



PUBLIC DISCLOSURE

December 2, 2002

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**BANK OF COLORADO
RSSD# 255659**

**1609 EAST HARMONY
FT. COLLINS, COLORADO**

**Federal Reserve Bank of Kansas City
925 Grand Boulevard
Kansas City, Missouri 64198**

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, nor should it 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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INSTITUTION RATING

INSTITUTION'S CRA RATING: Bank of Colorado is rated **"OUTSTANDING."**

The following table indicates the performance level of Bank of Colorado with respect to the Lending, Investment, and Service Tests.

PERFORMANCE LEVELS	<u>BANK OF COLORADO</u>		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding	X		
High Satisfactory		X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The Lending Test is weighted more heavily than the Investment and Service Tests in determining the overall rating.

Major factors supporting the institution's rating include:

- ? The overall lending activity reflects an excellent responsiveness to the credit needs of each assessment area.
- ? A substantial majority of loans were originated within the assessment area.
- ? The distribution of loans reflects good penetration among different geographies.
- ? The distribution of loans reflects good penetration among borrowers of different income levels and business/farm customers of different sizes.
- ? The bank is a leader in making community development loans across all assessment areas.

- ? The bank has a significant level of qualified community development investments and grants.
- ? Delivery systems are accessible to essentially all portions of the bank's assessment areas, and the bank's services and hours at the various locations do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income individuals.
- ? Bank of Colorado's personnel provide a relatively high level of community development services.

INSTITUTION

DESCRIPTION OF INSTITUTION

Bank of Colorado is a wholly owned subsidiary of Pinnacle Bancorp, a \$2.9 billion holding company located in Central City, Nebraska. All of the Bank of Colorado locations are in the state of Colorado. The bank's Report of Condition and Income (Call Report) shows total assets of \$916 million as of June 30, 2002. This represents an increase of 42 percent since September 30, 2000, when total assets equaled \$642 million.

This increase in assets can be attributed not only to additional locations and its operations in a rapidly growing market, but also to the bank's merger with an affiliate, Bank of Colorado – Western Slope. As of December 14, 2000, Bank of Colorado absorbed the assets of the Western Slope bank and its branches, totaling approximately \$170 million. As a result, the bank's service area has expanded to include Grand Junction, Glenwood Springs and El Jebel. The bank has also opened two branches in Pagosa Springs, one of which is a mobile unit. In the second quarter of 2002, the Greeley loan production office (LPO) was dissolved, leaving only investment services at this facility. The residential LPO located at one of the Windsor branches was relocated at the new Ptarmigan facility (also in Windsor). In addition to the Ptarmigan facility, the bank now operates a full-service branch and a deposit-taking branch in Windsor. Since the last examination, the bank sold the branch in Julesburg because it was unprofitable and difficult to staff due to its location. In addition, the main facility of Bank of Colorado has been relocated to Fort Collins, Colorado, from its former location in Fort Lupton, Colorado.

All of the bank's offices are located within the combined assessment area, which meets the requirements of the Community Reinvestment Act (CRA) and its implementing Regulation BB. The combined assessment area includes entire geographies and does not appear to exclude low- or moderate-income areas. For purposes of this evaluation, the combined assessment area was divided into four metropolitan and four rural assessment areas. The assessment areas comprised of metropolitan statistical areas (MSAs) are designated as follows: East Fort Collins-Loveland MSA, Grand Junction MSA, Greeley PMSA, and Estes Park (Southwest Fort Collins-Loveland MSA). The four rural assessment areas are designated as follows: Northeast, Southwest, Mountain and Northwest. The Northeast assessment area includes the towns of Fort Morgan, Brush, Akron, Yuma, Holyoke and Sterling. The Southwest assessment area includes the towns of Durango and Pagosa Springs. The Mountain assessment area includes the towns of Glenwood Springs and Basalt, and lastly the Northwest assessment area includes the town of Craig. Due to the limited lending activity for the Estes Park and Northwest assessment areas, limited examination procedures were used to evaluate the bank's CRA performance in these areas.

The bank's largest physical presence and most dominant market presence are in the rural assessment areas; in particular, the Northeast and Southwest assessment areas. Of the bank's 23 offices, seven are in the Northeast area. In the northeast, the bank holds the largest deposit share of the 20 FDIC-insured institution offices as of June 30, 2001. Five of the bank's offices are in the Southwest assessment area where the bank has the third highest deposit market share. Although the bank's smallest deposit volume was in the rural Northwest assessment area, its presence was dominant in that area, with the largest deposit market share. The Greeley MSA contained the bank's third largest volume of deposits, which represented the fifth largest deposit market share of the 24 FDIC-insured offices in the area on June 30, 2001. The bank faces its greatest competition in the Ft. Collins MSA, Grand Junction MSA, and Mountain assessment areas.

Bank of Colorado offers a wide variety of consumer loan and deposit products and services. As illustrated in Exhibit 1 and stated by management, the bank's primary business focus is commercial and agricultural lending. Since the previous examination, commercial lending has grown by 84 percent and loans secured by real estate by 51 percent, while agricultural lending showed a moderate gain of 11 percent.

The evaluation of the bank's CRA performance is considered in the context of its financial capacity, legal impediments, local economic conditions, and demographics, including the competitive environment in which it operates. Although Bank of Colorado is subject to a high level of competition from a number of financial institutions within the bank's assessment areas, there are no financial or legal impediments that impact the bank's ability to lend.

EXHIBIT 1 Distribution Of Loans In The Loan Portfolio As Of June 30, 2002		
Type of Loan	Amount (In Thousands)	Percentage of Total Loans
Commercial Loans: (63.6%)		
Secured by nonfarm, nonresidential real estate	217,390	32.4
Commercial Loans	109,914	16.4
Construction and Land Development	85,750	12.8
Secured by multi-family (5 or more residential properties)	13,289	2.0
Agricultural Loans	106,844	16.0
Consumer Loans	29,853	4.5
Loans Secured by Real Estate: (15.6%)		
Loans secured by 1- to 4-family residential properties	79,252	11.8
Secured by junior liens	16,060	2.4
Revolving, open-end loans	9,590	1.4
Other (Less Unearned Income)	2,312	.3
TOTAL	670,254	100.0

Bank of Colorado's CRA public file did not contain any complaints relating to its CRA performance. The bank received a CRA rating of "Satisfactory" at its last performance evaluation on November 27, 2000.

SCOPE OF EXAMINATION

An evaluation of Bank of Colorado's performance under the CRA was conducted as of December 2, 2002, using the Federal Financial Institutions Examination Council (FFIEC) interagency large bank examination procedures. The procedures require a review of the bank's lending, investment and service activities since the prior CRA evaluation. This review included all commercial, agricultural and residential real estate loans reported pursuant to CRA and Home Mortgage Disclosure Act (HMDA) data collection requirements. Loans originated during the time period beginning January 1, 2001 and ending June 30, 2002 were analyzed to determine the bank's performance under the Lending Test. The review included only loan originations because the bank did not purchase any loans.

In addition, a comparative review of the bank with other commercial banks operating within the same assessment area was conducted. Specifically, the review included a comparison of the bank's lending performance to the aggregate lending performance of all other large financial institutions reporting the origination of home mortgage loans and loans to businesses and farms within the bank's assessment areas. Information provided by the bank regarding community development loans and activity related to the Investment and Service Tests was evaluated for the time period beginning January 1, 2001 until November 30, 2002. When reaching conclusions for each test, greater weight was given to selected assessment areas based on the number of branches, volume of HMDA and CRA loans, and market share.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The overall conclusions regarding the Lending, Investment, and Service Tests are summarized at the beginning of each section. Supporting information is then divided into performance characteristics that are described in Appendix A of Regulation BB, which implements the CRA.

In accordance with the CRA and HMDA data collection requirements for commercial banks with assets greater than \$250 million and offices located in metropolitan areas, Bank of Colorado collected loan location and gross annual revenue information for 2,059 small business, 1,560 small farm, and 1,140 real estate loans from January 1, 2001 to June 30, 2002. This data was analyzed under the Lending Test to determine the bank's

performance with respect to assessment area loan concentration, geographic distribution of loans, and originations to borrowers of different income levels and to businesses and farms of different sizes.

LENDING TEST

The overall rating for the institution under the Lending Test is Outstanding. The bank offers a significant number of credit products at lending levels that reflect an excellent responsiveness to assessment area credit needs. Additionally, a substantial majority of the loans were made within the institution's assessment areas. The geographic distribution of loans reflects a good penetration throughout the assessment area. The bank's loans are well distributed among customers of different income levels and to businesses and farms of different sizes. The bank exhibits a good record of serving the credit needs of low- and moderate-income individuals and geographies, and of very small businesses and farms, consistent with safe and sound banking practices. The bank is a leader in originating community development loans and makes extensive use of innovative and flexible lending practices in order to help meet assessment area credit needs.

Lending Activity

As identified in its CRA public file, the bank offers a full range of credit products, including traditional and nontraditional residential mortgages, home equity loans and lines of credit, residential refinancings, interim residential construction loans, land acquisition and development loans for commercial and residential projects, consumer loans, overdraft protection, business loans, and farm loans. In addition, the bank offers residential mortgage loans for permanent placement in the secondary market. Lending personnel are active in a number of government-insured loan programs such as the Federal Housing Administration (FHA), Veterans Administration (VA), Colorado Housing and Finance Authority (CHFA), Small Business Administration (SBA), Colorado Agricultural Development Authority (CADA), the Colorado Rural Rehabilitation Corporation (CRRC), and the Farm Servicing Agency (FSA). These loan products offer low down payment requirements, below market interest rates, and/or flexible underwriting criteria.

Since the previous examination, lending personnel originated 711 real estate loans totaling \$90,673,044 that were placed for permanent financing in the secondary market. For government-insured loans, lending personnel originated 358 FHA loans totaling \$43,219,424, VA loans totaling \$3,208,963, and 104 CHFA loans totaling \$10,620,509. Lending personnel also are active in government-insured loan programs for small businesses and small farms. Lending personnel originated 12 SBA loans totaling \$3,963,053; 4 CADA loans totaling \$338,250; 5 CRRC loans totaling \$127,000 and 2 FSA loans totaling \$220,000. Moreover, community contacts stated that the bank has been innovative and supportive of community lending initiatives.

In addition, a high percentage of the loans made by the bank to small farms (94 percent) and small businesses (75 percent) were in amounts of \$250,000 or less, which are the types of loans needed by these entities. Moreover, since the last examination 1,113 loans of \$1000 or less were made to individuals totaling \$553,775. This demonstrates the bank's record of serving the credit needs of low-income individuals and very small farms and businesses.

Exhibit 2 reflects the total lending activity for the products selected for review as outlined in the *Scope of Examination*.

EXHIBIT 2				
Summary of Lending Activity				
Loan Type	#	%	\$ (000s)	%
HMDA home purchase	663	13.1	75,925	16.0
HMDA refinancings	591	11.7	69,678	14.7
HMDA home improvement	162	3.2	3,586	0.7
HMDA multi-family	24	0.5	8,246	1.7
Total HMDA-related	1,440	28.5	157,435	33.1
Total small business	2,059	40.7	205,747	43.3
Total farm	1,560	30.8	112,383	23.6
TOTAL LOANS	5,059	100	475,565	100

Overall, lending activity in the bank's entire assessment area reflects an excellent responsiveness to credit needs based on the bank's performance context.

Assessment Area Concentration:

This criterion evaluates the concentration of loans originated by the bank in its combined assessment area. A substantial majority of the bank's lending activities occurs within the boundaries of its combined assessment area. Exhibit 3 illustrates, by product type, the number and dollar amount of loans that were originated. As noted, 89 percent of the number of loans and 85 percent of the dollar amount of loans were made within the combined assessment area. This demonstrates an excellent concentration of loans in the combined assessment area.

EXHIBIT 3 Lending Inside and Outside the Assessment Area								
	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
HMDA home purchase	564	85	61,076	80	99	15	14,849	20
HMDA refinancings	475	80	56,395	81	116	20	13,283	19
HMDA home improvement	150	93	3,414	95	12	7	172	5
HMDA multi-family	18	75	6,319	77	6	25	1,927	23
Total HMDA-related	1,207	84	127,204	81	233	16	30,231	19
Total small business	1894	92	180,746	88	165	8	25,001	12
Total farm	1402	90	98,266	87	158	10	14,117	13
TOTAL LOANS	4,503	89	406,216	85	556	11	69,349	15

Geographic and Borrower Distribution:

The geographic performance criterion focuses on the bank's lending penetration in the assessment area throughout geographies of all income levels, with specific emphasis placed on the bank's performance in low- and moderate-income geographies. Alternatively, the borrower performance criterion evaluates the bank's loan originations to borrowers of different income levels, particularly to low- and moderate-income individuals, and to small businesses and small farms of varying income levels.

There is a good geographic distribution of HMDA, business, and farm loans in the East Fort Collins, Grand Junction, Northeast, Mountain, and Northwest assessment areas, while loans were adequately dispersed in the Greeley and Southwest assessment areas. A geographic analysis was not considered for the Estes Park assessment area as it contained only middle-income tracts. Refer to Tables 2, 3, 4, 6, and 7 in Appendix C for the information used to evaluate the geographic distribution.

The borrower distribution among individual HMDA customers of different income levels and businesses and farms of different sizes showed excellent penetration in the East Fort Collins assessment area and good penetration in the Greeley, Northeast, Southwest, Estes Park and Northwest assessment areas. There is adequate penetration in the Grand Junction and Mountain assessment areas. Refer to Tables 8, 9, 10, 11 and 12 for the information used to evaluate the borrower distribution of the bank's home mortgage and small business and farm loans.

Overall, the bank has demonstrated good loan penetration throughout the combined assessment area and has displayed a good distribution of loans to borrowers of different income levels and to small businesses and small farms of different sizes. Details of the

geographic distribution are provided in the *Geographic Distribution* section for each assessment area while the details of the borrowers' profile are provided in the *Borrowers' Profile* section for each assessment area.

Community Development Lending:

This performance criterion evaluates a bank's responsiveness to development lending opportunities in its assessment area. Refer to Table 1 in Appendix C for the information used to evaluate community development lending.

Overall, the bank extended 36 community development loans for a total of \$24,114,258, representing outstanding performance in this area. Details of community development lending are provided in the *Community Development Lending* section for each assessment area. While only limited reviews were conducted for the Estes Park and Northwest assessment areas, the following community development loans were noted:

- ? The Estes Park branch originated six loans in the amount of \$6,774,393 to a city housing authority to develop and construct affordable housing units.
- ? The Craig Branch originated a loan in the amount of \$157,722 to a community budget center; a non-profit thrift shop/second hand store that sells everything from clothes to furniture that has been donated by people of the community.

INVESTMENT TEST

This test evaluates the degree to which the institution's qualified investments serve affordable housing needs, assist community services targeted to low- and moderate-income individuals, or enhance economic development issues in the bank's assessment area. In addition, this criterion evaluates the bank's responsiveness to available investment opportunities and the use of innovative or complex investments not routinely provided by other investors.

The overall rating for the institution under the Investment Test is High Satisfactory. The bank offers a significant level of participation in qualified community development investments and grants in consideration of the bank's size, capacity and resources. Details of the qualified investments and grants are provided in the *Investment and Grant Activity* section for each assessment area.

Table 13 in Appendix C illustrates the allocation of donation activity among the bank's eight assessment areas. The bank participated in qualified investments, including the purchase of a revenue bond for the Aurora – Colorado Housing Authority for \$200,000 and 45 qualified donations for a total of \$57,996. Donations were made to community development organizations, such as Habitat for Humanity, Community/Economic

Development Corporations, and various Holiday Programs for those in need. In addition, Bank of Colorado provides free deposit accounts without any service or activity fees to the Colorado Lawyer Trust Account Foundation (COLTAF) and the Colorado Association of Realtors Foundation (CARHOF). These foundations provide, respectively, legal and affordable housing services to low- and moderate-income families. In addition, these accounts earn interest and these additional funds are used for low- and moderate-income families and individuals as well.

SERVICE TEST

The overall rating for Bank of Colorado under the Service Test is High Satisfactory. Bank of Colorado's delivery systems are accessible to essentially all portions of the bank's assessment area. To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals. Services, including business hours, do not vary in a way that inconveniences the assessment area, particularly low- and moderate-income geographies and individuals. Given the bank's size, financial capacity, and resources, Bank of Colorado provides a relatively high level of community development services in the bank's overall assessment area. Details of the retail services and qualified community development services are provided in the *Retail Services and Community Development Service* sections for each assessment area.

Retail Services:

This criterion evaluates the accessibility of the bank's branches, availability of alternative delivery systems, services and hours, and changes in branch locations. As illustrated in Table 14 in Appendix C, Bank of Colorado has 5 branches in moderate-income geographies, 14 in middle-income geographies, and 4 in upper-income geographies. In addition the bank has 5 automated teller machines (ATMs) in moderate-income, 25 ATMs in middle-income, and 6 ATMs in upper-income geographies. Bank of Colorado also offers alternative 24-hour banking systems such as an on-line banking product and telephone banking. The bank's overall delivery systems are accessible to essentially all portions of each assessment area.

Since the last examination, Bank of Colorado has opened four branch offices. One branch opened in 2001 in an upper-income geography in Fort Collins. Another three branches opened in 2002, one in a middle-income geography in Durango, one in a middle-income geography in Greeley, and another in an upper-income geography in Windsor. The Bank of Colorado has not closed any branches, although the branch in Julesburg, Colorado, was sold to another institution in 2001. The changes in each of the bank's assessment areas do not adversely affect the accessibility of delivery systems, especially to low- and moderate-income geographies and individuals.

Overall, Bank of Colorado's loan and deposit products and services, alternative banking products, and business hours and locations address the convenience and needs of its customers in a way that does not inconvenience certain portions of each assessment area. The bank's hours of operations were comparable across each assessment area.

