CD lending has a positive impact on the Lending Test conclusions. The bank's CD loans primarily provide community services and help to revitalize and stabilize low- and moderate-income (LMI) geographies. Although the opportunities for CD lending in the Albuquerque AA are relatively high, the number and dollar amount of CD loans originated by BAQ is significant.

The bank originated an excellent level of CD loans within the Albuquerque AA during the evaluation period. BAQ originated 24 CD loans totaling \$31.1 million. This includes three loans totaling \$1.4 million for affordable housing, 11 loans totaling \$3.1 million for services targeting LMI individuals, five loans totaling \$15.3 million for economic development, and five loans totaling \$11.3 million for revitalization and stabilization of LMI areas.

Examples of community development loans and commitments are highlighted below:

BAQ originated two loans totaling \$1.1 million to a nonprofit corporation whose mission is to help LMI families own homes. One loan totaling \$350,000 was to purchase and develop real estate in a moderate-income CT that is part of Albuquerque's redevelopment plan known as the "North 4th Street Corridor Plan". The property will be used for affordable housing and commercial development. Additionally, a \$750,000 loan was originated to construct six affordable housing units in LMI CTs in downtown Albuquerque.

BAQ originated two loans totaling \$6.8 million to an entity for construction of a retail shopping center. This property is located in a moderate-income CT and will revitalize and stabilize the area by providing needed services (i.e. pharmacy) and creating jobs and businesses. The property is contiguous to other LMI CTs and is near Kirkland Air Force Base.

BAQ originated a \$1.4 million loan to purchase and renovate older buildings in a downtown moderate-income area into commercial development center including a retail strip center and restaurants. The project is expected to create approximately thirty LMI jobs in these businesses. The area is contiguous to other LMI CTs.

Product Innovation and Flexibility

Product innovation and flexibility has a positive impact on the Lending Test conclusions for BAQ. The bank uses innovative and flexible underwriting guidelines to meet the mortgage needs of low- and moderate-income individuals by continuing to offer the *Zero-Down Homeward Bound Mortgage Program*. This product provides financing in LMI geographies or to LMI families and individuals for purchasing or refinancing a home. The program offers 15 or 30 year fixed rate mortgages with no down payment requirements, a loan to value up to 103 percent (includes closing costs and any prepaid insurance), and does not require private mortgage insurance.

In 2005, Freddie Mac began buying loans from this program which required various internal changes on their part as this was a unique product for them. According to Freddie Mac, BAQ is the only originator in the region selling this type of loan into the secondary market and they regard it as both flexible and innovative. Freddie Mac's participation has created additional capacity for BAQ to originate these loans.

BAQ originated 178 loans totaling \$18.3 million during the evaluation period in the Albuquerque AA. In the limited scope Santa Fe AA, the bank originated six loans totaling \$854,000.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank's performance under the lending test in the Santa Fe AA is not inconsistent with the bank's overall "Outstanding" performance under the lending test.

Refer to Tables 1 through 13 in Appendix C for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test is rated "Outstanding". Investment levels are excellent considering the bank's size, capacity and the level of opportunities in the Albuquerque AA. BAQ has taken an active role in creating investment opportunities in the AA.

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

BAQ has made qualified investments totaling \$14.5 million during the evaluation period of October 4, 2004 to January 28, 2008. In addition, \$6.4 million in prior period investments are continuing investments during this evaluation period.

The majority of the dollar amount of qualified investments (79.3 percent) represents mortgage-backed securities (MBS). BAQ's parent company purchased \$12.1 million of these qualified mortgages during the evaluation period. BOK participates in a program to purchase pools of affordable housing mortgages originated in its affiliate's AAs. The Capital Markets Investment Portfolio Manager for BOK makes investment decisions for all affiliates. He has distributed the bank's AA information to various mortgage originators and securities dealers who provide lists of new mortgages available for sale. The Manager then selects mortgages, and the originator or broker pools them into a MBS, which is purchased by the bank. The security is split between BAQ and affiliates based on the location of the mortgage origination. The bank has developed a model in which city, state, and income information is input to verify that each mortgage qualifies. Purchase of these MBS creates additional lending capacity for affordable housing in the bank's AAs. Affordable housing has been identified as a primary need in the Albuquerque AA.

