



## **PUBLIC DISCLOSURE**

NOVEMBER 26, 2012

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

**COLORADO COMMUNITY BANK  
RSSD# 132853**

**615 WEST EIGHTH AVENUE  
YUMA, COLORADO 80759**

**Federal Reserve Bank of Kansas City  
1 Memorial Drive  
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: Colorado Community Bank is rated: *Satisfactory*  
The Lending Test is rated: *Satisfactory*  
The Community Development Test is rated: *Satisfactory***

Major factors supporting the institution's rating include:

### Lending Test

- Substantially greater weight was placed on the bank's performance in the Rural AA due to the higher proportion of lending, deposits, and bank locations in the AA.
- The bank's average Net Loan-to-Deposit (NLTD) ratio reflects a reasonable effort to extend credit, given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of the bank's Home Mortgage Disclosure Act (HMDA) related, small business and agricultural loans was originated inside the bank's designated AAs.
- The bank's overall geographic distribution of lending among geographies of various income levels reflected a reasonable penetration.
- The overall distribution of loans to borrowers of different income levels and to businesses and farms of different revenue sizes was reasonable.

### Community Development Test

- The bank's overall level of community development performance (loans, investments, and services) demonstrated excellent responsiveness to community development needs throughout its AAs.

## **OVERALL INSTITUTION**

### **SCOPE OF EXAMINATION**

The bank's Community Reinvestment Act (CRA) performance was reviewed using the lending and community development tests as defined under the Federal Financial Institutions Examinations Council's Interagency CRA Procedures for intermediate small institutions.

For the lending test, the following four performance criteria were relevant to this review:

- Average NLTD Ratio
- Lending Inside the AA
- Distribution by Income Level of Geographies
- Lending to Borrowers of Different Income Levels and to Businesses and Farms of Different Revenue Sizes.

A fifth performance criterion was not relevant to this analysis because the bank had not received any complaints about its CRA performance during the evaluation period.

The bank's primary lending focus is commercial lending, followed closely by agricultural lending. The loan products selected for review at this examination included a universe of all HMDA reported loans originated between July 1, 2010 and December 31, 2011. Due to the low volume of HMDA loans, these loans were analyzed together as a category of "HMDA-related loans" and were not analyzed by loan purpose in this evaluation. The evaluation also included a universe of all CRA reportable loans originated between September 1, 2010 and December 31, 2011, as the bank voluntarily collected this data.

The bank's community development activities were also subject to review, including loans, donations, and services. The evaluation period for community development activities included the period from the prior examination to the current examination, October 13, 2010 through November 26, 2012.

The CRA review covered the bank's six AAs all located in Colorado: the nonmetropolitan Counties of Yuma, Washington, Logan, and Morgan are designated the Rural AA; the Greeley AA consists of 28 tracts out of 37 tracts in Weld County; the Loveland AA is located in the Fort Collins-Loveland MSA and consists of the city of Loveland and nearby surrounding areas; full-scope reviews were conducted in these three AAs. Limited-scope reviews were conducted in the South Denver AA which consists of portions of Arapahoe and Douglas Counties located in the Denver-Aurora-Broomfield MSA; the North Denver AA which consists of portions of Adams and Broomfield Counties also located in the Denver-Aurora-Broomfield MSA; and the Longmont AA which consists of portions of Boulder County located in the Boulder MSA.

For evaluative purposes, the bank's performance was compared to local demographic data, utilizing 2000 Census data, as well as 2010 and 2011 aggregate peer data reported by all HMDA Loan/Application Register (LAR) reporters and 2011 CRA LAR reporters with loan originations within

the bank's AAs. The evaluation of the bank's performance focused on the number of loans originated within each category and product, as opposed to the dollar volume of those originations. The evaluation of the bank's overall performance with regard to geographic and borrower characteristics in each AA was also considered.

The bank's Rural AA contained over 55 percent of all loan originations and therefore the greatest weight was given to lending performance in this AA in evaluating the bank's overall performance.

To augment the evaluation, interviews were conducted with members of the community to ascertain the credit needs of the bank's AA, the availability of community development opportunities, and local economic conditions. Additional community contacts previously conducted in the AA by regulatory agencies were also referenced. Community contacts included representatives from economic development entities, a local chamber of commerce, and a rural development agency.