Community Development Services:

Overall, Bank of Colorado personnel provide a relatively high level of community development services designed to assist in meeting the needs of the bank's assessment areas. Specifically, bank personnel contribute financial expertise for such organizations as Habitat for Humanity, the Small Business Administration, and various economic development councils, housing authorities, and chambers of commerce. Each of these programs is developed to assist enterprises or individuals in financial need. Branch personnel in the Northeast and Southwest are leaders in providing community services. Personnel in the Grand Junction, Greeley, and Estes Park assessment areas provided a relatively high level of services. Branch personnel in the East Fort Collins, Mountain, and Northwest assessment areas provide an adequate level of services. In addition, personnel in the Southwest and the Estes Park assessment areas participated in the Federal Home Loan Bank's (FHLB's) Affordable Housing project which extended grants to the Housing Authority of Montezuma County and Estes Park Housing Authority, respectively.

COMPLIANCE WITH ANTIDISCRIMINATION LAWS

An evaluation of the bank's fair lending activities was conducted during the examination to determine compliance with the broad, nondiscriminatory provisions of the Equal Credit Opportunity Act and Fair Housing Act. The FFIEC Interagency Fair Lending Examination Procedures were used for this analysis. No violations of the substantive provisions of the antidiscrimination laws and regulations were identified. Overall, satisfactory policies, procedures and training programs have been developed to support nondiscrimination in lending activities.

METROPOLITAN AREAS

DESCRIPTION OF INSTITUTION'S OPERATIONS IN EAST FORT COLLINS ASSESSMENT AREA

The East Fort Collins-Loveland MSA includes Bank of Colorado's main office and its most productive home mortgage branch (Ptarmigan), where all secondary lending takes place. The bank faces significant competition in this assessment area, with deposit volume of only 1.5 percent of the MSA's total deposits. As of June 30, 2001 the two branches in Fort Collins accounted for 5.9 percent of the bank's total deposits.

The East Fort Collins assessment area consists of 2 low-income geographies, 4 moderate-income geographies, 12 middle-income geographies and 8 upper-income geographies. Both bank branches and an ATM are located in upper-income geographies. In 1990, the area's median family income of \$37,799 was 102.3 percent of the MSA's (\$36,932), making it a middle-income area overall.¹ Assessment area demographics and characteristics based upon 1990 Census Data are summarized in Exhibit 4.

In north central Colorado's Front Range, the Ft. Collins-Loveland MSA consists of Larimer County. Manufacturing and service industries, including information technologies, are crucial to the economy, and its largest employers include General Motors Corporation, Colorado State University, All About You Health & Beauty Spa, Hewlett-Packard Company, Agilent Technologies, Inc., and several school districts. Compared to the slow and receding economies in other parts of the state, the MSA economy retains much of the strength it gained over the past few years, though there are signs of slowing. The State of Colorado attributes the MSA's strong employment growth to it serving as a less expensive bedroom community to the expanding Denver Consolidated MSA (CMSA) and strong expansion in mining, health, and education industries that offset declining information technology, manufacturing, and administrative services industries.

The northeastern part of the MSA contains the major part of the MSA's population, housing units, and industries. The area population was 113,699 in 1990, and 61.1 percent of the total MSA population lived in the area. In part because of its large college population, the area contained a large young adult population and its concentration of families was small. In 1990, college dormitories were the largest group quarters in the area, and 4.1 percent of the total population lived in college dormitories.

Area housing stock characteristics reflected its large student population. Exhibit 4 shows the area's general housing characteristics. Owner-occupancy was slightly lower in the area than in the MSA as a whole, and the area contained larger concentrations of rental

¹ The median family incomes for the Ft. Collins-Loveland MSA used for borrower income analysis were \$58,200 in 2001 and \$60,800 in 2002.

and multi-family units. Of total housing stock, 19.5 percent was multi-family units. In the MSA as a whole, 56.9 percent of housing stock was owner-occupied, 39.5 percent was rental units, and 14.3 percent was multi-family units. The area also contained a large stock of mobile homes at 8.2 percent. Housing vacancy was low in the area, showing high housing demand. In the MSA as a whole, the vacancy rate was 9.4 percent.

Although the median value of area housing of \$82,204 was slightly less than in the MSA as a whole (\$83,993), housing affordability was generally the same in the area as in the MSA. The area's housing affordability ratio was 35.4 percent and the housing affordability ratio in the MSA as a whole was 35.3 percent.²

Housing stock composition in the area's low- and moderate-income tracts suggests lower home loan demand than in other parts of the area. As shown in Exhibit 4, there is significantly less housing located in the low- and moderate-income tracts. Also, low- and moderate-income areas had higher concentrations of rental housing stock than in the middle- and upper-income tracts. Low- and moderate-income tracts also contained high concentrations of multi-family housing units. In 1990, 23.2 percent of low-income and 29.9 percent of moderate-income tract housing units were multi-family unit structures. In the middle-income tracts, 18.5 percent of housing stock was multi-family units, and 12.9 percent of upper-income housing units were multi-family. Multi-family housing stock and rental units often result in lower credit demand than single-family, owner-occupied units.

In an effort to obtain a perspective on local economic conditions and possible credit needs in the assessment area, a community contact was made with a local economic development organization. The contact stated that 4,300 people have recently lost their jobs in the area, and many of these jobs were in the high-tech industries. However, the unemployment rate has not risen much because many of these people are now 'underemployed' as they have taken jobs in the service/retail industry. The layoffs in the area appear to have spurred the growth of new businesses and new business loans. The contact further stated that the drought has very adversely affected Colorado, as much of the area's primary income comes from agriculture and real estate development. In spite of these issues, the area is projected to be one of the fastest growing regions in Colorado. Construction, real estate, consumer spending, and health care are all considered to be strong areas in the overall economy. According to the contact, the proximity to University of Colorado, Colorado State University and University of Northern Colorado has contributed to a highly educated workforce and one of the most diverse

² Affordability ratios are calculated by dividing the median household income by the median housing value. A higher ratio is, reflective of more affordable housing stock.

economies in the nation. Lastly, the contact felt that one of the biggest needs in the community is funding of transportation infrastructure. Two initiatives were voted down recently in spite of the desperate need in the area.

EXHIBIT 4								
East Ft. Collins-Loveland MSA Assessment Area Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	7.7	1,316	4.9	363	27.6	5,107	18.9
Moderate-income	4	15.4	3,322	12.3	489	14.7	5,168	19.1
Middle-income	12	46.2	13,818	51.2	884	6.4	6,098	22.6
Upper-income	8	30.8	8,540	31.6	309	3.6	10,623	39.4
Total Assessment Area	26	100.0	26,996	100.0	2,045	7.6	26,996	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	2,798	1,312	5.2	46.9	1,301	46.5	185	6.6
Moderate-income	8,452	3,032	12.0	35.9	5,062	59.9	358	4.2
Middle-income	22,420	12,556	49.8	56.0	8,759	39.1	1,105	4.9
Upper-income	11,874	8,317	33.0	70.0	2,884	24.3	673	5.7
Total Assessment Area	45,544	25,217	100.0	55.4	18,006	39.5	2,321	5.1
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	856	10.9	704	10.2	115	22.1	37	9.2
Moderate-income	1,611	20.6	1,429	20.7	93	17.9	89	22.1
Middle-income	3,337	42.7	2,970	43.0	197	37.9	170	42.3
Upper-income	2,018	25.8	1,797	26.1	115	22.1	106	26.4
Tract not reported	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	7,822	100.0	6,900	100.0	520	100.0	402	100.0
Percentage of Total Businesses:				88.2		6.6		5.2

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN EAST FORT COLLINS ASSESSMENT AREA

The conclusions regarding the Lending, Investment, and Service Tests are at the beginning of each section. Supporting information is then divided into performance characteristics under each test.

LENDING TEST

The geographic distribution of loans reflects a good penetration throughout the assessment area. The distribution of borrowers displays an excellent penetration among borrowers of different income levels and to businesses and farms of different sizes. The bank exhibits a good record of serving the credit needs of low- and moderate-income individuals and geographies and of very small businesses and farms consistent with safe and sound banking practices. The bank is also a leader in making community development loans. Bank of Colorado makes extensive use of innovative and flexible lending practices in serving assessment area credit needs.

Lending Activity:

The lending activity for the bank in the East Fort Collins assessment area reflects an excellent responsiveness to credit needs in the area. Refer to Table 1 of Appendix C for the information used to evaluate the bank's lending activity. As illustrated, about 4 percent of rated area loans are in the assessment area, consistent with rated deposits of about 6 percent. This indicates the bank is lending in the community where deposits are being accepted.

Geographic Distribution:

This performance criterion focuses on the bank's penetration of loans among geographies of different income levels in the bank's East Fort Collins assessment area, including low- and moderate-income geographies. An analysis of the bank's lending activity revealed that loans were dispersed throughout the entire assessment area.

Home Mortgage Loans

Refer to Tables 2, 3, and 4 in Appendix C for the information used to evaluate the geographic distribution of the bank's home mortgage loans. The data shows that the distribution of home mortgage loans, specifically for home purchase and home refinance, across low- and moderate-income geographies was good, while home improvement loans were only made in middle-income geographies. As noted earlier, low- and moderate-income areas had higher concentrations of multi-unit housing which has lower credit

demands than single-family units. Table 5 in Appendix C showing the geographic distribution of multi-family loans was not used because only four such loans were originated during the evaluation period.

Small Loans to Businesses and Farms

The percentage of small business and small farm loans originated was compared to the percentage of businesses and farms located within geographies of each income level. In addition, the data was compared to the aggregate lending of the peer group. As shown in Table 6 in Appendix C, the bank's small business lending in low- and moderate-income geographies was comparable to the percentage of businesses in low- and moderate-income geographies. In addition, Table 7 in Appendix C reflects exceptional lending for small farms in the moderate-income tracts. This reflects an excellent dispersion of small business and small farm lending in the East Fort Collins assessment area.

Distribution by Borrower Income and Revenue Size of the Business/Farm:

This performance criterion evaluates the bank's loan originations to borrowers of different income levels, particularly to low- and moderate-income individuals, and businesses and farms of different sizes.

Home Mortgage Loans

Refer to Tables 8, 9 and 10 in Appendix C for the information used to evaluate the borrower distribution of the bank's home mortgage loans. The percentage of loans made to borrowers of each income level was compared to the percentage of families in the assessment area that are designated as low-, moderate-, middle-, or upper-income families. In addition, a comparison was made against aggregate lending data for mortgage peer groups.

The bank's distribution of loans to customers of different income levels is excellent. As shown in the borrower distribution tables, roughly 39 percent of families are designated as low- or moderate-income within the assessment area, while 45 percent of home purchase, 100 percent of home improvement, and 26 percent of mortgage refinance loans were made to low- and moderate-income borrowers. Additionally, the percentage of loans made to low- and moderate-income borrowers compares favorably to the aggregate lenders in the region that made only 23 percent of loans to these borrowers.

Small Loans to Businesses and Farms

Refer to Tables 11 and 12 in Appendix C for the information used to evaluate the distribution of small loans to businesses and farms of different revenue sizes. The analysis of the bank's small business loans within the assessment area shows that 77 percent of the loan originations were made to businesses with \$1 million or less in

gross revenues, while Dun & Bradstreet (D&B) information indicates that 88 percent of businesses in the area are considered small businesses. The analysis of the bank's small farm loans within the assessment area shows that 100 percent of the loan originations were made to farms with \$1 million or less in gross revenues, while D&B information indicates that 86 percent of farms in the area are considered small farms. Additionally, 82 percent of the business loans and 100 percent of the farm loans originated were for \$250,000 or less, which amounts are generally required by smaller entities. As such, the bank has demonstrated a willingness to meet the credit needs of businesses and farms of different sizes and, thus, its performance is considered excellent.

Community Development Lending:

This performance criterion evaluates a bank's responsiveness to community development lending opportunities in its assessment area. The bank's community development lending in the East Fort Collins assessment area is at a leadership level. According to the community contact, affordable housing is an area of opportunity in the community, although there is a higher need for workforce development.

Refer to Table 1 in Appendix C for the information used to evaluate Community Development Lending. Ten community development loans were originated in the amount of \$6,698,000 in the East Fort Collins assessment area during the evaluation period. All were made for the purpose of affordable housing. These loans were not reported or considered in the assessment of small business lending. The loans are listed below:

- ? Six loans to a residential retirement development in Fort Collins to provide both mobile homes and modular homes to senior citizens. The Federal National Mortgage Association (Fannie Mae) has guaranteed the mortgages on the property. Estimated prices range between \$77,000 and \$89,000, 50 percent of the affordable median sales price for the area.
- ? One improvement loan for a multi-family apartment complex in Greeley. Rents are 50 percent below the median adjusted income levels for affordable payments.
- ? Two loans for the purchase of a 5-plex and 8-plex in Fort Collins and Loveland, respectively. The rents on both multi-family units are well below the market area average rent published by the Colorado Division of Housing.
- ? One refinance loan to make property improvements on a multi-family unit in Fort Collins. Again, rents are well below the amount published by the Colorado Division of Housing.

INVESTMENT TEST

This test evaluates the degree to which the institution's qualified investments serve affordable housing needs, assist community services targeted to low- and moderate-income individuals, or enhance economic development issues in the bank's assessment area. In addition, this criterion evaluates the bank's responsiveness to available investment opportunities and the use of innovative or complex investments not routinely provided by other investors. The bank has an adequate level of qualified community development investments and grants within the East Fort Collins assessment area. Additionally, the bank exhibits adequate responsiveness to credit and community economic development needs and occasionally uses innovative and/or complex investments to support community development initiatives in this assessment area.

Refer to Table 13 in Appendix C for the information used to evaluate the bank's level of qualified investments. The bank's qualified grant (donation) activity in the East Fort Collins assessment area consists of donations to such qualified community development organizations as the United Way of Larimer County and Funding Partners for Housing Solutions. The following donations are of particular note:

- ? A large donation was made to United Way of Larimer County of which 90 percent is specified for low-income individuals/families for basic and emergency services, wellness and disabled services, family counseling, and youth/elderly services.
- ? A donation was made to Funding Partners for Housing Solutions, an entity whose primary purpose is making affordable housing a reality in Northern Colorado.
- ? Bank of Colorado provides COLTAF with free deposit accounts that also earn interest. The bank does not charge COLTAF for any service or activity fees on any foundation accounts. The money the foundation is given helps provide legal services to low-income individuals, families, seniors, disabled people, and victims of domestic violence.
- ? Bank of Colorado also provides realtors with deposit accounts free of service or activity fees and pays interest on the accounts to CARHOF. This foundation was created to promote safe, decent, and affordable housing in Colorado. These funds help low- and moderate-income families by enabling eligible housing organizations to provide down payment assistance, crisis shelters, homeownership counseling, affordable housing projects, and mortgage and rental assistance.

Community contacts within the East Fort Collins assessment area stated that the bank is responsive to area concerns with contributions to or involvement in local organizations. As previously mentioned, branches in the East Fort Collins assessment area respond to investment and/or grant issues as they arise.

SERVICE TEST

The bank's overall rating in the East Fort Collins assessment area is High Satisfactory under the Service Test. The bank's delivery systems, branch locations, and office hours are accessible to essentially all portions of the assessment area and accommodate the needs of the community. Bank officers and employees contribute their financial expertise to an adequate number of community development service organizations.

Retail Services:

This criterion evaluates the accessibility of the bank's branches, availability of alternative delivery systems, services and hours, and changes in branch locations. Refer to Table 14 of Appendix C for the information used to evaluate the bank's retail services.

Bank of Colorado has two branches and one ATM in the East Fort Collins assessment area. Both branches, located in upper-income geographies, were opened since the last examination. Delivery systems are accessible to essentially all of the bank's assessment area. In addition, Bank of Colorado offers on-line and telephone banking. On-line features include location and product information, deposit account balances, interaccount transfers, and bill payment for personal accounts. For business customers it provides cash management services, wire transfer services, and ACH payroll features on-line.

The bank's services do not vary in a way that inconveniences certain portions of the East Fort Collins area, particularly low- and moderate-income individuals. The bank's services and business hours are generally convenient to customers and are tailored to the communities in the assessment area. Branch hours generally range from 9:00 a.m. to 5:00 p.m., Monday through Friday. The branches offer Saturday hours (9:00 a.m. to Noon) as well, and have drive-through facilities that are open for extended hours.

Community Development Services:

This criterion evaluates the extent of bank personnel's involvement in community development services, the innovativeness of those services, and the degree to which they serve low- and moderate-income individuals. Qualified community development services include services that have as their primary purpose community development, are related to the provision of financial services, and have not been considered in the evaluation of the bank's other retail banking services.

As bank personnel within the East Fort Collins assessment area provide their time and services in community associations, the bank provides an adequate level of community development services. Lending personnel in the East Fort Collins area provide first-time homebuyer seminars for the local homebuyers counseling organization.

METROPOLITAN AREAS

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE GRAND JUNCTION ASSESSMENT AREA

The Grand Junction MSA is one of the bank's more competitive areas with two branches located in Grand Junction and Patterson. As of June 30, 2001, the two branches contained 10.8 percent of the bank's deposits and only 6.5 percent of the area market share.

The assessment area consists of 4 moderate-income geographies, 13 middle-income geographies, and 4 upper-income geographies. As indicated in Exhibit 5, area middle-income tracts contain the largest concentrations of area families, owner-occupied housing units, and businesses. Thus, it is expected that a large volume of financial institution lending would be in those tracts. Of the bank's two area branches, one is in a moderate-income tract and the other is in a middle-income tract. The bank has two ATMs, both in the middle-income tracts.

Mesa County, on the west central edge of the state and abutting the Continental Divide, comprises the entire MSA and the bank's assessment area. The MSA owes much of its economy to tourism and other service industries while also serving as a regional hub for medical and government services and housing several light manufacturing industries. The U.S. Forest Service and Bureau of Land Management control much of the MSA's land because of the presence of Colorado National Monument and Grand Mesa National Forest. Among the MSA's major employers are Saint Mary's Hospital, the Colorado Department of Human Services (residential care), U.S. Postal Service, Burlington Northern and Santa Fe Railway (railroad operations), Choice Hotels International (hotels and motels), Coors Ceramics Electronics (electrical supplies), and Mesa State College.