Investments also consist of grants and donations extended in the Albuquerque AA to organizations that promote community development as defined by the regulation. The bank has created an innovative program that focuses on building strong partnerships with non-profit agencies in the communities it serves. The program is Adopt-An-Agency Program. The bank directs resources, both in dollars and volunteer hours, to these identified agencies in their AAs. These agencies serve in the areas of affordable housing, community services, financial education, and economic development. BAQ has contributed \$335,000 in grants and donations to qualified programs during the evaluation period.

BAQ's parent company, Bank of Oklahoma Financial (BOKF), recognized the need for innovative investments for promoting economic and industrial development, promoting creation and retention of jobs, and engaging in other public welfare investments to meet the needs of the communities served. As a result, BOKF formed a community development company (Bank of Oklahoma Financial Community Development Fund or BOKFCDF) to address these needs throughout the organization's AAs. During this evaluation period, \$2.8 million was invested by BOKFCDF in the Albuquerque AA. The investments were made in a SBA Loan Fund, Capital CRA Fund, and a Community Development Corporation. This investment is included on Table 14 current period investments.

Conclusions for Area Receiving Limited-Scope Reviews

Based on a limited scope review, the bank's investment performance in the Santa Fe AA is not inconsistent with the bank's overall "Outstanding" performance under the Investment Test. 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 "High Satisfactory". Based on a full-scope review, BAQ's performance in the Albuquerque AA is good. The rating is primarily based on the geographic distribution of full-service banking offices and ATMs, and the strong commitment to CD services in the bank's full scope AA. This rating is further supported by the fact that approximately 70 percent of the service outlets in the Albuquerque MSA full scope AA, including traditional branches, full-service ATMs and cash dispensing ATMs, are located in or within 2 miles of a low-income or moderate-income geography. This branch distribution is accessible to persons of all income levels considering the public transportation services available through the City of Albuquerque's RIDE program. There are bus routes accessible for 16 of the 20 Albuquerque branch locations. The RIDE program has 36 bus routes available including 20 downtown routes, 17 park-n-ride locations, and 2 bus routes dedicated to Central Avenue and University of New Mexico destinations. In addition to this, the city provides curb to curb van service for persons with physical impairments.

Retail Banking Services

BAQ's delivery systems are readily accessible to geographies and individuals of different income levels in the bank's one full scope review AA (Albuquerque MSA). BAQ provides a wide range of services at each of its 20 branches. At the traditional branches, drive-through banking and safe-deposit services are commonly available. Services and hours provided at the various branches are not influenced by the income-geography of the branch, and do not vary in a way that would inconvenience customers living in any of BAQ's AAs.

BAQ operates 20 branches (99.2 percent) in the Albuquerque AA. In addition to these branch facilities, BAQ operates 31 proprietary ATMs in the Albuquerque AA. Of these, 24 are full-service (i.e. accepts deposits) and seven are cash-dispensing only. However, all ATMs allow customers to transfer between accounts and obtain account balances.

The distribution of branches in the Albuquerque AA is good. There are no branches in low-income CTs and three branches in moderate-income CTs. This distribution is somewhat lower than the percentage of population in low-income and moderate-income CTs in the AA. However, a majority of the bank's branches are accessible to low-income and moderate-income geographies and individuals. A total of 14 of the bank's 20 branches (70 percent) are located in or within 2 miles of a low-income or moderate-income CT. Additionally, 22 of the 31 ATMs (70 percent) in the AA are located in or within 2 miles of a low-income or moderate-income CT. As discussed above, public transportation in Albuquerque allows branch access to persons of different income levels and geographies. Since the previous performance examination, one branch has been opened in an upper-income CT. No branches were closed

in the AA since the previous performance evaluation. Refer to Table 15 in Appendix C for statistics and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Loan and deposit services available throughout the AAs include mortgage products (including affordable housing mortgage products), small business banking products (including SBA guaranteed loans), and several traditional retail deposit products.

Community Development Services

Overall, BAQ provides an excellent level of community development services in Albuquerque AA. These services are directly related to providing financial services for non-profits whose primary purpose is community development. BAQ's community development activities include providing technical assistance on financial matters to non-profit organizations or small businesses that promote community revitalization, community development, or affordable housing.

