



## **PUBLIC DISCLOSURE**

August 9, 2018

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First Colorado National Bank  
Charter Number 6671

133 Grand Avenue  
Paonia, CO 81428

Office of the Comptroller of the Currency

1225 17th Street  
Suite 450  
Denver, CO 80202-5534

**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.

## Table of Contents

<b>OVERALL CRA RATING .....</b>	<b>3</b>
<b>DEFINITIONS AND COMMON ABBREVIATIONS .....</b>	<b>4</b>
<b>DESCRIPTION OF INSTITUTION .....</b>	<b>8</b>
<b>SCOPE OF THE EVALUATION.....</b>	<b>8</b>
<b>DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW .....</b>	<b>10</b>
<b>CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS.....</b>	<b>11</b>
<b>LENDING TEST .....</b>	<b>11</b>
<b>SCOPE OF EXAMINATION.....</b>	<b>APPENDIX A</b>
<b>COMMUNITY PROFILES FOR FULL-SCOPE AREAS .....</b>	<b>APPENDIX B</b>

## Overall CRA Rating

**The Lending Test is rated: Satisfactory.**

- The borrower distribution reflects reasonable penetration of consumer and 1-4 family loans to borrowers of different income levels in the bank's AA.
- The bank's geographic distribution of consumer and 1-4 family loans is reasonable.
- FCNB originated a majority of its loans from its Delta County, CO branch locations within its AA.
- The loan-to-deposit (LTD) ratio is reasonable given the bank's size, strategic focus, and the AA credit 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 generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

**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 conduct 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 applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), 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 five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) 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 Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

First Colorado National Bank (FCNB) is a \$64 million institution headquartered in Paonia, CO. FCNB is owned by the single bank holding company, First Colorado Financial Corporation. FCNB is a single state institution and does not have any related organizations or operating subsidiaries. FCNB received a Satisfactory rating on its previous CRA examination completed on January 7, 2013; please refer to the bank's CRA public file for more information.

FCNB operates in a single assessment area (AA) in western Colorado with two full service branches in Delta County, CO. The main office is located in Paonia, CO and the second is in Delta, CO. Both branches offer drive-up facilities and non-deposit taking ATMs. The bank does not have any deposit taking ATMs. The branches offer a full line of traditional consumer and commercial lending products. The bank also maintains loan production offices (LPOs) in Aspen, CO, Chicago, IL, and Carmel, IN. The LPOs in Chicago and Carmel operate under the name First Capital bank.

The bank's strategic plan is to offer traditional lending and deposit services through its full service branches in Colorado and supplement earnings through its LPOs. The LPOs in Chicago, IL, and Carmel, IN, are focused on originating Small Business Administration (SBA) government guaranteed loans. The guaranteed portion of the loans is sold while the servicing rights and unguaranteed portion of the loans are retained. Premiums from the sale of the guaranteed portion of the SBA loans and the income from servicing the SBA portfolio are the bank's primary source of revenue. All loans originated by First Capital Bank are outside the bank's AA.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its assessment area. The bank received a "Satisfactory" rating at the prior CRA Examination dated January 7, 2013.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

We performed a full-scope review of the bank's Community Reinvestment Act performance using the lending test criteria for small bank examinations. The lending test evaluates the bank's record of meeting the credit needs of its AA through its lending activities. The evaluation period includes all loans originated by bank branches and LPOs from January 1, 2015 through December 31, 2017. We evaluated the loan production during this period to determine the primary lending products by evaluating both the total number of loans originated and the total dollar amount originated. The SBA originations from the LPOs in Chicago, IL, and Carmel, IN, were by far the largest by number and dollar amount as shown in the chart below. Loans from these LPOs were primarily outside of the AA and represent 46 percent of the total loan volume by number and 91 percent of the total loan volume by dollar amount.

In addition to the government guaranteed loans, we will also analyzed the primary loan products originated within the banks assessment area. These are consumer loans which were 18 percent of total loan volume by number and 1-4 family residential real estate loans which represent 15 percent of total loans by number. To ensure we provided an accurate representation of the bank’s lending practices we sampled 100 percent of the consumer and 1-4 family loans.

<b>FCNB Loan Originations from January 1, 2015 to December 31, 2017</b>		
<b>Loan Type</b>	<b>Volume by Numbers</b>	<b>Volume by Dollar (000's) by Dollar</b>
Consumer	33	318
1-4 family Residential	27	4,758
Commercial/Business	16	913
Agricultural	11	570
Commercial RE	9	1,311
SBA Loan originations	83	82,477
<b>Total Loans</b>	<b>179</b>	<b>90,347</b>

**Data Integrity**

We did not perform a formal data integrity review on the information provided. The information used was treated as accurate and we did not note any inconsistencies or errors in the data provided.