The area's population grew by 24.8 percent from 1990 to 2000, reaching 116,255 residents in 2000. Mesa County gained sufficient population to become an MSA in 1996. In 1990, the area had a large family population, and 70.5 percent of households were families. By 2000, the area's family concentration had decreased and families comprised 68.9 percent of households. The area contained a large concentration of senior citizens. In 1990, 14.4 percent of the total population was over 64 years old compared to 10.0 percent of the population in this age group statewide. By 2000, the area population over 64 years old had increased to 15.2 percent of the total population, while in the state as a whole the population over 64 years old decreased to 9.7 percent of the total population.

Exhibit 5 shows the area's general housing characteristics. In keeping with its large family concentration, the area's housing stock contained large concentrations of single-family and owner-occupied housing units. In 1990, 66.1 percent of area housing stock

was single-family units as compared with the state at 59.7 percent. Mobile homes comprised 10.5 percent of area housing stock in 1990. Despite its large stock of mobile homes, which generally have shorter use cycles than traditional housing stock, area housing stock was older than in the state as a whole. This may indicate a need for affordable housing development and overuse of current housing stock. In 1990, the median age of area housing stock was 24 years and 19.2 percent of housing stock was built before 1950.

The income and housing characteristics of moderate-income tracts may adversely affect housing credit demand and the ability of residents to afford substantial credit. In 1990, 39.4 percent of moderate-income tract families had low-income levels and 26.4 percent of families in those tracts lived below the poverty level. Housing unit owner occupancy was low in the moderate-income tracts and there was a high concentration of rental and multi-family housing units. Of total moderate-income tract housing units, 21.9 percent were multi-family units compared to 11.1 percent multi-family units in the area as a whole. Rental and multi-family units often have less credit demand than does single-family, owner-occupied housing stock.

Overall, the area was a moderate-income part of the state. In 1990, its median family income of \$27,637 was 76.9 percent of that of the state as a whole (\$35,930).³ The area contained a large concentration of low-income families and it had a high family poverty rate.

In an effort to obtain a perspective on local economic conditions and possible credit needs in the assessment area, a community contact was made with a local housing authority. According to the contact, Grand Junction is split economically. At the higher income levels, builders continue to build high-end homes and the economy is 'perking along.' At the lower income levels, hiring is considered slow. Moreover, 52 percent of the jobs in Grand Junction are retail/service related, which pay nominally. Based on information provided by the housing authority, the regional economy of Mesa County services a large population from within the county as well as smaller communities from western Colorado and eastern Utah. Services include retail trade centers, health care facilities, air and rail transportation, professional services, and a four-year college. The area is rich in natural resource amenities, affording a wide variety of outdoor recreation opportunities. As such, tourism plays a vital role in the regional economy with 16 percent of the jobs in the local economy tied directly and indirectly to this sector.

³ The median family incomes for the Grand Junction MSA used for borrower income analysis were \$40,800 in 2001 and \$42,700 in 2002.

EXHIBIT 5								
Grand Junction MSA Assessment Area Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	4,980	19.5
Moderate-income	4	19.0	1,965	7.7	518	26.4	4,616	18.0
Middle-income	13	61.9	18,341	71.7	2,144	11.7	5,802	22.7
Upper-income	4	19.0	5,276	20.6	256	4.9	10,184	39.8
Total Assessment Area	21	100.0	25,582	100.0	2,918	11.4	25,582	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	4,167	1,575	6.7	37.8	2,222	53.3	370	8.9
Middle-income	27,775	16,479	70.0	59.3	9,013	32.5	2,283	8.2
Upper-income	7,266	5,480	23.3	75.4	1,481	20.4	305	4.2
Total Assessment Area	39,208	23,534	100.0	60.0	12,716	32.4	2,958	7.5
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	1,187	19.0	1,009	18.4	113	29.7	65	17.0
Middle-income	3,883	62.1	3,452	62.9	195	51.3	236	61.6
Upper-income	1,184	18.9	1,030	18.7	72	19.0	82	21.4
Tract not reported	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	6,254	100.0	5,491	100.0	380	100.0	383	100.0
Percentage of Total Businesses:				87.8		6.1		6.1

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE GRAND JUNCTION ASSESSMENT AREA

The conclusions regarding the Lending, Investment, and Service Tests are at the beginning of each section. Supporting information is then divided into performance characteristics under each test.

LENDING TEST

The geographic distribution of loans reflects a good penetration throughout the assessment area. The distribution of borrowers displays an adequate penetration among borrowers of different income levels and to businesses and farms of different sizes. The bank exhibits a good record of serving the credit needs of low- and moderate-income individuals and geographies and of very small businesses and farms consistent with safe and sound banking practices. The bank is also a leader in making community development loans. Bank of Colorado makes extensive use of innovative and flexible lending practices in serving assessment area credit needs.

Lending Activity:

The lending activity for the bank in the Grand Junction assessment area reflects an excellent responsiveness to credit needs in the area. Refer to Table 1 of Appendix C for the information used to evaluate the bank's lending activity. As illustrated, about 10 percent of rated area loans are in the assessment area, consistent with the rated deposits of about 11 percent. This indicates the bank is lending in the community where deposits are being accepted.

Geographic Distribution:

This performance criterion focuses on the bank's penetration of loans among geographies of different income levels in the bank's Grand Junction assessment area, including in low- and moderate-income geographies.

Home Mortgage Loans

Refer to Tables 2, 3, and 4 in Appendix C for the information used to evaluate the geographic distribution of the bank's home mortgage loans. The data shows that the distribution of home mortgage loans across moderate-income geographies was good and slightly higher than aggregate HMDA lending. Table 5 in Appendix C shows the geographic distribution of multi-family loans and was not used because only three such loans were originated during the evaluation period.

Small Loans to Businesses and Farms

The percentage of small business and small farm loans originated was compared to the percentage of businesses and farms located within geographies of different income levels. In addition, the data was compared to the aggregate lending of the peer group. As shown in Table 6 in Appendix C, the bank's small business lending in the moderate-income geographies was comparable to the percentage of businesses in the moderate-income geographies. However, Table 7 in Appendix C reflects that no lending occurred for the bank or aggregate lenders as compared with the percentage of small farms in the moderate-income tracts. This reflects a less than favorable dispersion of small farm lending in the Grand Junction assessment area.

Distribution by Borrower Income and Revenue Size of the Business/Farms:

This performance criterion evaluates the bank's loan originations to borrowers of different income levels, particularly to low- and moderate-income individuals, and businesses and farms of different sizes.

Home Mortgage Loans

Refer to Tables 8, 9 and 10 in Appendix C for the information used to evaluate the borrower distribution of the bank's home mortgage loans. The percentage of loans made to borrowers of each income level was compared to the percentage of families in the assessment area that are designated as low-, moderate-, middle-, or upper-income families. In addition, a comparison was made against aggregate lending data for mortgage peer groups.

As shown in the borrower distribution tables, roughly 38 percent of families are designated as low- or moderate-income within the assessment area, while 19 percent of home purchase, 19 percent of home improvement, and 10 percent of mortgage refinance loans were made to low- and moderate-income borrowers. As noted previously, this area is considered a moderate-income area, yet there is a large concentration of low-income families, and this may affect housing credit demand and the ability of residents to afford substantial credit. Moreover, the percentage of loans made to low- and moderate-income borrowers is similar to the aggregate lenders in the region that made 19 percent of their loans to these borrowers. As such, the bank's distribution of loans to customers of different income levels is deemed adequate.

Small Loans to Businesses and Farms

Refer to Tables 11 and 12 in Appendix C for the information used to evaluate the distribution of small loans to businesses and farms of different revenue sizes. The analysis of the bank's small business loans within the assessment area shows that 70 percent of the loan originations were made to businesses with \$1 million or less in gross revenues, while D&B information indicates that 88 percent of businesses in the area are considered small business. The analysis of the bank's small farm loans within the assessment area shows that 100 percent of the loan originations were made to farms with \$1 million or less in gross revenues, while D&B information indicates that 90 percent of farms in the area are considered small farm. Additionally, 82 percent of the business loans and 100 percent of the farm loans originated were for \$250,000 or less, which are amounts generally required by smaller business and farm entities. As such, the bank has demonstrated a willingness to meet the credit needs of businesses and farms of different sizes and, thus, its performance is considered excellent.

Community Development Lending:

This performance criterion evaluates a bank's responsiveness to community development lending opportunities in its assessment area. The bank's community development lending in the Grand Junction assessment area is at a leadership level. According to the community contact, most community development projects are in planning stages and banks have been active in their participation.

Refer to Table 1 in Appendix C for the information used to evaluate Community Development Lending. Two community development loans totaling \$3,580,000 were originated in the Grand Junction assessment area during the evaluation period. Both were made for the purpose of affordable housing. These loans were not reported or considered in the assessment of small business lending. The loans are listed below:

- ? A loan to purchase a 21-unit mobile home park in Fruita, Colorado. The average monthly rents on these units will be from \$200 - \$450, well below the median affordable payment for this area.
- ? A loan to a residential development subdivision in Grand Junction, Colorado, to provide 42 single-family homes. The average sales price of each single-family residence is about 90 percent of the 2000 average sales price of a home in the Grand Junction area.

INVESTMENT TEST

This test evaluates the degree to which the institution's qualified investments serve affordable housing needs, assist community services targeted to low- and moderate-income individuals, or enhance economic development issues in the bank's assessment area. In addition, this criterion evaluates the bank's responsiveness to available investment opportunities and the use of innovative or complex investments not routinely provided by other investors. The bank has a significant level of qualified community development investments and grants within the Grand Junction assessment area. Additionally, the bank exhibits good responsiveness to credit and community economic development needs and occasionally uses innovative and/or complex investments to support community development initiatives in this assessment area.

Refer to Table 13 in Appendix C for the information used to evaluate the bank's level of qualified investments. The bank's qualified grant (donation) activity in the Grand Junction assessment area consists of donations to such qualified community development organizations as the Grand Junction Homeless Shelter, Habitat for Humanity, and the Western Colorado Business Development Center. The following donations are of particular note:

- ? An annual pledge to the Mesa County Economic Development Council to help raise the overall level of wages by giving incentives to employers paying more than the 'living wage.'
- ? A large donation to the Grand Junction Homeless Shelter to raise funds to build a new homeless shelter in Grand Junction.
- ? A large donation to the Western Colorado Business Development Center to help provide assistance to start-up and emerging small businesses. This center works with the Small Business Development Center in providing free consulting and low cost seminars.
- ? Bank of Colorado provides COLTAF with free deposit accounts that also earn interest. The bank does not charge COLTAF for any service or activity fees on any foundation accounts. The money the foundation is given helps provide legal services to low-income individuals, families, seniors, disabled people, and victims of domestic violence.
- ? Bank of Colorado also provides realtors with deposit accounts free of service or activity fees and pays interest on the accounts to CARHOF. This foundation was created to promote safe, decent, and affordable housing in Colorado. These funds help low- and moderate-income families by enabling eligible housing organizations to provide down payment assistance, crisis shelters, homeownership counseling, affordable housing projects, and mortgage and rental assistance.

Community contacts within the Grand Junction assessment area stated that the bank is responsive to area concerns with contributions to or involvement in local organizations. As previously mentioned, branches in the Grand Junction assessment area respond to investment and/or grant issues as they arise.

SERVICE TEST

The bank's overall rating in the Grand Junction assessment area is High Satisfactory under the Service Test. The bank's delivery systems, branch locations, and office hours are accessible to essentially all portions of the assessment area and accommodate the needs of the community. Bank officers and employees contribute their financial expertise to a relatively high number of community development service organizations.

Retail Services:

This criterion evaluates the accessibility of the bank's branches, availability of alternative delivery systems, services and hours, and changes in branch locations. Refer to Table 14 of Appendix C for the information used to evaluate the bank's retail services.

Bank of Colorado has two branches and two ATMs in the Grand Junction assessment area. Delivery systems are accessible to essentially all of the bank's assessment area. One branch is located in a moderate-income geography while the other branch and both ATMs are located in middle-income geographies. In addition, Bank of Colorado offers on-line and telephone banking. On-line features include location and product information, deposit account balances, interaccount transfers, and bill payment for personal accounts. For business customers, it provides cash management services, wire transfer services, and ACH payroll features on-line.

There have been no changes with regard to branches in this assessment area since the last evaluation. Therefore, openings/closings do not adversely affect the accessibility of the bank's delivery systems.

The bank's services do not vary in a way that inconveniences certain portions of the Grand Junction area, particularly low- and moderate-income individuals. The bank's services and business hours are generally convenient to customers and are tailored to the communities in the assessment area. Branch hours generally range from 9:00 a.m. to 5:00 p.m., Monday through Friday. The branches offer Saturday hours (9:00 a.m. to Noon) as well, and have drive-through facilities that are open for extended hours.

Community Development Services:

This criterion evaluates the extent of bank personnel's involvement in community development services, the innovativeness of those services, and the degree to which they serve low- and moderate-income individuals. Qualified community development services include services that have as their primary purpose community development, are related to the provision of financial services, and have not been considered in the evaluation of the bank's other retail banking services.

As bank personnel within the Grand Junction assessment area provide their time and services in many community associations, the bank provides a relatively high level of community development services. The following list describes the organizations in which bank management, officers, and staff provide particularly noteworthy financial expertise, involvement, and leadership.

- ? Grand Junction Housing Authority – An organization that develops and maintains Section 8 and low-income rental properties. As a board member, the bank employee reviews interim financials and approves budgets.
- ? Downtown Development Authority – A city organization that promotes the development of downtown and supports projects that fight the blight and deterioration of the downtown core. One bank employee assists in choosing worthwhile projects and bonding financial reports.
- ? Community Food Bank of Grand Junction – The food bank provides three-day emergency food supply to individuals and families in need. As a board member, the bank employee makes decisions that affect the funding and financial operation of the food bank.

METROPOLITAN AREAS

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE GREELEY ASSESSMENT AREA

The Greeley Primary Metropolitan Statistical Area (PMSA) includes three branches, one each in the towns of Greeley, Fort Lupton and Windsor. Each of the branches, with the exception of the Greeley branch, has an ATM. Also, there are off-site ATM locations in Fort Lupton and Windsor. As of June 30, 2001, the Greeley PMSA contained the bank's third largest volume of deposits, \$117,714 million or 16.4 percent of total bank deposits and fifth largest market share at 6.6 percent.

The assessment area consists of three low-income, seven moderate-income, ten middle-income, and six upper-income geographies within the Greeley PMSA. The substantial majority of area families, owner-occupied housing units, and businesses were in middle-income tracts, and all three of the bank's branches and four ATMs are in middle-income tracts. Assessment area demographics and characteristics based upon 1990 U.S. Census Data are summarized in Exhibit 6.

The Greeley PMSA is economically and demographically diverse. Its economy has maintained close ties to large agribusiness and oil and gas production, but service and technology industries also are important to its economy. Among the area's largest employers are the University of Northern Colorado, ConAgra Fresh Meat Company, Hewlett-Packard Company, North Colorado Medical Center, Aims Community College, and State Farm Insurance Company.

The PMSA experienced substantial population growth over the past decade. From 1990 to 2000, the PMSA population grew from 131,821 residents to 180,936 residents (37.3 percent). Weld County, which comprises the PMSA, was the fastest growing county in the state. With regard to age, the assessment area contained a slightly larger young adult population than the PMSA, reflecting its larger student population.

Overall, the assessment area was a middle-income area in 1990 with a median family income (\$31,716) that was 103.0 percent of that of the PMSA median family income (\$30,801).⁴ Its concentrations of low- and moderate-income families and families living below the poverty were highly comparable to that in the PMSA as a whole. The PMSA as a whole had the following family income distribution in 1990: 20.1 percent low-income, 18.2 percent moderate-income, 23.0 percent middle-income, 38.8 percent upper-income. In addition, 10.6 percent of families in the PMSA as a whole lived below the poverty level.

⁴ The median family incomes for the Greeley MSA used for borrower income analysis were \$43,700 in 2001 and \$46,000 in 2002.

Exhibit 6 shows the area's general housing characteristics. As expected based on the large college student population in the area, the area contained a larger concentration of multi-family units than in the PMSA as a whole. In 1990, 16.0 percent of area housing stock was multi-family units compared to 14.1 percent multi-family units PMSA-wide. The area's low housing vacancy and boarded-up rates in 1990 showed high housing demand. In the PMSA as a whole, 7.2 percent of housing was vacant in 1990. The area's large stock of older housing units indicated that there might be a need for housing rehabilitation or affordable housing development. The median age of area housing stock was 27 years and 21.5 percent of area housing stock was built before 1950.

Because of its low median value, the area's housing stock was highly affordable for residents. In 1990, the area's housing affordability rate was 44.0 percent compared to 38.0 percent in the PMSA as a whole. The area's median housing value (\$60,610) was 11.3 percent lower than in the PMSA as a whole (\$67,489) even though its median household income (\$26,688) was higher than PMSA-wide (\$25,642). However, housing became much less affordable for area residents over the past decade. By 2000, the PMSA housing affordability rate had dropped to 30.1 percent and the median housing value was \$140,400. The Colorado Division of Housing ranked the Greeley PMSA as the least affordable metropolitan area in the state based on the cost of homes and median family incomes in the first quarter of 2001. The report stated that the National Association of Homebuilders ranked the PMSA's housing affordability 168th of 181 metropolitan areas surveyed in the first quarter of 2001 even though PMSA housing cost less than in other Front Range metropolitan areas.

In an effort to obtain a perspective on local economic conditions and possible credit needs in the assessment area, two community contacts were made. One contact was from the local chamber of commerce and the other from a local city government. Both contacts view their respective areas as somewhat static, although they are experiencing growth with regard to housing development. However, both contacts felt that other areas needed to be addressed, such as traffic congestion, parking, and other infrastructure needs in downtown and other business corridors.