The BOK Community Development Banking Group governs the community development efforts for all seven affiliated charters. The strategy for all affiliates is to reach low- and moderate-income individuals and families with products and services through various partnerships. Examples of BAQ's involvement in community development service projects include the "Adopt-An-Agency Program", FDIC financial education curricula, matched savings programs and the Earned Income Tax Credit program. A number of BAQ's executives and employees also serve in various leadership capacities related to providing financial services with these organizations.

One innovative approach to fostering the bank's active and on-going involvement in the community is the "Adopt-An-Agency Program". The program is a partnership program between leading non-profit agencies and the bank in each of the bank's AAs. The goal is to promote and provide community development services for LMI individuals and families. The program is implemented through the retail branch locations utilizing volunteer support to provide financial education classes to a wide variety of community development services related primarily to affordable housing, economic development, community service and revitalization/stabilization of low- or moderate-income areas.

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.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited scope reviews, the bank's service performance in the Santa Fe AA is inconsistent with the bank's overall "High Satisfactory" performance under the Service Test. BAQ has only one branch in the Santa Fe AA, which is located in a middle-income census tract. Refer to Table 15 in Appendix C for the facts and data that support this conclusion.

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 nonmetropolitan 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): (01/01/2003 to 12/31/2006) Investment and Service Tests and CD Loans: (10/04/2004 to 01/28/2008)	
Financial Institution	Products Reviewed	
Bank of Albuquerque (BAQ) Albuquerque, NM	Home Mortgage Loans, Small Loans to Businesses and Farms, Community Development Loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Bank of Oklahoma, N.A. (BOK)	Affiliate	Mortgage and commercial lending and alternative investments Grants and Contributions
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information (Counties of AA)
Albuquerque MSA	Full Scope	Bernalillo, Sandoval, Torrance, Valencia
Santa Fe	Limited Scope	Santa Fe

Appendix B: Market Profiles for Full-Scope Areas

Albuquerque NM MSA

Demographic Information for Full-Scope Area: (Albuquerque AA)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	195	4.10	26.67	38.97	27.69	2.56
Population by Geography	729,649	2.77	28.03	40.78	28.41	0.00
Owner-Occupied Housing by Geography	190,959	1.39	23.24	41.85	33.52	0.00
Businesses by Geography	51,449	1.75	24.38	45.99	27.89	0.00
Farms by Geography	936	2.46	23.93	48.08	25.53	0.00
Family Distribution by Income Level	187,508	21.03	17.68	21.02	40.27	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	72,581	4.42	40.16	40.33	15.09	0.00
Median Family Income = \$ 45,738 HUD Adjusted Median Family Income for 2007 = \$ 53,200 Households Below the Poverty Level = 13%			Median Housing Value = \$ 121,746 Unemployment Rate = 2.89 %			

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2000 U.S. Census, and 2006 HUD updated MFI.

The Albuquerque AA includes the entire Albuquerque MSA. This includes Bernalillo, Sandoval, Torrance, and Valencia counties. The Albuquerque AA includes the major city of Albuquerque. There are 195 census tracts in the AA. These are broken out as follows: 4.10 percent are low-income tracts; 26.67 percent are moderate-income tracts; 38.97 percent are middle-income tracts; 27.69 percent are upper-income tracts; and 2.56 percent are tracts without an income designation.

Based on 2000 U.S. Census data, total population of the AA is 729,649. The 2007 HUD adjusted median family income for the Albuquerque AA is \$53,200. In 2007, non-farm businesses represent 98 percent (53,117) of total businesses in the AA. The majority of these businesses (68 percent or 36,172) are considered small with revenues of less than \$1 million. The 2000 U.S. Census data reflected 27 per cent of the businesses in the AA did not report revenues.

The economic conditions in the Albuquerque AA are poor. The biggest factor attributing to this is the poverty level in the area. The 2008-2012 draft Five-year Consolidated Plan and Workforce Housing Plans of Albuquerque reported the following statistics for the area: (Needs during the evaluation period were similar to what is described in the plan.)

Chronic and severe poverty are major causes of homelessness in cities across the country. Almost 23,000 people in Albuquerque earn less than 30% of the area median income (AMI) and therefore are at significant risk of homelessness. There is an unmet demand for affordable rental housing among the poor in Albuquerque.

Renters with incomes of 30 percent of area median income or below are the most likely to spend an excessive amount of household income on housing costs, or live in overcrowded or substandard homes.

Further, there is a shortage of affordable housing in the AA suitable for special needs populations, especially rental housing that is fully accessible to people in wheelchairs.