## **DESCRIPTION OF INSTITUTION**

CCB is a full-service financial institution offering a wide range of commercial, agricultural, residential real estate, consumer, and retail products and services. CCB is headquartered in Yuma, Colorado, and is a wholly owned subsidiary of the Washington Investment Company. The bank has a branching network encompassing 11 counties with 18 branches located in different markets. The bank also operates 15 cash-dispensing automated teller machines throughout its AAs.

The bank's primary lending focus is on commercial lending; however, the rural AA market offers various lending opportunities in the agricultural lending area; this is where the majority of the bank's agricultural lending transpires. The majority of the bank's loan originations were in the Rural AA. Commercial lending is prevalent in the bank's Greeley AA, especially in the bedroom communities of Evans, Johnstown, Firestone, Milliken, and Severance where branches are located. Also, commercial lending is prevalent near branch locations where numerous small businesses and residential properties are located, notably in the communities of Loveland (Fort Collins AA) and Longmont (Boulder AA). Additionally, the bank has diverse markets in both the metropolitan areas of the bank's South Denver and North Denver AAs. These AAs are comprised of various types of residential properties and businesses.

As of September 30, 2012, the bank reflected total assets of \$486MM. Table 1 on page 5 shows the bank's loan mix as of September 30, 2012. Based on the loan mix, commercial and agricultural loans represent 86 percent of the bank's loan portfolio. Total loans were \$378MM while total deposits were \$430MM.

<b>TABLE 1 COLORADO COMMUNITY BANK'S LOAN PORTFOLIO September 30, 2012 (Report of Condition and Income Data)</b>		
<b>Loan Type</b>	<b>\$(000s)</b>	<b>% of Total</b>
Commercial	231,278	61.2
Agricultural	94,509	25.0
Residential Real Estate	49,950	13.2
Consumer	2,207	0.6
Other	260	0.0
<b>Gross Loans</b>	<b>378,204</b>	<b>100.0</b>

The bank competes with national and regional institutions, community banks, credit unions, and savings and loans institutions. There are also numerous mortgage and finance companies competing for loan customers in each AA.

There are no known legal impediments to the bank's ability to lend within its market area. The bank's performance under the CRA was last evaluated by the Federal Reserve Bank of Kansas City on October 12, 2010; a satisfactory rating was assigned.

Table 2 shows the loans subject to review for this examination. The volume of small business and small farm loans reviewed far outweighs the volume of HMDA loans utilized for the evaluation. As such, greater consideration was given to the small business and small farm loans.

<b>TABLE 2 SUMMARY OF LOANS REVIEWED</b>				
<b>Loan Type</b>	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>
Home Purchase	27	7,453	3.0	6.9
Home Refinance	37	11,313	4.0	10.4
Home Improvement	9	640	1.0	0.6
Multifamily Housing	6	4,698	0.7	4.3
<b>Total HMDA LAR Loans</b>	<b>79</b>	<b>24,104</b>	<b>8.7</b>	<b>22.2</b>
<b>Total Small Business Loans</b>	<b>362</b>	<b>42,032</b>	<b>41.2</b>	<b>38.9</b>
<b>Total Small Farm Loans</b>	<b>453</b>	<b>42,052</b>	<b>50.1</b>	<b>38.9</b>
<b>TOTAL LOANS</b>	<b>894</b>	<b>108,188</b>	<b>100.0</b>	<b>100.0</b>

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

The bank's overall rating and conclusions were based on its performance in each individual AA, with greater weight placed on the Rural AA. Commercial loans were weighted somewhat higher than small farm and residential real estate loans. The bank's performance is discussed in depth within

each AA analysis section of this performance evaluation, with supporting data shown for the bank’s lending performance, comparison to aggregate lending data, and comparison to demographic data.

**LENDING TEST**

The bank's CRA lending performance was considered reasonable based on its NLTD ratio, the lending within the AA test, and the borrower and geographic distribution analyses.