EXHIBIT 6 Greeley MSA Assessment Area Demographics								
Income Categories	Tract Distribution*		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	3	11.1	864	2.9	306	35.4	5,893	20.1
Moderate-income	7	25.9	7,935	27.1	1,500	18.9	5,295	18.1
Middle-income	10	37.0	13,463	45.9	1,116	8.3	6,639	22.6
Upper-income	6	22.2	7,059	24.1	246	3.5	11,494	39.2
Total Assessment Area	27	100.0	29,321	100.0	3,168	10.8	29,321	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	1,997	543	2.2	27.2	1,258	63.0	196	9.8
Moderate-income	13,739	6,049	24.0	44.0	6,724	48.9	966	7.0
Middle-income	18,639	11,844	47.1	63.5	5,486	29.4	1,309	7.0
Upper-income	9,912	6,718	26.7	67.8	2,851	28.8	343	3.5
Total Assessment Area	44,287	25,154	100.0	56.8	16,319	36.8	2,814	6.4
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	786	12.5	678	12.5	73	15.8	35	9.3
Moderate-income	1,424	22.7	1,253	23.0	89	19.2	82	21.8
Middle-income	2,748	43.7	2,328	42.8	211	45.6	209	55.4
Upper-income	1,306	20.8	1,166	21.4	90	19.4	50	13.3
Tract not reported	20	0.3	19	0.3	0	0.0	1	0.2
Total Assessment Area	6,284	100.0	5,444	100.0	463	100.0	377	100.0
Percentage of Total Businesses:				86.6		7.4		6.0

*One area tract (3.7 percent of total tracts) contained no families or housing units and is excluded from these calculations.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE GREELEY ASSESSMENT AREA

The conclusions regarding the Lending, Investment, and Service Tests are at the beginning of each section. Supporting information is then divided into performance characteristics under each test.

LENDING TEST

The geographic distribution of loans reflects an adequate penetration throughout the assessment area. In slight contrast, the distribution of borrowers displays a good penetration among borrowers of different income levels and to businesses and farms of different sizes. The bank exhibits a good record of serving the credit needs of low- and moderate-income individuals and geographies and of very small businesses and farms consistent with safe and sound banking practices. The bank also makes an adequate level of community development loans. In addition, Bank of Colorado makes extensive use of innovative and flexible lending practices in serving assessment area credit needs.

Lending Activity:

The lending activity for the bank in the Greeley assessment area reflects an adequate responsiveness to credit needs in the area. Refer to Table 1 of Appendix C for the information used to evaluate the bank's lending activity. As illustrated about 12 percent of rated area loans in the assessment area are consistent with the rated deposits of about 17 percent. This indicates the bank is lending in the community where deposits are being accepted.

Geographic Distribution:

This performance criterion focuses on the bank's penetration of loans among geographies of different income levels in the bank's Greeley assessment area, including low- and moderate-income geographies. As mentioned earlier, the Greeley assessment area includes geographies of all income levels. An analysis of the bank's lending activity revealed that loans were dispersed throughout the bank's entire assessment area.

Home Mortgage Loans

Refer to Tables 2, 3, and 4 in Appendix C for the information used to evaluate the geographic distribution of the bank's home mortgage loans. The data shows that the distribution of home mortgage loans across low- and moderate-income geographies was good. The distribution of home purchase loans was significantly higher than aggregate HMDA lending for low- and moderate-income geographies. However, home improvement

and refinanced mortgage loans were heavily concentrated in the middle-income areas were below aggregate HMDA lending for the moderate-income geographies. This lower concentration in low- and moderate-income areas is mitigated by the fact that a substantial majority of families were in middle-income tracts as well as all of the bank's branches. Table 5 in Appendix C showing the geographic distribution of multi-family loans was not used because only two such loans were originated during the evaluation period.

Small Loans to Businesses and Farm

The percentage of small business and small farm loans originated was compared to the percentage of businesses and farms located within geographies of different income levels. In addition, the data was compared to the aggregate lending of the peer group. As shown in Tables 6 and 7 in Appendix C, the bank's small business and small farm lending benefited middle-income geographies more than low- and moderate-income geographies. This reflects a less than adequate dispersion of small business and small farm loans in the Greeley assessment area, which may be partly attributed to the location of the branch offices.

Distribution by Borrower Income and Revenue Size of the Business/Farm:

This performance criterion evaluates the bank's loan originations to borrowers of different income levels, particularly to low- and moderate-income individuals, and businesses and farms of different sizes.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in Appendix C for the information used to evaluate the borrower distribution of the bank's home mortgage loans. The percentage of loans made to borrowers of each income level was compared to the percentage of families in the assessment area that are designated as low-, moderate-, middle-, or upper-income families. In addition, a comparison was made against aggregate lending data for mortgage peer groups.

As shown in the borrower distribution tables, roughly 38 percent of families are designated as low- or moderate-income within the assessment area, while 21 percent of home purchase, 33 percent of home improvement, and 20 percent of mortgage refinance loans were made to low- and moderate-income borrowers. Additionally, the percentage of loans made to low- and moderate-income borrowers compares favorably to the aggregate lenders in the region that made only 15 percent of loans to these borrowers. Therefore, the bank's distribution of loans to customers of different income levels is good.

Small Loans to Businesses and Farms

Refer to Tables 11 and 12 in Appendix C for the information used to evaluate the distribution of loans to businesses and farms of different revenue sizes. The analysis of the bank's small business loans within the assessment area shows that 75 percent of the loan originations were made to businesses with \$1 million or less in gross revenues, while D&B information indicates that 87 percent of businesses in the area are considered small businesses. The analysis of the bank's small farm loans within the assessment area shows that 93 percent of the loan originations were made to farms with \$1 million or less in gross revenues, while D&B information indicates that 88 percent of farms in the area are considered small farms. Additionally, 89 percent of the business loans and 99 percent of the farm loans originated were for \$250,000 or less, which amounts are generally required by smaller entities. As such, the bank has demonstrated a willingness to meet the credit needs of businesses and farms of different sizes and, thus, its performance is considered very good.

Community Development Lending:

This performance criterion evaluates a bank's responsiveness to community development lending opportunities in its assessment area. The bank's community development lending in the Greeley assessment area is at an adequate level. According to community contacts, traditional funding of affordable housing, small business loans, and agricultural loans are the community's primary credit needs.

Refer to Table 1 in Appendix C for the information used to evaluate Community Development Lending. Two community development loans totaling \$16,487 were originated in the Greeley assessment area during the evaluation period. The community development loans were made for the purpose of affordable housing. These loans were not reported or considered in the assessment of small business lending. The loans are listed below:

- ? Two loans to Windsor Habitat for Humanity for an affordable housing project and final construction costs.

INVESTMENT TEST

This test evaluates the degree to which the institution's qualified investments serve affordable housing needs, assist community services targeted to low- and moderate-income individuals, or enhance economic development issues in the bank's assessment area. In addition, this criterion evaluates the bank's responsiveness to available investment opportunities and the use of innovative or complex investments not routinely provided by other investors. The bank has a significant level of qualified community

development investments and grants within the Greeley assessment area. The bank also exhibits a good responsiveness to credit and community economic development needs and occasionally uses innovative and/or complex investments to support community development initiatives in this assessment area.

Refer to Table 13 in Appendix C for the information used to evaluate the bank's level of qualified investments. The bank's qualified grant/donation activity in the Greeley assessment area consists of a grant to the Aurora – Colorado Housing Authority. Donations were made to United Way of Weld County and the Fort Lupton School District. The following donations are of particular note:

- ? A large donation was made to Fort Lupton School District to help needy school children.
- ? A large donation was made to United Way of Weld County of which 90 percent is given to low-income individuals/families for basic and emergency services, wellness and disabled services, family counseling, and youth/elderly services.
- ? Bank of Colorado provides COLTAF with free deposit accounts that also earn interest. The bank does not charge COLTAF for any service or activity fees on any foundation accounts. The money the foundation is given helps provide legal services to low-income individuals, families, seniors, disabled people, and victims of domestic violence.
- ? Bank of Colorado also provides realtors with deposit accounts free of service or activity fees and pays interest on the accounts to CARHOF. This foundation was created to promote safe, decent, and affordable housing in Colorado. These funds help low- and moderate-income families by enabling eligible housing organizations to provide down payment assistance, crisis shelters, homeownership counseling, affordable housing projects, and mortgage and rental assistance.

Community contacts within the Greeley assessment area stated that the bank is responsive to area concerns with contributions to or involvement in local organizations. As previously mentioned, branches in the Greeley assessment area respond to investment and/or grant issues as they arise.

SERVICE TEST

The bank's overall rating in the Greeley assessment area is High Satisfactory under the Service Test. The bank's delivery systems, branch locations and office hours are accessible to essentially all portions of the assessment area and accommodate the needs of the community. Bank officers and employees contribute their financial expertise to a relatively high level of community development service organizations.

Retail Services:

This criterion evaluates the accessibility of the bank's branches, availability of alternative delivery systems, services and hours, and changes in branch locations. Refer to Table 14 of Appendix C for the information used to evaluate the bank's retail services.

Bank of Colorado has three branches and four ATMs in the Greeley assessment area. Delivery systems are accessible to essentially all of the bank's assessment area. All branches and ATMs are located in middle-income tracts. In addition, Bank of Colorado offers on-line and telephone banking. On-line features include location and product information, deposit account balances, interaccount transfers, and bill payment for personal accounts. For business customers it provides cash management services, wire transfer services, and ACH payroll features on-line.

Since the last evaluation, Bank of Colorado has opened one office in the Greeley assessment area. The branch is located in a middle-income geography. This opening did not adversely affect the accessibility of the bank's delivery systems, particularly to low- and moderate-income geographies.

The bank's services do not vary in a way that inconveniences certain portions of the Greeley area, particularly low- and moderate-income individuals. The bank's services and business hours are generally convenient to customers and are tailored to the communities in the assessment area.

Branch hours generally range from 9:00 a.m. to 5:00 p.m., Monday through Friday. The branches offer Saturday hours (9:00 a.m. to Noon) as well, and have drive-through facilities that are open for extended hours.

Community Development Services:

This criterion evaluates the extent of bank personnel's involvement in community development services, the innovativeness of those services, and the degree to which they serve low- and moderate-income individuals. Qualified community development services include services that have as their primary purpose community development, are related to the provision of financial services, and have not been considered in the evaluation of the bank's other retail banking services.

Bank personnel within the Greeley assessment area provide their time and services to many community associations. As such, the bank provides a relatively high level of community development services. The following list describes the organizations in which bank management, officers, and staff provide particularly noteworthy financial expertise, involvement, and leadership.

- ? Fort Lupton Development Corporation – The branch president has served as the vice president for this organization since 1990. The primary goal of this organization is to promote commercial and economic development in the Fort Lupton area.
- ? Fort Lupton Housing Authority – The branch president has served as a director since June 1999. Some of his responsibilities include reviewing expenses and making policies. As he is the only board member involved in the financial industry, the organization relies upon his financial expertise.
- ? City of Fort Lupton Revolving Micro Loan Program – A board member is on the loan committee that reviews funding applications and maintains/revises the loan policy.
- ? Habitat for Humanity – The branch vice president sits on the board for this non-profit organization that builds housing for low- to moderate-income families. This employee is involved in budgeting, fund raising, and family selection and participates in financial counseling with existing and newly qualified families.

NON-METROPOLITAN AREA

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE NORTHEAST ASSESSMENT AREA

The bank's largest physical presence and most dominant market presence are in the rural assessment areas of the Northeast and Southwest. Of the bank's 23 offices, seven are in the Northeast area, and on June 30, 2001, 32.2 percent of the total bank deposits were in this area. The bank held the largest deposit market share (22.5 percent) of the 20 FDIC-insured institution offices in the Northeast area.

Exhibit 7 shows the general income, housing and business characteristics of the area by block numbering area (BNA) income level. The substantial majority of area families, owner-occupied housing units, and businesses were in middle-income BNAs. In addition, of the bank's seven area branches, six are in middle-income BNAs and one is in a moderate-income BNA. Of the bank's thirteen ATMs, twelve are in middle-income BNAs, and one is in a moderate-income area.

Besides larger volumes of low- and moderate-income families and a higher family poverty rate in the moderate-income BNAs, there were few characteristics in these BNAs distinguishing them from the middle-income BNAs. Area moderate- and middle-income BNAs contained similar concentrations of families and owner-occupied housing stock, although the middle-income BNAs contained slightly higher concentrations of rental and multi-family units.

Five counties (Logan, Morgan, Phillips, Washington, and Yuma) in rural northeast Colorado and abutting the eastern edge of the Denver Consolidated Metropolitan Statistical Area (CMSA) comprise the area. Agriculture is the area's economic mainstay though several small, nonfarm related industries are also present. D&B data shows that 23.8 percent of area businesses were related to agriculture, and Colorado Department of Local Affairs (CDLA) data also showed that the area's employment and income bases were highly reliant on agribusiness. Primary crops harvested in 2001 were wheat, hay, corn, sunflowers, and sugar beets. The area was also a large beef producer. Its largest employers were the following: Excel Corporation (meat packing plant), Wal-Mart, Sykes Enterprises (services), Leprino Foods Company (cheese processing), Oakwood Homes Corporation (mobile home dealers), Northeastern Junior College, hospitals and medical centers, and local governments.

The area's population increased by 16.5 percent from 1990 to 2000, which was low compared to population growth in the state as a whole. Total population was 66,922 in 2000. Population growth was highest in Logan County and Morgan County in the northwestern part of the area. Compared to statewide rural areas as a whole, the area

contained a large family population. In 1990, 71.3 percent of area households were families, compared to a statewide figure of 69.6 percent. By 2000, the area's family population remained relatively high but had decreased to 70.3 percent of households.

In keeping with its large family population, the area contained a large stock of owner-occupied, single-family housing units. Exhibit 7 shows the area's general housing characteristics. In 1990, 75.4 percent of housing stock was single-family units while in rural Colorado as a whole, 46.5 percent of housing stock was owner-occupied and 62.1 percent was single-family units.

Area housing stock was substantially older than that in rural Colorado as a whole, indicating a need for housing rehabilitation. In 1990, the median age of area housing stock was 36 years and 40.6 percent of housing stock was built before 1950. Because of the area's low median housing value, housing was affordable for area residents. In 1990, the area's housing affordability rate was 47.9 percent compared to 39.9 percent housing affordability rate in statewide rural areas as a whole. The median value of area housing stock of \$46,067 was 31.9 percent lower than that in statewide rural areas as a whole at \$60,770.

In 1990, the area was a middle-income area overall with a median family income of \$26,627 that was 94.2 percent of statewide rural areas as a whole at \$28,257.⁵ Its concentrations of low-income families and families living below the poverty level were highly comparable to those in statewide rural areas as a whole. However, the area's concentration of moderate-income families was high compared to that in rural Colorado as a whole.

In an effort to obtain a perspective on local economic conditions and possible credit needs in the assessment area two community contacts were made. One contact was from an economic development corporation and another from a local school district. Both contacts noted that the local economy generally mirrors that of the rest of the country in facing the current recession. Both contacts noted that Logan County lacks diversification, with one contact intimating that people are leaving the area in order to find work. One contact believes there has been an unsubstantiated spike in housing values and that homes in the range of \$50,000 to \$100,000 are scarce; therefore, there is a need for affordable housing in the area. The other contact felt that there is more than adequate affordable housing for low- and moderate-income individuals. Overall, both contacts cited the lack of high-speed network capabilities and transportation infrastructure in the area as problems.

⁵ The median family incomes for rural Colorado used for borrower income analysis were \$43,700 in 2001 and \$46,000 in 2002.

EXHIBIT 7 Northeast Assessment Area Demographics								
Income Categories	BNA Distribution		Families by BNA Income		Families < Poverty Level as % of Families by BNA		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	3,190	20.1
Moderate-income	2	8.3	1,092	6.9	178	16.3	3,182	20.0
Middle-income	22	91.7	14,779	93.1	1,612	10.9	3,998	25.2
Upper-income	0	0.0	0	0.0	0	0.0	5,501	34.7
Total Assessment Area	24	100.0	15,871	100.0	1,790	11.3	15,871	100.0
	Housing Units by Tract	Housing Types by BNA						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	1,758	1,033	6.9	58.8	443	25.2	282	16.0
Middle-income	23,645	13,922	93.1	58.9	6,818	28.8	2,905	12.3
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	25,403	14,955	100.0	58.9	7,261	28.6	3,187	12.5
	Total Businesses by BNA		Businesses by BNA & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	250	6.8	223	6.9	14	7.0	13	5.2
Middle-income	3,413	93.2	2,988	93.1	187	93.0	238	94.8
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
BNA not reported	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	3,663	100.0	3,211	100.0	201	100.0	251	100.0
	Percentage of Total Businesses:			87.7		5.5		6.8

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NORTHEAST ASSESSMENT AREA

The conclusions regarding the Lending, Investment, and Service Tests are at the beginning of each section. Supporting information is then divided into performance characteristics under each test.

LENDING TEST

The geographic distribution of loans reflects a good penetration throughout the assessment area. Similarly, the distribution of borrowers displays a good penetration among borrowers of different income levels and to businesses and farms of different sizes. The bank exhibits a good record of serving the credit needs of low- and moderate-income individuals and geographies and of very small businesses and farms consistent with safe and sound banking practices. The bank also makes a relatively high level of community development loans. In addition, Bank of Colorado makes extensive use of innovative and flexible lending practices in serving assessment area credit needs.

Lending Activity:

The lending activity for the bank in the Northeast assessment area reflects a good responsiveness to credit needs in the area. Refer to Table 1 of Appendix C for the information used to evaluate the bank's lending activity. As illustrated, about 53 percent of rated area loans are in the assessment area, far exceeding the rated deposits at 33 percent. This indicates that loan demand far exceeds bank deposits and suggests that funds are provided either through other branches or other funding sources.

Geographic Distribution:

This performance criterion focuses on the bank's penetration of loans among geographies of different income levels in the bank's Northeast assessment area, including in low- and moderate-income geographies.

Home Mortgage Loans

Refer to Tables 2, 3, and 4 in Appendix C for the information used to evaluate the geographic distribution of the bank's home mortgage loans. The data shows that the distribution of home mortgage loans across moderate-income geographies was good. The distribution of home improvement loans was significantly higher than aggregate HMDA lending for moderate-income geographies, while home purchase and refinanced mortgage loans were comparable to aggregate HMDA lending. Table 5 in Appendix C showing the geographic distribution of multi-family loans was not used because only four such loans were originated during the evaluation period.