**Selection of Areas for Full-Scope Review**

The bank identified a single AA consisting of 6 contiguous counties that it services in west central Colorado. We performed a full scope review on this AA as there were no other AAs to review. Please see Appendix A for more information.

**Ratings**

The bank’s overall rating is based solely on the area that received a full-scope review. Given the banks strategic focus in SBA lending, we weighted the lending test areas of geographic and borrower distributions more heavily as they are reflective of the effort the bank has made to service the needs of its AA. We also weighted the In/Out ratio in favor of the lending made from the Colorado branch locations over the LPOs for the same reason.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

# Conclusions with Respect to Performance Tests

## LENDING TEST

FCNB’s lending performance is Satisfactory.

### Loan-to-Deposit Ratio

**The bank’s loan to deposit ratio is reasonable given the competition in the area, the credit needs of the community, and the banks business model.**

The average quarterly loan to deposit over the review period is 97 percent, which compares favorably to similarly situated banks. The average loan to deposit of similarly situated banks over the same time period ranged between 35 percent and 68 percent with an average of 51 percent. FCNBs ratio benefits from the added loan production from it’s out of state LPOs. Similarly situated banks are those operating with similar business lines within the same geography, or banks identified by FCNB as direct competitors. Please note that these banks are listed alphabetically after FCNB and that no ranking is intended or implied.

Loan-to-Deposit Ratios		
Institution	Total Assets \$ (000's) (As of 6/30/18)	Average Loan-to-Deposit Ratio
<b>First Colorado National Bank</b>	63,653	96.68%
Citizens Bank of Pagosa Springs	84,224	49.84%
Citizens State Bank of Ouray, The	101,524	34.79%
Colorado National Bank	60,591	68.03%
Home Loan State Bank	111,917	49.99%
Rocky Mountain Bank and Trust	65,945	53.42%

*Source: Institution reports from December 2013 to June 2018.*

### Lending in Assessment Area

**The level of lending in the bank’s assessment area is reasonable given the heavy competition in the AA, the bank’s marketing efforts in the AA, and its strategic objectives.**

FCNB’s stated strategic plan is to operate the community bank as a platform to originate and service government guaranteed loans. The bank then sells the guaranteed portion and retains the unguaranteed portion. The bank currently operates loan production offices in Chicago IL and Carmel, IN, (dba First Capital Bank) that generate a majority of the loan production for the bank as a whole. These LPOs are a significant source of premium, fee, and servicing income for the bank.

Due to the high concentration of loans outside of the AA we evaluated all of the loans originated during the review period to get a true representation of the bank's lending performance. As reflected in the chart below, the bank's primary focus is on SBA lending, which comprises 51 percent of loans by number and 94 percent of loans by dollar volume. However, the bank provides adequate services to its AA as is evidenced by 49 percent of the total number of loans being made in the AA. The large difference in the dollar volume of the loans is a result of the disparity in the average size of the loans in the AA (\$64,000) and the government guaranteed loans (\$1.1 million).

When excluding government guaranteed loans, lending in the assessment area improves significantly to 86 percent by number and 68 percent by dollar volume. This lending is highly concentrated in low income consumer lending which FCNB has identified as a consumer need in its AA.

Table 1 - Lending in Colorado Rural Assessment Area										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
FCB SBA Loans	1	1	76	99	77	640	1	82,956	99	83,596
FCNB Loans	83	86	13	14	96	5,300	68	2,498	32	7,798
Totals	84	49	89	51	173	5,940	6	85,454	94	91,394

Source: Loan originations from January 1, 2015 to December 31, 2017.

### Lending to Borrowers of Different Incomes

**The distribution of consumer and 1-4 family loans reflects reasonable penetration of the bank's AA. Lending to low-income borrowers is reasonable given the banks business structure and number of loan originations.**

Tables 2, 2A, 2B, and 2C below reflect the bank's lending activity for consumer and 1-4 family loans for the 2015-2016 period and for 2017. Loans from 2015-2016 were compared to 2010 census data and 2017 loans were compared to 2015 ACS Census data. Due to the limited loan production during our review period we sampled 100 percent of the loans originated for each product.

Consumer loans exceeded demographic comparators for low income borrowers in each period we reviewed and reflected a reasonable loan dispersion in the remaining income categories for each period. We noted no borrower information was collected for 13.3 percent of the loans in 2017. This was not a concern as it represents only two loans which were both cash secured and did not require borrower income information.