**Net Loan-to-Deposit Ratio:**

The bank’s NLTD ratio is considered reasonable based on the bank’s size, financial condition, and current local economic conditions. Competitor banks include Intermediate Small Bank’s (ISB) located in the bank’s AA’s with similar asset sizes and lending concentrations. Peer banks include all ISB banks headquartered in the stated geography. The average NLTD ratio for subject and peer banks was calculated by adding the quarterly NLTD ratios and then dividing by the most recent eight quarters available since the bank’s last CRA examination.

The bank’s NLTD averaged 85.8 percent, during the most recent eight-quarter period ending September 30, 2012. The average NLTD ratio for subject and peer banks ranged from 58.0 percent to 106.6 percent for the same eight quarter time frame. Additionally, the bank's average NLTD ratio exceeded the national peer level of 75.7 percent and the statewide peer level of 59.8 percent using the average NLTD over the most recent eight quarters ending June 30, 2012.

**Lending Within the Assessment Area:**

This level of lending within the bank’s AA is considered reasonable. As illustrated in Table 3 below, the bank originated 76.5 percent of its loans by number and 60.5 percent by dollar within its AA. The figures listed show a majority of the bank’s HMDA-related, small farm and small business loans were made inside the bank’s AAs.

<b>TABLE 3 LENDING INSIDE AND OUTSIDE THE BANK’S AAs</b>								
<b>Bank Loans</b>	<b>Inside</b>				<b>Outside</b>			
	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>
Home Purchase	17	4,850	63.0	65.1	10	2,603	37.0	34.9
Home Improvement	8	256	88.9	40.0	1	384	11.1	60.0
Refinancing	20	3,713	54.1	32.8	17	7,600	45.9	67.2
Multi-Family Housing	1	190	16.7	4.0	5	4,508	83.3	96.0
<b>Total HMDA-Related</b>	<b>46</b>	<b>9,009</b>	<b>58.2</b>	<b>37.4</b>	<b>33</b>	<b>15,095</b>	<b>41.8</b>	<b>62.6</b>
<b>Total Small Business</b>	<b>266</b>	<b>22,900</b>	<b>73.5</b>	<b>54.5</b>	<b>96</b>	<b>19,132</b>	<b>26.5</b>	<b>45.5</b>
<b>Total Small Farm</b>	<b>372</b>	<b>33,581</b>	<b>82.1</b>	<b>79.9</b>	<b>81</b>	<b>8,471</b>	<b>17.9</b>	<b>20.1</b>
<b>Total Loans</b>	<b>684</b>	<b>65,490</b>	<b>76.5</b>	<b>60.5</b>	<b>210</b>	<b>42,698</b>	<b>23.5</b>	<b>39.5</b>

Only loans originated within the bank's AA are also evaluated for the geographic and borrower loan distribution tests. The analysis will focus on the number of originations as opposed to dollar volume, as this better represents the number of affected applicants.

**Geographic and Borrower Distribution:**

The bank's overall geographic distribution of HMDA-related loans, business and farm loans reflected reasonable penetration. For the geographic distribution test, the bank's distributions of HMDA and business and farm loans within low- and moderate-income (LMI) census tracts were considered reasonable.

For the borrower distribution test, the distribution of lending to borrowers of different income levels and to businesses and farms of different revenue sizes was reasonable. Greater weighting was placed on the bank's performance in the Rural AA, due to the higher proportion of lending in these locations. A more detailed analysis of the geographic distribution and borrower income and revenue distribution is provided within the analysis of each AA.

**COMMUNITY DEVELOPMENT TEST**

The bank's community development performance demonstrated an adequate responsiveness to the community development needs throughout its AAs. Details of community development activities are provided in the discussion of each AA.

Qualified community development loans included 47 loans totaling \$14.2MM. The majority of community development loans were originated in the Rural AA; two of the four counties in the AA, Yuma and Washington Counties, are designated distressed and/or underserved nonmetropolitan middle-income counties. Overall, there were 30 community development loans made to businesses that promote economic development and support job retention for LMI individuals; another loan provided community services for LMI individuals. Additionally, 16 loans were to businesses located in distressed and/or underserved middle-income census tracts; these loans contributed to the revitalization and/or stabilization of underserved geographies.

There were two qualified community development investments totaling \$900 thousand purchased during the evaluation period. These investment bonds benefitted a school district in Yuma, Colorado. The bonds assisted the district by reducing their outstanding financial obligations in a school district where the majority of the students participate in free or reduced lunch programs.