Small Loans to Businesses and Farm

The percentage of small business and small farm loans originated was compared to the percentage of businesses and farms located within geographies of different income levels. In addition, the data was compared to the aggregate lending of the peer group. As shown in Tables 6 and 7 in Appendix C, the bank's small business and small farm lending benefited middle-income geographies more than low- and moderate-income geographies. However, this is comparable to aggregate lenders for small business/farm lending and also reflective of the locations of these small entities. This also can be attributed to the locations of the bank's branch offices.

Distribution by Borrower Income and Revenue Size of the Business/Farm:

This performance criterion evaluates the bank's loan originations to borrowers of different income levels, particularly to low- and moderate-income individuals, and businesses and farms of different sizes.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in Appendix C for the information used to evaluate the borrower distribution of the bank's home mortgage loans. The percentage of loans made to borrowers of each income level was compared to the percentage of families in the assessment area that are designated as low-, moderate-, middle-, or upper-income families. In addition, a comparison was made against aggregate lending data for mortgage peer groups.

As shown in the borrower distribution tables, roughly 40 percent of families are designated as low- or moderate-income within the assessment area, while 35 percent of home purchase, 32 percent of home improvement, and 25 percent of mortgage refinance loans were made to low- and moderate-income borrowers. Additionally, the percentage of loans made to low- and moderate-income borrowers is comparable to the aggregate lenders in the region. The bank's distribution of loans to customers of different income levels is good.

Small Loans to Businesses and Farms

Refer to Tables 11 and 12 in Appendix C for the information used to evaluate the distribution of loans to businesses and farms of different revenue sizes. The analysis of the bank's small business loans within the assessment area shows that 81 percent of the loan originations were made to businesses with \$1 million or less in gross revenues, while D&B information indicates that 88 percent of businesses in the area are considered small business. The analysis of the bank's small farm loans within the assessment area shows that 95 percent of the loan originations were made to farms with \$1 million or less in

gross revenues, while D&B information indicates that 93 percent of farms in the area are considered small farm. Additionally, 95 percent of the business loans and farm loans originated were for \$250,000 or less, which are amounts generally requested by smaller business and farm entities. As such, the bank has demonstrated a willingness to meet the credit needs of businesses and farms of different sizes and, thus, its performance is considered very good.

Community Development Lending:

This performance criterion evaluates a bank's responsiveness to community development lending opportunities in its assessment area. The bank's community development lending in the Northeast assessment area is at a relatively high level. According to community contacts high-speed network capabilities and transportation infrastructure are primary needs for the community.

Refer to Table 1 in Appendix C for the information used to evaluate Community Development Lending. Four community development loans were originated in the amount of \$693,118 in the Northeast assessment area during the evaluation period. Three of the community development loans were made for the purpose of affordable housing, while the other one was to a small business to promote economic development. These loans were not reported or considered in the assessment of small business lending. The loans are listed below:

- ? A loan to refinance a multi-unit residential building in Brush, Colorado, for low- to moderate-income individuals/families. Rents will average between \$375 and \$175, 40 percent of what is considered median affordable payments for the area.
- ? A loan to the local housing authority to install an elevator in a multi-unit apartment building in Brush constructed for low-income individuals.
- ? A loan to purchase a mobile home park in Holyoke, Colorado. The average rent is \$230, about 30 percent of the median affordable payments for the area.
- ? A loan to construct a dental clinic in Southern Weld County. A non-profit organization is providing health care for migrant workers in the Fort Lupton area.

INVESTMENT TEST

This test evaluates the degree to which the institution's qualified investments serve affordable housing needs, assist community services targeted to low- and moderate-income individuals, or enhance economic development issues in the bank's assessment area. In addition, this criterion evaluates the bank's responsiveness to available investment opportunities and the use of innovative or complex investments not routinely provided by other investors. The bank has a significant level of qualified community development investments and grants within the Northeast assessment area. The bank also exhibits a good responsiveness to credit and community economic development needs and occasionally uses innovative and/or complex investments to support community development initiatives in this assessment area.

Refer to Table 13 in Appendix C for the information used to evaluate the bank's level of qualified investments. The bank's qualified grant/donation activity in the Northeast assessment area consisted of 13 donations for a total of \$22,216. Donations were made to the East Morgan County Hospital, Brush Area Chamber of Commerce, and Morgan County Economic Development. The following donations are of particular note:

- ? A large donation was made to Morgan County Economic Development Corporation to fund a program for the retention and expansion of workforce development and Internet training.
- ? A large donation to the Association of Morgan County Banks. Dues paid to this association are donated to Morgan County Economic Development, Habitat for Humanity, and United Way.
- ? Donations are provided annually to the Brush Area Chamber of Commerce to help fund the Main Street Project, a project to revitalize the Brush core area.
- ? A large donation was made to the East Morgan County Hospital, a qualified enterprise zone construction project. This renovation project will revitalize a low- and moderate-income area.
- ? Bank of Colorado provides COLTAF with free deposit accounts that also earn interest. The bank does not charge COLTAF for any service or activity fees on any foundation accounts. The money the foundation is given helps provide legal services to low-income individuals, families, seniors, disabled people, and victims of domestic violence.

- ? Bank of Colorado also provides realtors with deposit accounts free of service or activity fees and pays interest on the accounts to CARHOF. This foundation was created to promote safe, decent, and affordable housing in Colorado. These funds help low- and moderate-income families by enabling eligible housing organizations to provide down payment assistance, crisis shelters, homeownership counseling, affordable housing projects, and mortgage and rental assistance.

Community contacts within the Northeast assessment area stated that the bank is responsive to area concerns with contributions to or involvement in local organizations. As previously mentioned, branches in the Northeast assessment area respond to investment and/or grant issues as they arise.

SERVICE TEST

The bank's overall rating in the Northeast assessment area is High Satisfactory under the Service Test. The bank's delivery systems, branch locations, and office hours are accessible to essentially all portions of the assessment area and accommodate the needs of the community. Bank officers and employees contribute their financial expertise in a leadership capacity to community development service organizations.

Retail Services:

This criterion evaluates the accessibility of the bank's branches, availability of alternative delivery systems, services and hours, and changes in branch locations. Refer to Table 14 of Appendix C for the information used to evaluate the bank's retail services.

Bank of Colorado has seven branches and thirteen ATMs in the Northeast assessment area. Delivery systems are accessible to essentially all of the bank's assessment area. One branch and ATM are located in a moderate-income tract while the other six branches and twelve ATMs are located in middle-income tracts. In addition, Bank of Colorado offers on-line and telephone banking. On-line features include location and product information, deposit account balances, interaccount transfers, and bill payment for personal accounts. For business customers it provides cash management services, wire transfer services, and ACH payroll features on-line.

The bank's services do not vary in a way that inconveniences certain portions of the Northeast area, particularly low- and moderate-income individuals. The bank's services and business hours are generally convenient to customers and are tailored to the communities in the assessment area. Branch hours generally range from 9:00 a.m. to 5:00 p.m., Monday through Friday. The branches offer Saturday hours (9:00 a.m. to Noon) as well, and have drive-through facilities that are open for extended hours.

Community Development Services:

This criterion evaluates the extent of bank personnel's involvement in community development services, the innovativeness of those services, and the degree to which they serve low- and moderate-income individuals. Qualified community development services include services that have as their primary purpose community development, are related to the provision of financial services, and have not been considered in the evaluation of the bank's other retail banking services.

Bank personnel within the Northeast assessment area provide their time and services to an exceptional number of community associations. As such, the bank is in a leadership position in providing community development services. The following list describes the organizations in which bank management, officers and staff provide particularly noteworthy financial expertise, involvement, and leadership.

- ? Brush Chamber of Commerce – Economic Restructuring Committee – A bank employee serves on this committee to help revitalize downtown businesses.
- ? Colorado Agriculture Development Authority – This authority is an independent public body that encourages private capital investments in the agriculture sector by using public financing to make low interest loans to agriculture producers. The bank employee is the only board member employed in the financial field and also is relied upon as an agricultural lender.
- ? Northeast Colorado Revolving Loan Fund – This loan program for new and growing businesses serves the counties of Morgan, Phillips, Sedgwick, Washington, and Yuma and the city of Sterling. The bank employee counsels businesses that are unable to obtain conventional financing.
- ? Yuma County Economic Development Corporation – The Yuma branch president sits on the board, which meets to discuss area economic development with companies considering relocation to Yuma County.
- ? Colorado Agriculture Value-Added Development Board – A bank employee sits on the board, which provides grants, loans, and loan guarantees to encourage and stimulate agriculture-based economic development by facilitating the processing of agriculture products and commodities within the state.

NON-METROPOLITAN AREA

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE SOUTHWEST ASSESSMENT AREA

The rural assessment area of the Southwest is the bank's second largest physical presence and third most dominant market presence. Five of the bank's offices are in the Southwest assessment area, which held 17.2 percent of the bank's deposits as of June 30, 2001, and where the Bank had the third highest deposit market share (18.1%) of the nine FDIC-insured institutions in the area.

Exhibit 8 shows the general income, housing, and business characteristics of the area by BNA income level. The substantial majority of area families, owner-occupied housing units, and businesses were in middle-income BNAs. Of the bank's five area branches, three are in the moderate-income BNA and two are in middle-income BNAs. Of its eight ATMs, four are in the moderate-income BNA and four are in middle-income BNAs.

Archuleta and La Plata Counties in the southwestern corner of Colorado comprise the area. The area economy is based on services industries, especially those related to tourism, and it contains several ski resorts and national and state parks, including Rocky Mountain Wildlife Park, Wolf Creek Ski Area, and Purgatory Ski Resort. It also houses a large part of the Southern Ute Indian Mountain Reservation. The area's largest employers include Mercy Medical Center, Fort Lewis College, Wal-Mart, Southern Ute Indian Tribe, and county governments. Downturns in the statewide tourist industry have affected the area economy and recently resulted in substantial job loss. Tourism industries were particularly affected in the first half of this year by drought and wildfires.

The area's population increased by 43.1 percent from 1990 to 2000, with the largest growth in Archuleta County, which grew by 85.2 percent over that period. The total area population was 53,839 in 2000. Its large college population affected area demographics in 1990. Of its total population, 3.6 percent lived in college dormitories. The area's concentration of residents in college dormitories decreased slightly by 2000 because of its large population growth, and in 2000, 2.4 percent of the total population lived in college dormitories.

In 1990, the area was a middle-income area with a median family income of \$30,225 that was 107.0 percent of that of statewide rural areas as a whole at \$28,257. Nonetheless, it had large concentrations of low- and moderate-income families and a high family poverty rate.

Besides larger concentrations of low- and moderate-income families and a high family poverty rate, housing stock characteristics may also affect the volume and type of credit needed in the moderate-income BNAs. In 1990, 59.4 percent of moderate-income BNA

families had low- or moderate-income levels. Such families may have difficulty affording credit, absent special credit programs addressing gap financing and the need for longer loan terms. The low vacancy rate in the moderate-income BNAs suggested high housing demand, but the BNAs contained a large concentration of rental units, which often have lower credit demand than owner-occupied units.

Exhibit 8 shows the area's general housing characteristics. Area housing demand was high in 1990 and, based on its large population growth over the past decade, it remains high. Its vacancy rate was lower than in statewide rural areas, where 30.5 percent of housing stock was vacant. The high median value of area housing resulted in an affordability gap that showed a need for affordable housing development. In 1990, the area's housing affordability rate was 32.1 percent compared to 39.9 percent in statewide rural areas as a whole. The median value of area housing stock at \$78,638 was 29.4 percent higher than that in statewide rural areas as a whole at \$60,770.

Although a community contact was not available for this assessment area, information on the Durango Downtown Web site mentioned the following growth and economic development issues in La Plata County. "The foremost issue that the county currently faces is population growth. Implications of growth include increased demand for services; infrastructure needed to serve development; changes to the environment; and impacts on the overall quality of life in the county. Planners (county, city, and tribal) currently are trying to address such issues as growth management, affordable housing, open lands and agricultural protection, visual resources, parks and recreation, utilities, emergency services, airport planning and district land use plans. They are in the process of developing strategies to cope with these issues within the framework of a Comprehensive Plan. There are several barriers to economic development within La Plata County. These include geographic isolation, poor telecommunications infrastructure, and a lack of higher educational institutions."⁶

⁶ Source: Durango Downtown Web site

EXHIBIT 8								
Southwest Assessment Area Demographics								
Income Categories	BNA Distribution		Families by BNA Income		Families < Poverty Level as % of Families by BNA		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	1,795	18.7
Moderate-income	1	9.1	591	6.1	117	19.8	1,545	16.1
Middle-income	9	81.8	8,208	85.4	857	10.4	2,241	23.3
Upper-income	1	9.1	815	8.5	70	8.6	4,033	41.9
Total Assessment Area	11	100.0	9,614	100.0	1,044	10.9	9,614	100.0
	Housing Units by Tract	Housing Types by BNA						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	1,509	547	5.9	36.2	861	57.1	101	6.7
Middle-income	16,320	7,906	85.6	48.4	3,274	20.1	5,140	31.5
Upper-income	1,534	786	8.5	51.2	612	39.9	136	8.9
Total Assessment Area	19,363	9,239	100.0	47.7	4,747	24.5	5,377	27.8
	Total Businesses by BNA		Businesses by BNA & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	1,246	29.2	1,081	28.6	85	41.3	80	28.2
Middle-income	2,855	66.9	2,551	67.5	110	53.4	194	68.3
Upper-income	168	3.9	147	3.9	11	5.3	10	3.5
BNA not reported	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	4,269	100.0	3,779	100.0	206	100.0	284	100.0
Percentage of Total Businesses:				88.5		4.8		6.7

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE SOUTHWEST ASSESSMENT AREA

The conclusions regarding the Lending, Investment, and Service Tests are at the beginning of each section. Supporting information is then divided into performance characteristics under each test.

LENDING TEST

The geographic distribution of loans reflects an adequate penetration throughout the assessment area. Similarly, the distribution of borrowers displays a good penetration among borrowers of different income levels and to businesses and farms of different sizes. The bank exhibits a good record of serving the credit needs of low- and moderate-income individuals and geographies and of very small businesses and farms consistent with safe and sound banking practices. The bank also is a leader in making community development loans. In addition, Bank of Colorado makes extensive use of innovative and flexible lending practices in serving assessment area credit needs.

Lending Activity:

The lending activity for the bank in the Southwest assessment area reflects a good responsiveness to credit needs in the area. Refer to Table 1 of Appendix C for the information used to evaluate the bank's lending activity. As illustrated, about 9 percent of rated area loans are in the assessment area, exceeding the rated deposits at 18 percent. This indicates the bank is lending in the community where deposits are being accepted although lending demand appears to be relatively low. There is extensive competition in this area with nine other financial institutions.

Geographic Distribution:

This performance criterion focuses on the bank's penetration of loans among geographies of different income levels in the bank's Southwest assessment area, including in low- and moderate-income geographies.

Home Mortgage Loans

Refer to Tables 2, 3, and 4 in Appendix C for the information used to evaluate the geographic distribution of the bank's home mortgage loans. The data shows that the distribution of home mortgage loans across moderate-income geographies was good. The distribution of home improvement loans was significantly higher than aggregate HMDA lending for moderate-income geographies, however, the bank made no home purchase and refinanced mortgage loans in the low- and moderate-income BNAs. Aggregate HMDA

lenders made few loans in these areas as well. As noted earlier, a large concentration of low- and moderate-income families coupled with housing stock characteristics may affect the volume and type of credit needed in the moderate-income BNAs. Table 5 in Appendix C showing the geographic distribution of multi-family loans was not used because only three such loans were originated during the evaluation period.

Small Loans to Businesses and Farm

The percentage of small business and small farm loans originated was compared to the percentage of businesses and farms located within geographies of different income levels. In addition, the data was compared to the aggregate lending of the peer group. As shown in Table 6 in Appendix C, the bank's small business lending in moderate-income geographies significantly exceeded the percentage of businesses in moderate-income geographies and also exceeded aggregate lending. However, Table 7 in Appendix C reflected no lending for small farms in the moderate-income tract, although only seven percent of farms are located in these BNAs. Overall, the dispersion of small business and small farm lending in the Southwest assessment area is considered adequate.

Distribution by Borrower Income and Revenue Size of the Business:

This performance criterion evaluates the bank's loan originations to borrowers of different income levels, particularly to low- and moderate-income individuals, and businesses and farms of different sizes.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in Appendix C for the information used to evaluate the borrower distribution of the bank's home mortgage loans. The percentage of loans made to borrowers of each income level was compared to the percentage of families in the assessment area that are designated as low-, moderate-, middle-, or upper-income families. In addition, a comparison was made against aggregate lending data for mortgage peer groups.

As shown in the borrower distribution tables, roughly 35 percent of families are designated as low- or moderate-income within the assessment area, while 31 percent of home purchase, 33 percent of home improvement, and 21 percent of mortgage refinance loans were made to low- and moderate-income borrowers. Additionally, the percentage of loans made to low- and moderate-income borrowers is well above that of aggregate lenders in the region. Based on these facts, the bank's distribution of loans to customers of different income levels is good.

Small Loans to Businesses and Farms

Refer to Tables 11 and 12 in Appendix C for the information used to evaluate the distribution of loans to businesses and farms of different revenue sizes. The analysis of the bank's small business loans within the assessment area shows that 66 percent of the loan originations were made to businesses with \$1 million or less in gross revenues, while D&B information indicates that 89 percent of businesses in the area are considered small businesses. The analysis of the bank's small farm loans within the assessment area shows that 100 percent of the loan originations were made to farms with \$1 million or less in gross revenues, while D&B information indicates that 92 percent of farms in the area are considered small farms. Additionally, 90 percent of the business loans and 100 percent of the farm loans originated were for \$250,000 or less, amounts which are generally requested by smaller entities. The bank has demonstrated a willingness to meet the credit needs of businesses and farms of different sizes and, thus, its performance is considered very good.

Community Development Lending:

This performance criterion evaluates a bank's responsiveness to community development lending opportunities in its assessment area. The bank's community development lending in the Southwest assessment area is at a leadership level.