Housing is only one of the needs experienced by the populations served by this plan. Community development needs include currently under-funded services for addressing the causes of homelessness such as additional overnight emergency shelters, especially for women and children, and homeless prevention services as well as services that help people remain in their homes such as emergency repair programs and home retrofit programs for low-income households. Community development needs also include neighborhood safety and freedom from the fear of crime (which can be addressed through neighborhood improvements and the Crime Prevention. In addition, there is an urgent need for improvements in the City's transit system especially improvements to serve persons with disabilities, as documented through 10 out of 12 of the focus groups and the public hearings.

The current unemployment rate, according to August 2007 numbers from the Department of Labor is 3.8 percent. The major types of employers in the AA are services, retail trade, educational, professional and business services, health care, and social assistance.

According to 2000 census information, the Albuquerque AA had 190,959 owner-occupied housing units. Of this total, 1 percent of these units were located in low-income tracts and 23 per cent were located in moderate-income tracts. Vacancy levels in these tracts were 6 per cent in the low-income tracts and 36 per cent in the moderate-income tracts.

Mortgage lending competition is at a reasonable level in the area. Competitors include community banks, regional banks, and mortgage companies. According to the FDIC Market Share data, as of June 30, 2007 the Albuquerque AA has 23 banks in the area with 172 branches.

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. See Interagency Q&As ___12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table

also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm.

Market share information is presented based on the most recent aggregate market data available.

Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE			Geography: ALBUQUERQUE MSA						Evaluation Period: January 1, 2004 to December 31, 2006						
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Albuquerque MSA	741	92.97	1.39	0.67	23.24	21.86	41.85	45.75	33.52	31.71	0.04	0.00	0.04	0.03	0.05
Limited Review:															
Santa Fe MSA	56	7.03	0.84	0.00	24.88	21.43	36.23	35.71	38.05	42.86	0.00	0.00	0.00	0.00	0.00

* Based on 2006 Peer Mortgage Data Western Region.

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

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: ALBUQUERQUE MSA						Evaluation Period: January 1 st 2004 to December 31, 2006						
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:															
Albuquerque MSA	635	98.91	1.39	0.47	23.24	12.76	41.85	46.77	33.52	40.00	4.77	0.00	3.32	4.92	5.24
Limited Review:															
Santa Fe MSA	7	1.09	0.84	0.00	24.88	0.00	36.23	71.43	38.05	28.57	0.33	0.00	0.00	0.40	0.38

* Based on 2006 Peer Mortgage Data: Western Region.

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE											Geography:ALBUQUERQUE MSA					Evaluation Period: January 1, 2004 to December 31, 2006				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography									
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp					
Full Review:																				
Albuquerque MSA	801	98.65	1.39	0.12	23.24	19.10	41.85	43.20	33.52	37.58	0.34	0.00	0.40	0.31	0.35					
Limited Review:																				
Santa Fe MSA	11	1.35	0.84	0.00	24.88	9.09	36.23	36.36	38.05	54.55	0.00	0.00	0.00	0.00	0.00					

* Based on 2006 Peer Mortgage Data: Western Region.

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

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

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY			Geography: ALBUQUERQUE MSA						Evaluation Period: January 1, 2004 to December 31, 2006						
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Albuquerque MSA	1	50.00	3.74	0.00	27.16	100.00	46.31	0.00	22.79	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Santa Fe MSA	1	50.00	2.34	0.00	35.29	0.00	30.73	100.00	31.65	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2006 Peer Mortgage Data: Western Region.

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

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

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: ALBUQUERQUE MSA					Evaluation Period: January 1, 2004 to December 31, 2006				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography										
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
Full Review:																					
Albuquerque MSA	1,887	97.27	1.75	0.95	24.38	33.60	45.99	46.42	27.89	19.02	1.25	0.94	2.12	1.32	0.75						
Limited Review:																					
Santa Fe MSA	53	2.73	1.97	0.00	18.80	30.19	26.45	9.43	52.78	60.38	0.18	0.00	0.25	0.08	0.22						

* Based on 2006 Peer Small Business Data: US.