The bank made 20 qualified donations totaling \$29,950 to various organizations primarily providing community services targeted to LMI residents throughout the bank's AAs.

Bank employees and officers were involved in 32 qualified community development services with agencies that target LMI individuals or promote economic development services. The community development services included no fee accounts paying interest to local attorneys to benefit the Colorado Lawyer Trust Account Foundation (COLTAF), and to local realtors to benefit the Colorado Association of Realtors Housing Opportunity Foundation. Interest earned on these accounts is used



to provide legal services and affordable housing assistance to the state's low-income individuals. A more detailed analysis of qualified community development loans, investments, and services are provided in the discussion of each AA.

#### **FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

An evaluation of the bank's fair lending activities was conducted during the examination to determine compliance with the substantive provisions of antidiscrimination laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act. No apparent signs of discrimination were identified, and the bank was not engaged in any illegal credit practices inconsistent with helping to meet community credit needs.

**NONMETROPOLITAN RURAL ASSESSMENT AREA  
(FULL REVIEW)**

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN THE RURAL AA<sup>1</sup>**

This AA has the highest concentration of the bank's agriculture loans and deposit base. The bank's operations, products, and services are similar to those described in the overall institution section.

The Federal Deposit Insurance Corporation (FDIC) Market Share Report as of June 30, 2012, indicates that CCB's deposit market share equaled 10.9 percent of deposits in the AA. As such, the bank ranks 3<sup>rd</sup> out of 15 financial institutions in the AA. The rural AA offices held \$153.4 million or 33.9 percent of the bank's total deposits as of June 30, 2012. The competition for loans and deposits is intense in this AA with 36 banking offices located through the AA.

**DESCRIPTION OF THE RURAL AA**

The Rural AA consists of Yuma, Washington, Logan, and Morgan Counties and is unchanged since the prior examination. The AA is located in northeastern Colorado, just east of the Greeley MSA. Yuma County is designated as an underserved geography and Washington County is designated as distressed as well as an underserved geography. There are 18 middle-income tracts in this AA. The AA counties and the bordering counties of Phillips and Sedgwick form the area known as the northeastern Colorado region. The town of Sterling located in Logan County, is considered the hub city of the region. The region has eight hospitals and two community colleges all located in the towns of Sterling and in Fort Morgan. Additionally, Logan, Morgan, Phillips, and Sedgwick Counties are designated as enterprise zones. Enterprise zones receive tax credits for investment, job creation, and vacant building rehabilitation.

*Employment and Economic Characteristics:* The largest industries by number of employees in Yuma County are government (24 percent), wholesale/retail and services (19 percent), followed by agriculture industry (18 percent). Agricultural products and agricultural-related businesses remain significant industries in the region. The largest employers in Yuma County include Murphy Brown and Central Plains Farms (both involved in swine production), Yuma County (government), Yuma District Hospital, and J-W Operating Company (oil and gas production).

The economy in Logan County is largely reliant on agriculture, although the manufacturing, renewable energy, and business service industries have emerged. These sectors, combined with the city of Sterling's "retail hub" status, have helped to diversify the economy and work force. The largest employers in Logan County include the Sterling Correctional Facility, Sterling Regional Med-Center, RE-1 Valley School District, Wal-Mart Supercenter, and Sykes Enterprises (business services).

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<sup>1</sup> Sources of economic and demographic data include the following websites: ConsiderYumaCounty.com, Sterling-Logan.com, CO.Washington.CO.US, MorganCountyInfo.com, the U.S. Census Bureau, and the Colorado Demography Office.

Washington county, is one of the highest agricultural producers in Colorado, with most of the land dedicated to family farming and ranching. Major employers in Washington County include the Washington County Government, Hall Grain, and the Akron and Otis School Districts.

Morgan county, relies heavily on agriculture and related industries, such as food processing. The county is ranked third among Colorado counties for the value of crops and livestock produced. The major employers include Cargill, Leprino Foods (cheese processing), and Western Sugar. Non-agricultural based employers include Wal-Mart, Viaero (Cellular Provider), Colorado Plains Medical Center, and Eben Ezer Lutheran Care Center (Assisted Living).