Refer to Table 1 in Appendix C for the information used to evaluate Community Development Lending. Four community development loans totaling \$3,587,586 were originated in the Southwest assessment area during the evaluation period. Three of the community development loans were made for the purpose of affordable housing while the other was to a small business to promote economic development. These loans were not reported or considered in the assessment of small business lending. Three notable loans are listed below:

- ? A loan to a nonprofit, community-based civic corporation promoting the self-sufficiency, economic, and social well-being of low-income residents in the Durango area. The revolving loan fund provides low interest home improvement loans to low-income property owners who do not qualify for conventional funding.
- ? A construction loan to a low-income housing project that includes 61 rentals for low-income families in La Plata County.
- ? A loan to an affordable housing project in Cortez, Colorado, available to qualified tenants making below 60 percent the area's median gross income.

INVESTMENT TEST

This test evaluates the degree to which the institution's qualified investments serve affordable housing needs, assist community services targeted to low- and moderate-income individuals, or enhance economic development issues in the bank's assessment area. In addition, this criterion evaluates the bank's responsiveness to available investment opportunities and the use of innovative or complex investments not routinely provided by other investors. The bank has a significant level of qualified community development investments and grants within the Southwest assessment area. The bank also exhibits a good responsiveness to credit and community economic development needs and occasionally uses innovative and/or complex investments to support community development initiatives in this assessment area.

Refer to Table 13 in Appendix C for the information used to evaluate the bank's level of qualified investments. The bank's qualified grant/donation activity in the Southwest assessment area consisted of three donations for a total of \$6,000. Donations were made to the La Plata Economic Development Action Partnership and La Plata County Community Development Corporation. The following donations are of particular note:

- ? A large donation to the La Plata County Community Development Corporation Board. This organization works to secure land for low-income/affordable housing projects, especially workforce housing within La Plata County.
- ? A large donation was made to the La Plata Economic Development Action Partnership, an organization that promotes economic development.
- ? Bank of Colorado provides COLTAF with free deposit accounts that also earn interest. The bank does not charge COLTAF for any service or activity fees on any foundation accounts. The money the foundation is given helps provide legal services to low-income individuals, families, seniors, disabled people, and victims of domestic violence.
- ? Bank of Colorado also provides realtors with deposit accounts free of service or activity fees and pays interest on the accounts to CARHOF. This foundation was created to promote safe, decent, and affordable housing in Colorado. These funds help low- and moderate-income families by enabling eligible housing organizations to provide down payment assistance, crisis shelters, homeownership counseling, affordable housing projects, and mortgage and rental assistance.

SERVICE TEST

The bank's overall rating in the Southwest assessment area is High Satisfactory under the Service Test. The bank's delivery systems, branch locations and office hours are accessible to essentially all portions of the assessment area and accommodate the needs of the community. Bank officers and employees contribute their financial expertise in a leadership capacity to community development service organizations.

Retail Services:

This criterion evaluates the accessibility of the bank's branches, availability of alternative delivery systems, services and hours, and changes in branch locations. Refer to Table 14 of Appendix C for the information used to evaluate the bank's retail services.

Bank of Colorado has five branches and eight ATMs in the Southwest assessment area. Delivery systems are accessible to essentially all of the bank's assessment area. Three branches and four ATMs are located in a moderate-income tract while two branches and four ATMs are located in middle-income tracts. In addition, Bank of Colorado offers on-line and telephone banking. On-line features include location and product information, deposit account balances, interaccount transfers, and bill payment for personal accounts. For business customers it provides cash management services, wire transfer services, and ACH payroll features on-line.

Since the last evaluation, Bank of Colorado has opened one office in the Southwest assessment area. The branch is located in a middle-income geography. This opening did not adversely affect the accessibility of the bank's delivery systems.

The bank's services do not vary in a way that inconveniences certain portions of the Southwest area, particularly low- and moderate-income individuals. The bank's services and business hours are generally convenient to customers and are tailored to the communities in the assessment area. Branch hours generally range from 9:00 a.m. to 5:00 p.m., Monday through Friday. The branches offer Saturday hours (9:00 a.m. to Noon) as well and have drive-through facilities that are open for extended hours.

Community Development Services:

This criterion evaluates the extent of bank personnel's involvement in community development services, the innovativeness of those services, and the degree to which they serve low- and moderate-income individuals. Qualified community development services include services that have as their primary purpose community development, are related to the provision of financial services, and have not been considered in the evaluation of the bank's other retail banking services.

Bank personnel within the Southwest assessment area provide their time and services to an exceptional number of community associations. As such, the bank is in a leadership position in providing community development services. The following list describes the organizations in which bank management, officers and staff provide particularly noteworthy financial expertise, involvement, and leadership.

- ? Southwest Community Resources Revolving Loan Fund – A bank employee serves as a member of this organization and helps determine if project/loan requests meet program criteria.
- ? La Plata County Community Development Corporation – A nonprofit community land trust whose mission is to acquire and develop real estate for affordable workforce housing in Durango and La Plata County. A bank employee serves as a board member to help obtain state and federal funds.
- ? La Plata Economic Development Action Partnership – A newly formed organization to oversee the implementation of ongoing economic development in La Plata County. This organization assists existing La Plata County businesses in their efforts to remain and grow into viable, wealth-generating enterprises within the local community. A bank employee serves on the partnership board.
- ? Durango Industrial Development Foundation – This organization is the developer of an industrial park, which is comprised of 170 acres of land dedicated to commercial development. The foundation has a volunteer board of directors and an executive committee of eight persons. Executive committee members include the presidents and one past-president of four local financial institutions, the chief executive officer of La Plata Electric Association and three other persons. Together these leaders oversee the administration of the park and help arrange financing for new development.
- ? Archuleta Economic Development Association – An association attempting to attract higher paying jobs to Archuleta County. A bank employee serves as a director for this association.

NON-METROPOLITAN AREA

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE MOUNTAIN ASSESSMENT AREA

The Mountain assessment area is one of the bank's more competitive areas with two branches located in Glenwood Springs and Basalt. As of June 30, 2001, the two branches accounted for 8.7 percent of the bank's deposits and only 5.8 percent of the area market share.

Exhibit 9 shows the general income, housing, and business revenue characteristics of the area by BNA income level. It is expected that a large volume of bank lending would be in upper-income BNAs, which contained the substantial majority of families, owner-occupied housing stock, and businesses. In addition, both of the bank's branches and three ATMs are in upper-income BNAs.

The area consists of part of Garfield County and all of Pitkin County on the western slope of the Continental Divide and in the Rocky Mountain Range. Garfield County retains strong ties to agriculture and mining, but also relies heavily on tourism. Garfield County includes some of the state's wealthiest ski and tourist resorts, such as Aspen, Snowmass, and Glenwood Springs. Colorado Department of Local Affairs (CDLA) data showed that in 2000, 18.8 percent of Garfield County and 56.4 percent of Pitkin County jobs related to tourism. Among the area's largest employers were UBS Painewebber, Inc. (security brokers/dealers); Loveland Parks and Recreations, Kvaerner U.S., Inc.; (engineering services); Aspen Valley Hospital; Share Our Strength (sporting goods shop); and Brothers Grille (eateries).

The area's population increased by 33.8 percent from 1990 to 2000, which reflected favorably on its overall economy over that period. Total population was 53,556 in 2000. Compared to statewide rural areas as a whole, the area's concentration of families was small in 1990, but increased slightly over the past decade. The area contained a large working-age population and a small senior citizen population. Of its total population, 60 percent was 25-64 years old and 7.3 percent was over 64 years old.

BNA family and housing characteristics showed that credit needs would vary by BNA income level. The middle-income BNAs contained a higher concentration of families and, in 1990, 74.4 percent of middle-income BNA households were families compared to 57.1 percent family population in the upper-income BNAs. In addition, middle-income BNA housing stock contained higher concentrations of owner-occupied and 1-4 family housing units than in the upper-income BNAs. Affordable housing development was needed, especially in the upper-income BNAs. A large stock of mobile homes in the middle-income BNAs suggested efforts at affordable housing development in those BNAs. However, the upper-income BNAs had a slightly larger concentration of rental units

suggesting a great need for affordable housing development there as well. Also, the housing affordability rate in the upper-income BNAs was 9.4 percent compared to 41.2 percent in the middle-income BNAs.

The area contains a large concentration of high-cost and seasonal housing units, but housing stock composition varies substantially by county. The variations in housing stock characteristics result from the seasonal nature of Pitkin County housing stock based on its large tourist industry. Exhibit 9 shows the area's general housing characteristics. Housing unit rental rates were highest in the Garfield County part of the assessment area, but the concentration of multi-family housing stock in Pitkin County was twice that in Garfield County. The housing vacancy rate was low compared to rural Colorado as a whole, which had a 30.5 percent vacancy rate in 1990.

Despite the assessment area's high-income level, area housing was unaffordable for many residents. The median value of area housing stock at \$318,238 was 523.7 percent higher than that in statewide rural areas as a whole, at \$60,770. This results in a housing affordability ratio of 10.5 percent. In rural Colorado as a whole, the housing affordability rate was 39.9 percent.

In an effort to obtain a perspective on local economic conditions and possible credit needs in the assessment area, a community contact was made with the local chamber of commerce. The community contact stated that the local economy has been slow with tax revenues down three to four percent from the previous year. Tourism is still affected by the events of September 11, 2001, as only a small percent of tourists are coming from out of state. Although tourism and retail services are hub industries for the Western Slope, the area has a good medical and professional community. According to the contact, one of the biggest needs in the area is working-capital loans for small businesses affected by the downturn in the economy. Downtown redevelopment is another pressing need. In addition, the community still has a need for affordable housing.

EXHIBIT 9 Mountain Assessment Area Demographics								
Income Categories	BNA Distribution		Families by BNA Income		Families < Poverty Level as % of Families by BNA		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	1,122	11.3
Moderate-income	0	0.0	0	0.0	0	0.0	1,083	10.9
Middle-income	2	20.0	3,264	32.9	299	9.2	2,154	21.7
Upper-income	8	80.0	6,649	67.1	280	4.2	5,554	56.0
Total Assessment Area	10	100.0	9,913	100.0	579	5.8	9,913	100.0
	Housing Units by BNA	Housing Types by BNA						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	4,882	2,730	29.5	55.9	1,669	34.2	483	9.9
Upper-income	16,037	6,526	70.5	40.7	5,117	31.9	4,394	27.4
Total Assessment Area	20,919	9,256	100.0	44.2	6,786	32.4	4,877	23.3
	Total Businesses by BNA		Businesses by BNA & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	956	17.6	823	17.6	41	11.9	92	22.4
Upper-income	4,474	82.4	3,851	82.4	304	88.1	319	77.6
BNA not reported	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	5,430	100.0	4,674	100.0	345	100.0	411	100.0
	Percentage of Total Businesses:			86.1		6.3		7.6

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE MOUNTAIN ASSESSMENT AREA

The conclusions regarding the Lending, Investment, and Service Tests are at the beginning of each section. Supporting information is then divided into performance characteristics under each test

LENDING TEST

The geographic distribution of loans reflects a good penetration throughout the assessment area. In contrast, the distribution of borrowers displays an adequate penetration among borrowers of different income levels and to businesses and farms of different sizes. The bank exhibits a good record of serving the credit needs of low- and moderate-income individuals and geographies and of very small businesses and farms consistent with safe and sound banking practices. The bank also is a leader in making community development loans. In addition, Bank of Colorado makes extensive use of innovative and flexible lending practices in serving assessment area credit needs.

Lending Activity:

The lending activity for the bank in the Mountain assessment area reflects a good responsiveness to credit needs in the area. Refer to Table 1 of Appendix C for the information used to evaluate the bank's lending activity. As illustrated, about 6 percent of rated area loans are in the assessment area, consistent with the rated deposits of about 9 percent. This indicates the bank is lending in the community where deposits are being accepted.

Geographic Distribution:

This performance criterion focuses on the bank's penetration of loans among geographies of different income levels in the bank's Mountain assessment area, including in low- and moderate-income geographies. As mentioned earlier, the Mountain assessment area includes only middle- and upper-income geographies. The bank's lending activity revealed that loans were dispersed throughout geographies of both income levels.

Home Mortgage Loans

Refer to Tables 2, 3, and 4 in Appendix C for the information used to evaluate the geographic distribution of the bank's home mortgage loans. The data shows that the distribution of home mortgage loans across middle- and upper-income geographies was good. The distribution of home mortgage loans was comparable to aggregate HMDA lending for middle-income geographies. Table 5 in Appendix C showing the geographic

distribution of multi-family loans was not used because only one such loan had originated during the evaluation period.

Small Loans to Businesses and Farm

The percentage of small business and small farm loans originated was compared to the percentage of businesses and farms located within geographies at the two income levels. In addition, the data was compared to the aggregate lending of the peer group. As shown in Table 6 in Appendix C, the bank's small business lending in middle- and upper-income geographies was comparable to the percentage of businesses in middle- and upper-income geographies and lower than aggregate lending. Table 7 in Appendix C reflects no lending in the middle-income geography for small farms. Although the small farm distribution is fairly weak, only 7 such loans were made in this assessment area. Overall, the bank's performance reflects acceptable geographic distribution of loans.

Distribution by Borrower Income and Revenue Size of the Business:

This performance criterion evaluates the bank's loan originations to borrowers of different income levels, particularly to low- and moderate-income individuals and businesses and farms of different sizes.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in Appendix C for the information used to evaluate the borrower distribution of the bank's home mortgage loans. The percentage of loans made to borrowers of each income level was compared to the percentage of families in the assessment area that are designated as low-, moderate-, middle-, or upper-income families. In addition, a comparison was made against aggregate lending data for mortgage peer groups.

As shown in the borrower distribution tables, roughly 22 percent of families are designated as low- or moderate-income within the assessment area, while 7 percent of home purchase, 17 percent of home improvement, and no mortgage refinance loans were made to low- and moderate-income borrowers. Based on the area's low affordability ratio, it is not unexpected that lending to these borrowers is so low. The percentage of loans made to low- and moderate-income borrowers is comparable to that of aggregate lenders in the region. The bank's distribution of loans to customers of different income levels is adequate.

Small Loans to Businesses and Farms

Refer to Tables 11 and 12 in Appendix C for the information used to evaluate the distribution of loans to businesses and farms of different revenue sizes. The analysis of the bank's small business loans within the assessment area shows that 77 percent of the

loan originations were made to businesses with \$1 million or less in gross revenues, while D&B information indicates that 86 percent of businesses in the area are considered small businesses. The analysis of the bank's seven small farm loans within the assessment area shows that 43 percent of the loan originations were made to farms with \$1 million or less in gross revenues, while D&B information indicates that 87 percent of farms in the area are considered small farms. Additionally, 84 percent of the business loans and 100 percent of the farm loans originated were for \$250,000 or less, which amounts are generally required by smaller entities. The bank has demonstrated a willingness to meet the credit needs of businesses and farms of different sizes and, thus, its performance is considered very good.

Community Development Lending:

This performance criterion evaluates a bank's responsiveness to community development lending opportunities in its assessment area. The bank's community development lending in the Mountain assessment area is at a leadership level. According to the community contact, affordable housing remains a pressing need for the community.

Refer to Table 1 in Appendix C for the information used to evaluate Community Development Lending. Seven community development loans totaling \$2,606,877 were originated in the Mountain assessment area during the evaluation period. All of the community development loans were made for the purpose of affordable housing. These loans were not reported or considered in the assessment of small business lending. The loans are listed below:

- ? Five loans for the construction of affordable duplexes and four-plexes in Rifle at 60 percent of the median affordable sales price for this area.
- ? A loan made to construct four townhouses in Garfield County at a sales price of \$212,500, well below the county median sales price of \$275,000.
- ? A loan to refinance a mobile home park and improvements in Glenwood Springs. Average rents for this subject property are \$475, well below the average rent of \$815 in this area.

INVESTMENT TEST

This test evaluates the degree to which the institution's qualified investments serve affordable housing needs, assist community services targeted to low- and moderate-income individuals, or enhance economic development issues in the bank's assessment area. In addition, this criterion evaluates the bank's responsiveness to available investment opportunities and the use of innovative or complex investments not routinely

provided by other investors. The bank has an adequate level of qualified community development investments and grants within the Mountain assessment area. The bank also exhibits an adequate responsiveness to credit and community economic development needs and occasionally uses innovative and/or complex investments to support community development initiatives in this assessment area.

Refer to Table 13 in Appendix C for the information used to evaluate the bank's level of qualified investments. The bank's qualified grant/donation activity in the Mountain assessment area consisted of one donation to the Catholic Charities Community Advocacy Program. Other donations of particular note include the following:

- ? Bank of Colorado provides COLTAF with free deposit accounts that also earn interest. The bank does not charge COLTAF for any service or activity fees on any foundation accounts. The money the foundation is given helps provide legal services to low-income individuals, families, seniors, disabled people, and victims of domestic violence.
- ? Bank of Colorado also provides realtors with deposit accounts free of service or activity fees and pays interest on the accounts to CARHOF. This foundation was created to promote safe, decent, and affordable housing in Colorado. These funds help low- and moderate-income families by enabling eligible housing organizations to provide down payment assistance, crisis shelters, homeownership counseling, affordable housing projects, and mortgage and rental assistance.

SERVICE TEST

The bank's overall rating in the Mountain assessment area is High Satisfactory under the Service Test. The bank's delivery systems, branch locations and office hours are accessible to essentially all portions of the assessment area and accommodate the needs of the community. Bank officers and employees contribute their financial expertise in a leadership capacity to community development service organizations.

Retail Services:

This criterion evaluates the accessibility of the bank's branches, availability of alternative delivery systems, services and hours, and changes in branch locations. Refer to Table 14 of Appendix C for the information used to evaluate the bank's retail services.

Bank of Colorado has two branches and three ATMs in the Mountain assessment area. Delivery systems are accessible to essentially all of the bank's assessment area. The two branches and three ATMs are all located in upper-income tracts. In addition, Bank of Colorado offers on-line and telephone banking. On-line features include location and

product information, deposit account balances, interaccount transfers, and bill payment for personal accounts. For business customers it provides cash management services, wire transfer services, and ACH payroll features on-line.

There have been no changes with regard to branches in this assessment area since the last evaluation. Therefore, openings/closings do not adversely affect the accessibility of the bank's delivery systems.