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

*** Source Data - Dun and Bradstreet 2006.

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS												Geography: ALBUQUERQUE MSA				Evaluation Period: January 1, 2004 to December 31, 2006				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography									
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp					
Full Review:																				
Albuquerque MSA	12	100.00	2.46	0.00	23.93	9.09	48.08	36.36	25.53	54.55	1.49	0.00	0.00	1.37	7.69					
Limited Review:																				
Santa Fe MSA	0	0.00	1.82	0.00	18.18	0.00	34.55	0.00	45.45	0.00	0.00	0.00	0.00	0.00	0.00					

* Based on 2006 Peer Small Business Data: US.

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

*** Source Data - Dun and Bradstreet 2006.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE			Geography: ALBUQUERQUE MSA						Evaluation Period: January 1, 2004 to December 31, 2006						
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	Over all	Low	Mod	Mid	Upp
Full Review:															
Albuquerque MSA	741	92.97	21.03	11.29	17.68	31.29	21.02	19.32	40.27	38.10	0.05	0.00	0.04	0.02	0.06
Limited Review:															
Santa Fe MSA	56	7.03	22.01	16.07	17.85	57.14	18.89	5.36	41.25	21.43	0.00	0.00	0.00	0.00	0.00

* Based on 2006 Peer Mortgage Data: Western Region.

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

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

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: ALBUQUERQUE MSA						Evaluation Period: January 1, 2004 to December 31, 2006							
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****	% Families***	% BANK****	% Families***	% BANK****	% Families***	% BANK****	Over all	Low	Mod	Mid	Upp
Full Review:															
Albuquerque MSA	635	98.91	21.03	10.24	17.68	18.72	21.02	21.76	40.27	49.28	4.85	5.52	4.04	4.50	5.19
Limited Review:															
Santa Fe MSA	7	1.09	22.01	14.29	17.85	0.00	18.89	71.43	41.25	14.29	0.35	0.00	0.00	0.72	0.33

* Based on 2006 Peer Mortgage Data: Western Region.

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

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

**** As a percentage of loans with borrower income information available. No information was available for 1.6% of loans originated and purchased by Bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE												Geography: ALBUQUERQUE MSA				Evaluation Period: January 1, 2004 to December 31, 2006			
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share								
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Over all	Low	Mod	Mid	Upp				
Full Review:																			
Albuquerque MSA	801	98.65	21.03	9.82	17.68	20.03	21.02	25.82	40.27	44.33	0.41	0.99	0.60	0.29	0.36				
Limited Review:																			
Santa Fe MSA	11	1.35	22.01	0.00	17.85	18.18	18.89	45.45	41.25	36.36	0.00	0.00	0.00	0.00	0.00				

* Based on 2006 Peer Mortgage Data: Western Region.

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

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

**** As a percentage of loans with borrower income information available. No information was available for 0.9% of loans originated and purchased by Bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES				Geography: ALBUQUERQUE MSA		Evaluation Period: January 1, 2004 to December 31, 2006			
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:									
Albuquerque MSA	1,887	97.27	66.94	43.40	51.40	22.10	26.50	1.25	1.32
Limited Review:									
Santa Fe MSA	53	2.73	67.66	52.83	50.94	24.53	24.53	0.18	0.25

* Based on 2006 Peer Small Business Data: US.

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 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 3.81% of small loans to businesses originated and purchased by the Bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS					Geography: ALBUQUERQUE MSA		Evaluation Period: January 1, 2004 to December 31, 2006		
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Review:									
Albuquerque MSA	11	100.00	90.28	54.55	45.45	45.45	9.09	1.49	0.66
Limited Review:									
Santa Fe MSA	0	0.00	88.73	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2006 Peer Small Business Data: US.

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

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 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 9.09% of small loans to farms originated and purchased by Bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: ALBUQUERQUE MSA Evaluation Period: October 4, 2004 to January 28, 2008									
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:									
Albuquerque MSA	18	6,349	88	14,502	106	20,851	96.60	1	750
Limited Review:									
Santa Fe MSA	0	0	14	640	14	640	2.96	0	0
Statewide Regional Investments	0	0	19	95	19	95	0.44	0	0

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

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

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: ALBUQUERQUE MSA Evaluation Period: Oct 4, 2004 to Jan 28, 2008																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Albuquerque MSA	99.16	20	95.24	0.00	15.0	55.0	30.0	+1	0	0	0	0	1	2.77	28.03	40.78	28.41
Limited Review:																	
Santa Fe MSA	0.84	1	4.76	0	0	100	0	0	0	0	0	0	0	1.40	29.81	35.71	33.08