Table 4 illustrates that unemployment rates in the four area counties were well below state and national figures for the review period. This could be attributed to the strong agricultural markets in the AA over the last couple of years.

<b>AREA</b>	<b>2010</b>	<b>2011</b>	<b>2Q12</b>
Logan County	6.9	6.6	6.8
Morgan County	6.9	6.3	6.3
Washington County	5.6	4.8	4.1
Yuma County	4.3	3.8	3.6
State of Colorado	9.0	8.3	8.2
U.S.	9.6	9.0	8.0

*Population Characteristics:* In 2000, the total AA population equaled 62,410, while the 2010 population showed an increase of 5.26 percent, to 65,693. The AA demographics reflected a higher concentration of elderly than the overall statewide rural figure. The AA also has a high prison population compared to other rural areas in the state, equaling 2.4 percent of the total area population. This is due to a large correctional facility located with the AA. The concentration of families in the area is slightly higher than state and statewide rural figures. The age demographics and concentrations of families as compared to statewide figures are not likely to alter lending patterns in the area.

*Income Characteristics:* The Rural AA 2000 median family income (MFI) of \$40,123 is the lowest of the bank’s AAs. The AA is primarily a middle-income area; although Washington County has the lowest MFI, it is well within the middle-income area at 84.1 percent of the statewide rural MFI figure. The percentage of families living below the poverty level mirrors the statewide rural poverty figure.

*Housing Characteristics:* Compared to overall state figures, the Rural AA’s concentrations of owner-occupied units and rental units at 62.8 percent were higher than the 2000 statewide rural percentages at 52.7 percent and 23.2 percent, respectively. Although the housing vacancy rate is lower when compared to statewide rates, this is primarily due to the lack of vacation and second homes available in the area. The number of single-family units is significantly higher while the number of multi-family units is somewhat lower than in other statewide rural areas. The Colorado housing market has a low housing affordability<sup>2</sup> ratio compared to other 10<sup>th</sup> District states, equaling 29.5 percent as of 2000 Census data. The Rural AA’s affordability ratio of 38.2 percent is the highest of the bank’s AAs, and exceeds the statewide rural figure of 32.0 percent. The area’s median housing value as of 2000 was \$87,788. Table 5, on page 11 shows income, housing, and general demographic characteristics of the AA.

<sup>2</sup> The housing affordability ratio is calculated by dividing the median housing income by the median housing value. A lower ratio reflects less affordable housing.

**TABLE 5  
RURAL AA 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	3,237	20.1
Moderate-income	0	0.0	0	0.0	0	0.0	3,666	22.8
Middle-income	18	100.0	16,087	100.0	1,402	8.7	3,831	23.8
Upper-income	0	0.0	0	0.0	0	0.0	5,353	33.3
Unknown-Income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>18</b>	<b>100.0</b>	<b>16,087</b>	<b>100.0</b>	<b>1,402</b>	<b>8.7</b>	<b>16,087</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
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	25,436	15,973	100.0	62.8	6,906	27.2	2,557	10.1
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Unknown-Income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>25,436</b>	<b>15,973</b>	<b>100.0</b>	<b>62.8</b>	<b>6,906</b>	<b>27.2</b>	<b>2,557</b>	<b>10.1</b>
	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	3,595	100.0	3,300	100.0	153	100.0	142	100.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-Income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>3,595</b>	<b>100.0</b>	<b>3,300</b>	<b>100.0</b>	<b>153</b>	<b>100.0</b>	<b>142</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>			<b>91.8</b>		<b>4.3</b>		<b>3.9</b>	
	Total Farms by Tract	Farms 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	866	100.0	837	100.0	25	100.0	4	100.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-Income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>866</b>	<b>100.0</b>	<b>837</b>	<b>100.0</b>	<b>25</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>			<b>96.7</b>		<b>2.9</b>		<b>0.5</b>	

(Note: Total percentages shown may vary by .01 percent due to automated rounding differences.)

Members of the community were contacted in order to gain a perspective on the economic conditions and possible credit needs in the area. Community members contacted indicated that the economy in the area is strong due to favorable agricultural conditions. Commodity prices have been good over

the past number of years and this activity stimulates spending throughout other areas of the economy. While farming conditions have been strong, one of our contacts thinks the area is too dependent on agriculture. This contact would like to see growth in other industries to mitigate the economic swings that can occur with agricultural production.