The bank's services do not vary in a way that inconveniences certain portions of the Mountain area, particularly low- and moderate-income individuals. The bank's services and business hours are generally convenient to customers and are tailored to the communities in the assessment area. Branch hours generally range from 9:00 a.m. to 5:00 p.m., Monday through Friday. The branches offer Saturday hours (9:00 a.m. to Noon) as well, and have drive-through facilities that are open for extended hours.

Community Development Services:

This criterion evaluates the extent of bank personnel's involvement in community development services, the innovativeness of those services, and the degree to which they serve low- and moderate-income individuals. Qualified community development services include services that have as their primary purpose community development, are related to the provision of financial services, and have not been considered in the evaluation of the bank's other retail banking services.

Within the Mountain assessment area, the bank provides a location for consumer credit counseling seminars for bank customers, which is adequate for this area.

METROPOLITAN AREAS

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN THE ESTES PARK (SOUTHWEST FORT COLLINS) ASSESSMENT AREA

In the southwest corner of the MSA, tourism is the area's economic mainstay. The area contains only a small portion of the MSA's population, housing units, and businesses, and its concentration of small nonfarm businesses was slightly higher than in the MSA as a whole.

The area contained one census tract in which the bank has one branch and three ATMs. Thus, tract comparative analyses are inappropriate. As shown in Table 1 in Appendix C, the Estes Park branch represents only 1.9 percent of loans originated and less than 1 percent in deposit market share. Therefore, an analysis would not impact the bank's overall assessment rating and only a limited review of the Estes Park assessment area was conducted. Assessment area demographics and characteristics based upon 1990 U.S. Census Data are summarized in Exhibit 10.

EXHIBIT 10 Estes Park (Southwest Ft. Collins-Loveland MSA) Assessment Area Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	318	17.0
Moderate-income	0	0.0	0	0.0	0	0.0	354	18.9
Middle-income	1	100.0	1,871	100.0	88	4.7	471	25.2
Upper-income	0	0.0	0	0.0	0	0.0	728	38.9
Total Assessment Area	1	100.0	1,871	100.0	88	4.7	1,871	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	4,274	1,729	100.0	40.5	936	21.9	1,609	37.6
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	4,274	1,729	100.0	40.5	936	21.9	1,609	37.6
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	963	100.0	857	100.0	39	100.0	67	100.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Tract not reported	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	963	100.0	857	100.0	39	100.0	67	100.0
	Percentage of Total Businesses:			89.0		4.0		7.0

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ESTES PARK
(SOUTHWEST FT. COLLINS) ASSESSMENT AREA**

Assessment Area	Lending Test	Investment Test	Service Test
Estes Park	Exceeds	Below	Consistent

NON-METROPOLITAN AREA

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE NORTHWEST ASSESSMENT AREA

Although the bank's smallest deposit volume was in the rural Northwest assessment area, its presence was dominant in that area. While bank deposits totaled \$38,932 million for this area, on June 30, 2001, the bank had the largest deposit market share (38.2 percent) of the three FDIC-insured institutions in this market.

The bank's sole branch and two ATMs are in an upper-income BNA. Exhibit 11 shows the general income, housing, and business characteristics of the area by BNA income level based upon 1990 U.S. Census Data. As shown in Table 1 in Appendix C, the Northwest branch represents only 4.3 percent of loans originated. Therefore, an analysis would not impact the bank's overall assessment rating and only a limited review of the Northwest assessment area was conducted.

EXHIBIT 11								
Northwest Assessment Area Demographics								
Income Categories	BNA Distribution		Families by BNA Income		Families < Poverty Level as % of Families by BNA		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	420	13.7
Moderate-income	0	0.0	0	0.0	0	0.0	357	11.7
Middle-income	2	50.0	1,466	48.0	106	7.2	663	21.7
Upper-income	2	50.0	1,590	52.0	169	10.6	1,616	52.9
Total Assessment Area	4	100.0	3,056	100.0	275	9.0	3,056	100.0
	Housing Units by Tract	Housing Types by BNA						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	2,617	1,401	50.3	53.5	715	27.3	501	19.1
Upper-income	2,618	1,384	49.7	52.9	678	25.9	556	21.2
Total Assessment Area	5,235	2,785	100.0	53.2	1,393	26.6	1,057	20.2
	Total Businesses by BNA		Businesses by BNA & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	399	55.7	357	55.3	13	52.0	29	63.0
Upper-income	317	44.3	288	44.7	12	48.0	17	37.0
BNA not reported	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	716	100.0	645	100.0	25	100.0	46	100.0
Percentage of Total Businesses:				90.1		3.5		6.4

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE NORTHWEST
ASSESSMENT AREA**

Assessment Area	Lending Test	Investment Test	Service Test
Northwest	Consistent	Consistent	Consistent

CRA APPENDIX A

SCOPE OF EXAMINATION

Time Period Reviewed	Lending Test - January 1, 2001, to June 30, 2002	
	Investment, Services and CD Loans - January 1, 2001 to November 30, 2002	
Financial Institution	Products Reviewed	
Bank of Colorado Fort Collins, Colorado (Pinnacle Bancorp is the parent holding company)	Home Mortgage Loans, Small Loans to Businesses and Farms	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Pinnacle Bancorp – Central City, NE	NA	None
Keene Bancorp – Keene, TX	Sub of Pinnacle Bancorp	None
Nichols Bankshares – Dover, DE	Sub of Keene Bancorp	None
First State Bank – Keene, TX	Sub of Nichols Bankshares	None
Skybank LLC – Harlan, IA	Sub of Pinnacle Bancorp	None
Bank of Colorado – Fort Collins, CO	Sub of Pinnacle Bancorp	None
First NB – Abilene, KS	Sub of Pinnacle Bancorp	None
Pinnacle Bank – Papillion, NE	Sub of Pinnacle Bancorp	None
Pinnacle Bank WY – Torrington, WY	Sub of Pinnacle Bancorp	None
Pinnacle Agency LLC – Central City, NE	Sub of Pinnacle Bancorp	None
Pickrell Insurance Agency – Pickrell, NE	Sub of Pinnacle Agency LLC	None
Pinnacle FS LLC – Central City, NE	Sub of Pinnacle Bancorp	None
Linden Insurance Agency LLC – Greeley, CO	Sub of Pinnacle FS LLC	None
Ingalls Insurance Agency – Yuma, CO	Sub of Pinnacle FS LLC	None
Moffatt Ins. Agency LLC – Central City, NE	Sub of Pinnacle FS LLC	None
Western Bank Gallup NM – Gallup NM	Sub of Pinnacle Bancorp	None
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	
East Fort Collins	Full-Scope	
Grand Junction	Full-Scope	
Greeley	Full-Scope	
Northeast	Full-Scope	
Southwest	Full-Scope	
Mountain	Full-Scope	
Estes Park (SW Fort Collins)	Limited-Scope	
Northwest	Limited-Scope	

CRA APPENDIX B

GLOSSARY

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 metropolitan area/assessment area.

Block numbering area ("BNA"): A statistical subdivision of a county for grouping and numbering blocks in nonmetropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

Census tract: 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 statistical 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 multi-family 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.

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 nonrelatives 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 (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity and responsiveness).

Geography: A census tract or a block numbering area delineated by the U.S. 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 data such as race, gender and income of applications, amount of loan requested, and disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

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 (for example, 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 metropolitan area/assessment area.

Metropolitan area ("MA"): Any primary metropolitan statistical area ("PMSA"), metropolitan statistical area ("MSA"), or consolidated metropolitan statistical area ("CMSA"), as defined by the Office of Management and Budget, with a population of 250 thousand or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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.

Multi-family: 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 multistate 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 multistate metropolitan area, the institution will receive a rating for the multistate 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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in "loans to small farms" as defined in the instructions for preparation of the Call Report. These loans have original amounts of \$500 thousand or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

CRA APPENDIX C

CRA CORE TABLES

Institution ID: 20000255659

BANK OF COLORADO

Table 1. Lending Volume

LENDING VOLUME		Geography: STATE OF COLORADO						Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002				
MA/ Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA *	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
BANK OF CO - EAST FT. COLLINS MSA	4.18	74	12,637	106	16,142	7	195	10	6,698	197	35,672	6.10
BANK OF CO - GRAND JUNCTION MSA	10.16	268	33,239	185	27,177	2	159	2	3,580	457	64,155	11.17
BANK OF CO - GREELEY MSA	11.63	306	37,512	139	16,024	76	4,534	2	16	523	58,086	16.94
BANK OF CO - NORTHEAST	52.80	398	31,289	724	45,161	1,243	90,274	4	693	2,369	167,417	33.35
BANK OF CO - SOUTHWEST	8.82	46	4,277	335	31,728	14	583	4	3,588	399	40,176	17.85
BANK OF CO - MOUNTAIN	6.14	50	3,736	218	26,428	7	451	7	2,607	282	33,222	8.98
Limited Review:												
BANK OF CO - ESTES PARK	1.96	15	1,852	73	11,855	0	0	6	6,774	94	20,481	0.00
BANK OF CO - NORTHWEST	4.31	45	2,450	95	4,522	53	2,070	1	158	194	9,200	5.60

* Loan Data as of June 30, 2002. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is From January 01, 2001 to November 30, 2002.

*** Deposit Data as of June 30, 2001. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: 20000255659

BANK OF COLORADO

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: STATE OF COLORADO						Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002						
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units** *	% BANK Loans	% Owner Occ Units** *	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
BANK OF CO - EAST FT. COLLINS MSA	36	6.38	5.20	8.33	12.02	2.78	49.79	47.22	32.98	41.67	2.69	8.39	54.55	34.37
BANK OF CO - GRAND JUNCTION MSA	128	22.70	0.00	0.00	6.69	5.47	70.02	71.88	23.29	22.66	0.00	5.03	70.22	24.75
BANK OF CO - GREELEY MSA	183	32.45	2.16	4.37	24.05	46.45	47.09	28.96	26.71	20.22	1.54	22.13	55.08	21.25
BANK OF CO - NORTHEAST	163	28.90	0.00	0.00	6.91	3.68	93.09	96.32	0.00	0.00	0.00	3.06	96.94	0.00
BANK OF CO - SOUTHWEST	16	2.84	0.00	0.00	5.92	0.00	85.57	87.50	8.51	12.50	0.00	4.72	85.62	9.66
BANK OF CO - MOUNTAIN	16	2.84	0.00	0.00	0.00	0.00	29.49	25.00	70.51	75.00	0.00	0.00	36.38	63.62
Limited Review:														
BANK OF CO - ESTES PARK	4	0.71	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	100.00	0.00
BANK OF CO - NORTHWEST	18	3.19	0.00	0.00	0.00	0.00	50.31	50.00	49.69	50.00	0.00	0.00	46.18	53.82

* Based on 2001 Peer Mortgage Data: US & PR.

** 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 1990 Census information.

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BANK OF COLORADO

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: STATE OF COLORADO						Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002						
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units**	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units**	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
BANK OF CO - EAST FT. COLLINS MSA	1	0.68	5.20	0.00	12.02	0.00	49.79	100.00	32.98	0.00	2.03	9.93	53.72	34.31
BANK OF CO - GRAND JUNCTION MSA	21	14.29	0.00	0.00	6.69	9.52	70.02	52.38	23.29	38.10	0.00	2.65	72.86	24.48
BANK OF CO - GREELEY MSA	34	23.13	2.16	0.00	24.05	8.82	47.09	85.29	26.71	5.88	1.83	16.03	58.23	23.91
BANK OF CO - NORTHEAST	44	29.93	0.00	0.00	6.91	9.09	93.09	90.91	0.00	0.00	0.00	4.84	95.16	0.00
BANK OF CO - SOUTHWEST	12	8.16	0.00	0.00	5.92	8.33	85.57	75.00	8.51	16.67	0.00	1.22	91.46	7.32
BANK OF CO - MOUNTAIN	21	14.29	0.00	0.00	0.00	0.00	29.49	38.10	70.51	61.90	0.00	0.00	42.75	57.25
Limited Review:														
BANK OF CO - ESTES PARK	2	1.36	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	100.00	0.00
BANK OF CO - NORTHWEST	12	8.16	0.00	0.00	0.00	0.00	50.31	41.67	49.69	58.33	0.00	0.00	41.46	58.54

* Based on 2001 Peer Mortgage Data: US & PR.

** 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 1990 Census information.

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BANK OF COLORADO

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: STATE OF COLORADO						Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002						
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units** *	% BANK Loans	% Owner Occ Units** *	% BANK Loans	% Owner Occ Units** *	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
BANK OF CO - EAST FT. COLLINS MSA	33	6.98	5.20	6.06	12.02	6.06	49.79	48.48	32.98	39.39	2.51	9.38	54.10	34.01
BANK OF CO - GRAND JUNCTION MSA	116	24.52	0.00	0.00	6.69	5.17	70.02	50.86	23.29	43.97	0.00	4.88	67.65	27.47
BANK OF CO - GREELEY MSA	87	18.39	2.16	0.00	24.05	9.20	47.09	75.86	26.71	14.94	1.23	15.42	58.91	24.42
BANK OF CO - NORTHEAST	187	39.53	0.00	0.00	6.91	4.28	93.09	95.72	0.00	0.00	0.00	3.68	96.32	0.00
BANK OF CO - SOUTHWEST	15	3.17	0.00	0.00	5.92	0.00	85.57	100.00	8.51	0.00	0.00	3.91	88.65	7.44
BANK OF CO - MOUNTAIN	12	2.54	0.00	0.00	0.00	0.00	29.49	33.33	70.51	66.67	0.00	0.00	31.08	68.92
Limited Review:														
BANK OF CO - ESTES PARK	8	1.69	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	100.00	0.00
BANK OF CO - NORTHWEST	15	3.17	0.00	0.00	0.00	0.00	50.31	26.67	49.69	73.33	0.00	0.00	41.91	58.09

* Based on 2001 Peer Mortgage Data: US & PR.

** 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 1990 Census information.

Institution ID: 20000255659

BANK OF COLORADO

Table 5. Geographic Distribution of Multi-family Loans

Geographic Distribution: MULTI-FAMILY		Geography: STATE OF COLORADO						Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002						
MA/Assessment Area:	Total Multi-family Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units** *	% BANK Loans	% MF Units** *	% BANK Loans	% MF Units** *	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
BANK OF CO - EAST FT. COLLINS MSA	4	22.22	7.33	25.00	28.51	0.00	46.88	50.00	17.28	25.00	0.00	46.67	33.33	20.00
BANK OF CO - GRAND JUNCTION MSA	3	16.67	0.00	0.00	21.06	33.33	58.72	66.67	20.23	0.00	0.00	33.33	66.67	0.00
BANK OF CO - GREELEY MSA	2	11.11	9.60	0.00	47.52	50.00	20.66	50.00	22.22	0.00	8.33	41.67	29.17	20.83
BANK OF CO - NORTHEAST	4	22.22	0.00	0.00	4.70	0.00	95.30	100.00	0.00	0.00	0.00	0.00	100.00	0.00
BANK OF CO - SOUTHWEST	3	16.67	0.00	0.00	13.11	0.00	68.11	100.00	18.77	0.00	0.00	0.00	50.00	50.00
BANK OF CO - MOUNTAIN	1	5.56	0.00	0.00	0.00	0.00	8.12	0.00	91.88	100.00	0.00	0.00	0.00	100.00
Limited Review:														
BANK OF CO - ESTES PARK	1	5.56	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	100.00	0.00
BANK OF CO - NORTHWEST	0	0.00	0.00	0.00	0.00	0.00	17.84	0.00	82.16	0.00	0.00	0.00	25.00	75.00

* Based on 2001 Peer Mortgage Data: US & PR.

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

*** Percentage of multi-family units is the number of multi-family housing units in a particular geography divided by number of multi-family housing units in the area based on 1990 Census information.

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BANK OF COLORADO

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: STATE OF COLORADO				Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002				Aggregate Lending (%) by Tract Income*			
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low	Mod	Mid	Upp
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans				
Full Review:														
BANK OF CO - EAST FT. COLLINS MSA	106	5.65	10.9	14.15	20.6	16.04	42.7	42.45	25.8	27.36	8.90	14.18	59.02	17.89
BANK OF CO - GRAND JUNCTION MSA	185	9.87	0.0	0.00	19.0	21.08	62.1	58.92	18.9	20.00	0.00	18.15	61.61	20.24
BANK OF CO - GREELEY MSA	139	7.41	12.5	1.44	22.7	2.16	43.7	94.24	20.8	2.16	6.78	17.91	56.35	18.96
BANK OF CO - NORTHEAST	724	38.61	0.0	0.00	6.8	6.35	93.2	93.65	0.0	0.00	0.00	8.16	91.84	0.00
BANK OF CO - SOUTHWEST	335	17.87	0.0	0.00	29.2	39.10	66.9	60.30	3.9	0.60	0.00	28.55	67.23	4.22
BANK OF CO - MOUNTAIN	218	11.63	0.0	0.00	0.0	0.00	17.6	12.84	82.4	87.16	0.00	0.00	23.75	76.25
Limited Review:														
BANK OF CO - ESTES PARK	73	3.89	0.0	0.00	0.0	0.00	100.0	100.00	0.0	0.00	8.90	14.18	59.02	17.89
BANK OF CO - NORTHWEST	95	5.07	0.0	0.00	0.0	0.00	55.7	53.68	44.3	46.32	0.00	0.00	57.08	42.92

* Based on 2001 Peer Small Business Data: WE Region.

** 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 (2001).

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BANK OF COLORADO

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: STATE OF COLORADO								Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms*	% BANK Loans	% of Farms*	% BANK Loans	% of Farms*	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
BANK OF CO - EAST FT. COLLINS MSA	7	0.50	8.1	0.00	7.2	42.86	64.9	28.57	19.8	28.57	0.61	11.59	71.95	15.85
BANK OF CO - GRAND JUNCTION MSA	2	0.14	0.0	0.00	6.9	0.00	77.9	100.00	15.2	0.00	0.00	0.00	96.00	4.00
BANK OF CO - GREELEY MSA	76	5.42	4.1	0.00	11.8	0.00	73.0	98.68	11.1	1.32	0.27	4.12	91.91	3.70
BANK OF CO - NORTHEAST	1,243	88.66	0.0	0.00	10.1	8.93	89.9	91.07	0.0	0.00	0.00	10.01	89.99	0.00
BANK OF CO - SOUTHWEST	14	1.00	0.0	0.00	7.3	0.00	88.5	100.00	4.2	0.00	0.00	8.00	92.00	0.00
BANK OF CO - MOUNTAIN	7	0.50	0.0	0.00	0.0	0.00	33.3	0.00	66.7	100.00	0.00	0.00	57.58	42.42
Limited Review:														
BANK OF CO - ESTES PARK	0	0.00	0.0	0.00	0.0	0.00	100.0	0.00	0.0	0.00	0.61	11.59	71.95	15.85
BANK OF CO - NORTHWEST	53	3.78	0.0	0.00	0.0	0.00	32.7	35.85	67.3	64.15	0.00	0.00	43.24	56.76

* Based on 2001 Peer Small Business Data: WE Region.