The results of our review of the 1-4 family loans were generally in line with demographic comparators and aggregate market loan data. The results of this product varied more widely due to the small sample size. Lending to low-income borrowers in the 2015-2016 exceeded both the demographic comparator and aggregate data figures. Lending to moderate income borrowers was less than the demographic comparator but still reasonable given the aggregate lending practices of the industry in the area and the banks higher level of lending to low income borrowers. Data for 2017 is available for review below, though it is not meaningful with a sample size of only five loans.

### **Geographic Distribution of Loans**

**The geographic distribution of consumer and 1-4 family loans within the bank's AA is reasonable. The AA does not include any low-income census tracts and lending to moderate income census tracts is reasonable.**

Our review focused more heavily on the consumer loans due to the limited sample of 1-4 family loans (11 for 2015-2016 and 5 for 2017) which were 100 percent concentrated in middle-income census tracts. This is less of a concern as there are no low income census tracts in the AA, and given the limited sample size, a single loan in a middle income census tract would be sufficient to meet the demographic comparator and aggregate levels of the AA for both the 2015-2016 and 2017 periods.

Consumer loans are within a reasonable range of the demographic comparator as seen in Tables 3 and 3A below. Loans from 2015-2016 equaled 6 percent compared to area demographics of 14.5 percent. This level improves slightly in 2017 to 7 percent with the area demographic declining to 9.2 percent. The remainder of the lending is in middle income census tracts exceeding the total of the middle and upper income borrowers.

### **Responses to Complaints**

FCNB did not receive any CRA related complaints during the review period.

<b>Table 2: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower</b>													<b>2015-16</b>	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Colorado Rural 2010 Census	17	165	100.0	18.2	53.0	15.3	0.0	18.8	35.0	47.6	6.0	0.0	6.0	
<b>Total</b>	<b>17</b>	<b>165</b>	<b>100.0</b>	<b>18.2</b>	<b>53.0</b>	<b>15.3</b>	<b>0.0</b>	<b>18.8</b>	<b>35.0</b>	<b>47.6</b>	<b>6.0</b>	<b>0.0</b>	<b>6.0</b>	

*Source: 2010 U.S Census; 01/01/2015 - 12/31/2016 Bank Data.  
Due to rounding, totals may not equal 100.0*

<b>Table 2A: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower</b>													<b>2017</b>	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Colorado Rural 2010 Census	15	137	100.0	20.1	46.7	14.5	12.3	18.9	6.7	46.5	13.3	0.0	13.3	
<b>Total</b>	<b>15</b>	<b>137</b>	<b>100.0</b>	<b>20.1</b>	<b>46.7</b>	<b>14.5</b>	<b>12.3</b>	<b>18.9</b>	<b>6.7</b>	<b>46.5</b>	<b>13.3</b>	<b>0.0</b>	<b>13.3</b>	

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data.  
Due to rounding, totals may not equal 100.0*

**Table 2B: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2015-16**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Colorado Rural 2010 Census	11	1,159	100.0	9,455	15.8	27.0	3.1	17.8	9.0	9.9	19.9	27.0	17.9	46.6	36.0	54.0	0.0	0.0	15.1
<b>Total</b>	<b>11</b>	<b>1,159</b>	<b>100.0</b>	<b>9,455</b>	<b>15.8</b>	<b>27.0</b>	<b>3.1</b>	<b>17.8</b>	<b>9.0</b>	<b>9.9</b>	<b>19.9</b>	<b>27.0</b>	<b>17.9</b>	<b>46.6</b>	<b>36.0</b>	<b>54.0</b>	<b>0.0</b>	<b>0.0</b>	<b>15.1</b>

Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

**Table 2C: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2017**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Colorado Rural 2010 Census	5	999	100.0	8,484	18.0	0.0	4.1	17.1	20.0	12.3	19.4	40.0	19.0	45.5	40.0	50.0	0.0	0.0	14.7
<b>Total</b>	<b>5</b>	<b>999</b>	<b>100.0</b>	<b>8,484</b>	<b>18.0</b>	<b>0.0</b>	<b>4.1</b>	<b>17.1</b>	<b>20.0</b>	<b>12.3</b>	<b>19.4</b>	<b>40.0</b>	<b>19.0</b>	<b>45.5</b>	<b>40.0</b>	<b>50.0</b>	<b>0.0</b>	<b>0.0</b>	<b>14.7</b>