** 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 (2001).

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Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: STATE OF COLORADO						Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002						
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data *			
	#	% of Total**	% Families***	% BANK Loans****	% Families*	% BANK Loans**	% Families***	% BANK Loans**	% Families***	% BANK Loans**	Low	Mod	Mid	Upp
Full Review:														
BANK OF CO - EAST FT. COLLINS MSA	36	6.38	18.92	12.12	19.14	33.33	22.59	30.30	39.35	24.24	5.34	17.07	28.91	48.67
BANK OF CO - GRAND JUNCTION MSA	128	22.70	19.47	6.30	18.04	12.60	22.68	32.28	39.81	48.82	5.97	19.08	28.13	46.82
BANK OF CO - GREELEY MSA	183	32.45	20.10	2.26	18.06	18.64	22.64	46.89	39.20	32.20	2.05	13.18	26.60	58.17
BANK OF CO - NORTHEAST	163	28.90	20.10	8.75	20.05	26.25	25.19	28.75	34.66	36.25	6.65	24.97	34.60	33.79
BANK OF CO - SOUTHWEST	16	2.84	18.67	12.50	16.07	18.75	23.31	18.75	41.95	50.00	2.23	11.08	22.59	64.09
BANK OF CO - MOUNTAIN	16	2.84	11.32	0.00	10.93	6.67	21.73	6.67	56.03	86.67	0.89	7.80	20.62	70.70
Limited Review:														
BANK OF CO - ESTES PARK	4	0.71	17.00	33.33	18.92	33.33	25.17	0.00	38.91	33.33	4.60	13.41	21.07	60.92
BANK OF CO - NORTHWEST	18	3.19	13.74	11.11	11.68	5.56	21.70	33.33	52.88	50.00	7.14	12.61	28.15	52.10

* Based on 2001 Peer Mortgage Data: US & PR.

** As a percentage of loans with borrower income information available. No information was available for 2.66% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

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

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BANK OF COLORADO

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: STATE OF COLORADO						Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002						
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data *			
	#	% of Total**	% Families**	% BANK Loans****	% Families***	% BANK Loans**	% Families***	% BANK Loans**	% Families***	% BANK Loans**	Low	Mod	Mid	Upp
Full Review:														
BANK OF CO - EAST FT. COLLINS MSA	1	0.68	18.92	100.00	19.14	0.00	22.59	0.00	39.35	0.00	8.31	14.73	26.13	50.83
BANK OF CO - GRAND JUNCTION MSA	21	14.29	19.47	0.00	18.04	19.05	22.68	19.05	39.81	61.90	5.25	11.73	26.85	56.17
BANK OF CO - GREELEY MSA	34	23.13	20.10	26.67	18.06	6.67	22.64	13.33	39.20	53.33	2.49	12.13	25.73	59.65
BANK OF CO - NORTHEAST	44	29.93	20.10	11.63	20.05	20.93	25.19	23.26	34.66	44.19	9.34	19.23	29.12	42.31
BANK OF CO - SOUTHWEST	12	8.16	18.67	11.11	16.07	22.22	23.31	33.33	41.95	33.33	10.67	13.33	24.00	52.00
BANK OF CO - MOUNTAIN	21	14.29	11.32	8.33	10.93	8.33	21.73	8.33	56.03	75.00	2.59	11.21	14.66	71.55
Limited Review:														
BANK OF CO - ESTES PARK	2	1.36	17.00	0.00	18.92	100.00	25.17	0.00	38.91	0.00	7.02	22.81	31.58	38.60
BANK OF CO - NORTHWEST	12	8.16	13.74	8.33	11.68	8.33	21.70	16.67	52.88	66.67	5.13	7.69	17.95	69.23

* Based on 2001 Peer Mortgage Data: US & PR.

** As a percentage of loans with borrower income information available. No information was available for 12.24% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

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

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BANK OF COLORADO

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE				Geography: STATE OF COLORADO				Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002						
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data *			
	#	% of Total**	% Families* **	% BANK Loans****	% Families ***	% BANK Loans**	% Families ***	% BANK Loans**	% Families ***	% BANK Loans**	Low	Mod	Mid	Upp
Full Review:														
BANK OF CO - EAST FT. COLLINS MSA	33	6.98	18.92	7.41	19.14	18.52	22.59	11.11	39.35	62.96	5.22	17.78	26.68	50.33
BANK OF CO - GRAND JUNCTION MSA	116	24.52	19.47	4.55	18.04	5.45	22.68	19.09	39.81	70.91	4.49	14.72	24.78	56.01
BANK OF CO - GREELEY MSA	87	18.39	20.10	6.58	18.06	13.16	22.64	30.26	39.20	50.00	2.71	12.03	25.38	59.88
BANK OF CO - NORTHEAST	187	39.53	20.10	3.95	20.05	21.47	25.19	28.25	34.66	46.33	5.63	16.99	32.78	44.60
BANK OF CO - SOUTHWEST	15	3.17	18.67	14.29	16.07	7.14	23.31	28.57	41.95	50.00	2.30	10.18	23.91	63.61
BANK OF CO - MOUNTAIN	12	2.54	11.32	0.00	10.93	0.00	21.73	33.33	56.03	66.67	1.06	4.20	16.30	78.45
Limited Review:														
BANK OF CO - ESTES PARK	8	1.69	17.00	0.00	18.92	0.00	25.17	33.33	38.91	66.67	7.25	17.62	24.70	50.43
BANK OF CO - NORTHWEST	15	3.17	13.74	6.67	11.68	6.67	21.70	26.67	52.88	60.00	2.91	12.38	26.70	58.01

* Based on 2001 Peer Mortgage Data: US & PR.

** As a percentage of loans with borrower income information available. No information was available for 7.61% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

**** 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.

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BANK OF COLORADO

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: STATE OF COLORADO			Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data *	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
BANK OF CO - EAST FT. COLLINS MSA	106	5.65	88.2	77.36	64.15	17.92	17.92	7,521	3,213
BANK OF CO - GRAND JUNCTION MSA	185	9.87	87.8	70.27	61.62	20.00	18.38	3,350	1,414
BANK OF CO - GREELEY MSA	139	7.41	86.6	74.82	67.63	21.58	10.79	4,734	2,091
BANK OF CO - NORTHEAST	724	38.61	87.7	80.80	84.39	10.36	5.25	1,547	880
BANK OF CO - SOUTHWEST	335	17.87	88.5	65.67	74.63	15.52	9.85	2,247	1,177
BANK OF CO - MOUNTAIN	218	11.63	86.1	76.61	66.97	17.43	15.60	2,909	1,452
Limited Review:									
BANK OF CO - ESTES PARK	73	3.89	89.0	79.45	63.01	12.33	24.66	7,521	3,213
BANK OF CO - NORTHWEST	95	5.07	90.1	82.11	86.32	11.58	2.11	246	144

* Based on 2001 Peer Small Business Data: WE Region.

** 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 - 2001).

**** 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 3.25% of small loans to businesses originated and purchased by the bank.

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BANK OF COLORADO

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: STATE OF COLORADO			Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Aggregate Lending Data *	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
BANK OF CO - EAST FT. COLLINS MSA	7	0.50	85.9	100.00	100.00	0.00	0.00	165	142
BANK OF CO - GRAND JUNCTION MSA	2	0.14	90.3	100.00	100.00	0.00	0.00	25	22
BANK OF CO - GREELEY MSA	76	5.42	88.3	93.42	89.47	9.21	1.32	731	641
BANK OF CO - NORTHEAST	1,243	88.66	92.7	95.17	78.52	15.93	5.55	1,351	1,312
BANK OF CO - SOUTHWEST	14	1.00	92.2	100.00	92.86	7.14	0.00	25	21
BANK OF CO - MOUNTAIN	7	0.50	87.4	42.86	100.00	0.00	0.00	34	27
Limited Review:									
BANK OF CO - ESTES PARK	0	0.00	94.4	0.00	0.00	0.00	0.00	165	142
BANK OF CO - NORTHWEST	53	3.78	89.1	96.23	94.34	1.89	3.77	37	32

* Based on 2001 Peer Small Business Data: WE Region.

** 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 - 2001).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.71% of small loans to farms originated and purchased by the bank.

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BANK OF COLORADO

Table 13. Qualified Investments

QUALIFIED INVESTMENTS		Geography: STATE OF COLORADO				Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002			
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:									
BANK OF CO - EAST FT. COLLINS MSA	0	0	5	3	5	3	1.2	0	0
BANK OF CO - GRAND JUNCTION MSA	0	0	15	13	15	13	5.0	0	0
BANK OF CO - GREELEY MSA	0	0	6	205	6	205	79.5	0	0
BANK OF CO - NORTHEAST	0	0	13	22	12	22	8.5	0	0
BANK OF CO - SOUTHWEST	0	0	3	6	3	6	2.3	0	0
BANK OF CO - MOUNTAIN	0	0	1	1	1	1	.4	0	0
Limited Review:									
BANK OF CO - ESTES PARK	0	0	0	0	0	0	0.00	0	0
BANK OF CO - NORTHWEST	0	0	3	8	3	8	3.1	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.

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BANK OF COLORADO

Table 14. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: STATE OF COLORADO Evaluation Period: JANUARY 1, 2001 TO JUNE 30, 2002																	
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:																	
BANK OF CO - EAST FT. COLLINS MSA	6.10	2	4	0.00	0.00	0.00	100.00	2	0	0	0	0	+ 2	8.55	16.79	47.92	26.75
BANK OF CO - GRAND JUNCTION MSA	11.17	2	9	0.00	50.00	50.00	0.00	0	0	0	0	0	0	0.00	8.84	72.03	19.13
BANK OF CO - GREELEY MSA	16.94	3	17	0.00	0.00	100.00	0.00	1	0	0	0	+ 1	0	3.97	31.01	42.95	22.07
BANK OF CO - NORTHEAST	33.35	7	30	0.00	14.29	85.71	0.00	0	0	0	0	0	0	0.00	6.50	93.50	0.00
BANK OF CO - SOUTHWEST	17.85	5	22	0.00	60.00	40.00	0.00	1	0	0	0	+ 1	0	0.00	8.37	79.54	12.09
BANK OF CO - MOUNTAIN	8.98	2	9	0.00	0.00	0.00	100.00	0	0	0	0	0	0	0.00	0.00	30.46	69.54
Limited Review:																	
BANK OF CO - ESTES PARK	0.00	1	4	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	100.00	0.00
BANK OF CO - NORTHWEST	5.60	1	4	0.00	0.00	0.00	100.00	0	0	0	0	0	0	0.00	0.00	47.58	52.42

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BANK OF COLORADO

BANK OF CO - EAST FT. COLLINS MSA

Demographic Information for Full Scope Area: BANK OF CO - EAST FT. COLLINS MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	26	7.69	15.38	46.15	30.77	0.00
Population by Geography	113,699	8.55	16.79	47.92	26.75	0.00
Owner-Occupied Housing by Geography	25,217	5.20	12.02	49.79	32.98	0.00
Business by Geography	7,822	10.9	20.6	42.7	25.8	0.00
Farms by Geography	333	8.1	7.2	64.9	19.8	0.00
Family Distribution by Income Level	26,996	18.92	19.14	22.59	39.35	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	10,275	10.07	18.65	54.09	17.19	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below Poverty Level		36,932 60,800 15.86%	Median Housing Value Unemployment Rate (1990 US Census)		85,732 3.07%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 US Census and 2002 HUD updated MFI

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BANK OF COLORADO

BANK OF CO - GRAND JUNCTION MSA

Demographic Information for Limited Scope Area: BANK OF CO - GRAND JUNCTION MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	21	0.00	19.05	61.90	19.05	0.00
Population by Geography	93,145	0.00	8.84	72.03	19.13	0.00
Owner-Occupied Housing by Geography	23,534	0.00	6.69	70.02	23.29	0.00
Business by Geography	6,254	0.00	19.0	62.1	18.9	0.00
Farms by Geography	290	0.00	6.9	77.9	15.2	0.00
Family Distribution by Income Level	25,582	19.47	18.04	22.68	39.81	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	9,596	0.00	11.98	78.39	9.63	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below Poverty Level		27,637 42,700 14.54%	Median Housing Value Unemployment Rate (1990 US Census)	62,559 4.39%		

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

Source: 1990 US Census and 2002 HUD updated MFI

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BANK OF COLORADO

BANK OF CO - GREELEY MSA

Demographic Information for Full Scope Area: BANK OF CO - GREELEY MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	27	11.11	25.93	37.04	22.22	3.70
Population by Geography	115,090	3.97	31.01	42.95	22.07	0.00
Owner-Occupied Housing by Geography	25,154	2.16	24.05	47.09	26.71	0.00
Business by Geography	6,284	12.5	22.7	43.7	20.8	0.3
Farms by Geography	566	4.1	11.8	73.0	11.1	0.00
Family Distribution by Income Level	29,321	20.10	18.06	22.64	39.20	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	11,188	5.59	38.53	42.99	12.89	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below Poverty Level		30,801 47,900 15.39%	Median Housing Value Unemployment Rate (1990 US Census)		67,385 2.98%	

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

Source: 1990 US Census and 2002 HUD updated MFI

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BANK OF COLORADO

BANK OF CO - NORTHEAST

Demographic Information for Full Scope Area: BANK OF CO - NORTHEAST						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	24	0.00	8.33	91.67	0.00	0.00
Population by Geography	57,461	0.00	6.50	93.50	0.00	0.00
Owner-Occupied Housing by Geography	14,955	0.00	6.91	93.09	0.00	0.00
Business by Geography	3,663	0.00	6.8	93.2	0.00	0.00
Farms by Geography	1,141	0.00	10.1	89.9	0.00	0.00
Family Distribution by Income Level	15,871	20.10	20.05	25.19	34.66	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	6,372	0.00	8.96	91.04	0.00	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below Poverty Level		28,257 46,000 15.43%	Median Housing Value Unemployment Rate (1990 US Census)		45,248 2.13%	

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

Source: 1990 US Census and 2002 HUD updated MFI

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BANK OF COLORADO

BANK OF CO - SOUTHWEST

Demographic Information for Full Scope Area: BANK OF CO - SOUTHWEST						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	11	0.00	9.09	81.82	9.09	0.00
Population by Geography	37,629	0.00	8.37	79.54	12.09	0.00
Owner-Occupied Housing by Geography	9,239	0.00	5.92	85.57	8.51	0.00
Business by Geography	4,269	0.00	29.2	66.9	3.9	0.00
Farms by Geography	191	0.00	7.3	88.5	4.2	0.00
Family Distribution by Income Level	9,614	18.67	16.07	23.31	41.95	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	3,340	0.00	10.51	83.77	5.72	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below Poverty Level		28,257 46,000 15.5%	Median Housing Value Unemployment Rate (1990 US Census)		84,122 3.26%	

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

Source: 1990 US Census and 2002 HUD updated MFI

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BANK OF COLORADO

BANK OF CO - MOUNTAIN

Demographic Information for Full Scope Area: BANK OF CO - MOUNTAIN						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	10	0.00	0.00	20.00	80.00	0.00
Population by Geography	40,036	0.00	0.00	30.46	69.54	0.00
Owner-Occupied Housing by Geography	9,256	0.00	0.00	29.49	70.51	0.00
Business by Geography	5,430	0.00	0.00	17.6	82.4	0.00
Farms by Geography	207	0.00	0.00	33.3	66.7	0.00
Family Distribution by Income Level	9,913	11.32	10.93	21.73	56.03	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	2,205	0.00	0.00	47.39	52.61	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below Poverty Level		28,257 46,000 7.88%	Median Housing Value Unemployment Rate (1990 US Census)		258,184 2.54%	

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

Source: 1990 US Census and 2002 HUD updated MFI

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BANK OF COLORADO

BANK OF CO – ESTES PARK (SOUTHWEST FT. COLLINS)

Demographic Information for Limited Scope Area: BANK OF CO - SOUTHWEST FT. COLLINS						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	1	0.00	0.00	100.00	0.00	0.00
Population by Geography	6,015	0.00	0.00	100.00	0.00	0.00
Owner-Occupied Housing by Geography	1,729	0.00	0.00	100.00	0.00	0.00
Business by Geography	963	0.00	0.00	100.00	0.00	0.00
Farms by Geography	18	0.00	0.00	100.00	0.00	0.00
Family Distribution by Income Level	1,871	17.00	18.92	25.17	38.91	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	672	0.00	0.00	100.00	0.00	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below Poverty Level		36,932 60,800 12.61%	Median Housing Value Unemployment Rate (1990 US Census)		83,993 3.66%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 US Census and 2002 HUD updated MFI

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BANK OF COLORADO

BANK OF CO - NORTHWEST

Demographic Information for Limited Scope Area: BANK OF CO - NORTHWEST						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	4	0.00	0.00	50.00	50.00	0.00
Population by Geography	11,357	0.00	0.00	47.58	52.42	0.00
Owner-Occupied Housing by Geography	2,785	0.00	0.00	50.31	49.69	0.00
Business by Geography	716	0.00	0.00	55.7	44.3	0.00
Farms by Geography	55	0.00	0.00	32.7	67.3	0.00
Family Distribution by Income Level	3,056	13.74	11.68	21.70	52.88	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	777	0.00	0.00	58.30	41.70	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below Poverty Level		28,257 46,000 15.58%	Median Housing Value Unemployment Rate (1990 US Census)		60,770 3.81%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 US Census and 2002 HUD updated MFI

**CRA APPENDIX D
ASSESSMENT AREA MAP**