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

**Table 3: Assessment Area Distribution of Consumer Loans by Income Category of the Geography** **2015-16**

Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Colorado Rural 2010 Census	17	165	100.0	0.0	0.0	14.5	6.0	42.4	94	43.1	0.0	0.0	0.0

*Source: 2010 U.S Census; 01/01/2015 - 12/31/2016 Bank Data.  
Due to rounding, totals may not equal 100.0*

**Table 3A: Assessment Area Distribution of Consumer Loans by Income Category of the Geography** **2017**

Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Colorado Rural 2010 Census	15	137	100.0	0.0	0.0	9.2	7.0	49.3	93.0	41.4	0.0	0.0	0.0

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data.  
Due to rounding, totals may not equal 100.0*

## Appendix A: Scope of Examination

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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”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): 01/01/2015 to 12/31/2017 Investment and Service Tests and CD Loans: N/A	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
First Colorado National Bank (FCNB), Paonia, CO	SBA Loans, Consumer loans, 1-4 Family	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
NA	NA	NA
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Colorado Rural AA (Garfield, Eagle, Delta, Gunnison, Montrose, and Pitkin counties)	Full Scope	The assessment also includes an evaluation of the banks LPOs located in Chicago, IL, and Carmel, IN.

## Appendix B: Community Profiles for Full-Scope Areas

### Colorado Rural AA 2015-2016 Census 2010

Demographic Information for Full Scope Area: CO Rural AA 2015-2016 Census 2010						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	50	0.00	14.00	38.00	48.00	0.00
Population by Geography	213,286	0.00	13.58	41.85	44.57	0.00
Owner-Occupied Housing by Geography	55,269	0.00	15.17	40.54	44.29	0.00
Business by Geography	23,898	0.00	11.01	36.43	52.56	0.00
Farms by Geography	1,188	0.00	19.28	41.25	39.48	0.00
Family Distribution by Income Level	52,673	15.76	17.78	19.89	46.56	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	17,668	0.00	25.14	45.19	29.66	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		57,817 60,000 10%	Median Housing Value Unemployment Rate (2010 US Census)	437,758 2.99%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2016 FFIEC updated MFI

Management designated Garfield, Eagle, Delta, Gunnison, Montrose, and Pitkin Counties as its combined non-Metropolitan Statistical Area AA. The designated AA encompasses eleven census tracts (CTs) in Garfield County, fourteen CTs in Eagle County, seven CTs in Delta County, four CTs in Gunnison County, ten CTs in Montrose County, and four CTs in Pitkin County for a total of fifty CTs. The AA complies with applicable regulatory requirements and does not arbitrarily exclude any low- or moderate-income (LMI) areas. Gunnison County contains one CT designated as an underserved middle-income nonmetropolitan tract. The FFIEC Updated Median Family Income for 2017 is \$64,000. Twelve percent of the households in the AA are below the poverty level. There is heavy competition in the area for consumer deposits with FCNB ranking 15<sup>th</sup> among local competitors. Local competition comes from large national banks including Wells Fargo and US Bank in addition to state banks such as Alpine Bank and Bank of Colorado.

The service industry is the primary economic driver of the AA followed by retail trade and construction. Eighty-eight percent of the businesses in the AA are categorized as small businesses with annual revenues under \$1 million.

## Colorado Rural AA 2017 Census 2010

Demographic Information for Full Scope Area: CO Rural AA 2017 Census 2010						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	50	0.00	8.00	48.00	44.00	0.00
Population by Geography	213,752	0.00	8.94	49.01	42.05	0.00
Owner-Occupied Housing by Geography	54,309	0.00	9.36	47.82	42.82	0.00
Business by Geography	25,077	0.00	7.83	42.89	49.28	0.00
Farms by Geography	1,236	0.00	8.41	57.77	33.82	0.00
Family Distribution by Income Level	52,851	18.01	17.09	19.38	45.52	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	18,550	0.00	14.37	59.11	26.52	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2017 Households Below Poverty Level		60,701 63,800 12%	Median Housing Value Unemployment Rate (2015 ACS US Census)	385,067 4.05%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2015 ACS US Census and 2017 FFIEC updated MFI

### Community Contact

We completed a community contact interview with a Director for a local organization that works to strengthen and diversify the economy of an area within the bank's AA. The community contact indicated that the area's credit needs are being met by the local financial institutions. The contact had no knowledge of unfair or discriminatory lending practices in the area. The contact had a favorable view of local financial institutions and stated that they are involved in community activities and sponsor school activities, sports, and other community events.