Community contacts stated that local banks are responsive to the needs of their communities in northeastern Colorado. One contact indicated felt like there is a need for more rental housing in the area. He would like to see the local banks work with investors to help generate new multifamily projects and also rehabilitate older houses to use as rental properties

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE RURAL AA**

### **LENDING TEST**

Overall, the bank's performance with respect to the lending test in the Rural AA is considered reasonable. The bank's distribution by borrower income for HMDA lending for the review period was considered reasonable. The bank's distribution of lending to businesses and farms of different sizes is also considered reasonable.

#### **Geographic Distribution:**

The geographic distribution performance components for this AA were not evaluated because the area is comprised of only middle-income census tracts.

#### **Distribution by Borrower Income Level and Business and Farm Revenue Size:**

##### HMDA-Related Loans:

The bank's distribution by borrower income level in the Rural AA is considered reasonable. The bank is primarily a commercial and agricultural lender, and HMDA lending was relatively limited with 13 HMDA originations in the AA, as shown in Table 6 on page 13. The bank originated 23.1 percent of its HMDA loans in 2011 to LMI borrowers. Although the percentage is lower than the percentage of LMI families in the AA at 42.9 percent, it is consistent with the HMDA aggregate lending figures at 26.1 percent. Further, 2010 Census data indicates that 13.2 percent of families in the AA have incomes below the poverty level and as such, may not have resources to purchase residential real estate.

The bank's lending performance figures for July 1 through December 31, 2010 is not shown, but results were similar to 2011. During this time period the bank originated six HMDA reportable loans, all of them either in the middle, upper or unknown income categories. There were no loans to low- or moderate-income families during this four month period.

<b>TABLE 6 DISTRIBUTION OF 2011 HMDA LOANS BY BORROWER INCOME LEVELS RURAL AA</b>							
<b>Borrower Income Level</b>	<b>Bank Loans</b>				<b>Aggregate HMDA Data<sup>1</sup></b>		<b>% of Families<sup>2</sup></b>
	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>	<b>#%</b>	<b>\$%</b>	
<b>Total Home Mortgage Loans<sup>3</sup></b>							
Low	2	178	15.4	15.1	9.5	7.0	20.1
Moderate	1	43	7.7	3.6	16.6	13.6	22.8
Middle	2	92	15.4	7.8	14.5	13.8	23.8
Upper	6	778	46.2	65.9	25.1	31.5	33.3
Unknown	2	89	15.4	7.5	34.3	34.1	0.0
<b>Home Purchase Loans</b>							
Low	1	130	50.0	82.3	14.3	11.4	20.1
Moderate	0	0	0.0	0.0	21.2	18.5	22.8
Middle	0	0	0.0	0.0	16.5	17.3	23.8
Upper	1	28	50.0	17.7	19.9	25.8	33.3
Unknown	0	0	0.0	0.0	28.2	27.0	0.0
<b>Refinanced Loans</b>							
Low	1	48	12.5	4.9	5.1	3.3	20.1
Moderate	1	43	12.5	4.4	12.5	9.5	22.8
Middle	1	84	12.5	8.6	13.0	11.2	23.8
Upper	3	709	37.5	72.9	29.2	36.3	33.3
Unknown	2	89	25.0	9.1	40.3	39.7	0.0
<b>Home Improvement Loans</b>							
Low	0	0	0.0	0.0	8.6	7.0	20.1
Moderate	0	0	0.0	0.0	14.3	12.3	22.8
Middle	1	8	33.3	16.3	11.4	8.3	23.8
Upper	2	41	66.7	83.7	35.7	39.0	33.3
Unknown	0	0	0.0	0.0	30.0	33.3	0.0

<sup>1</sup> Aggregate loan data reflects all loan originations in the bank's AA reported by all HMDA filers.  
<sup>2</sup> The percentage of families and households are based on 2000 Census data.  
<sup>3</sup> Multifamily Loans are not considered in the Borrower Analysis.  
(NOTE: Total percentages shown may vary by .01 percent due to automated rounding differences.)

Small Business Loans:

The bank's distribution of lending to businesses and farms of different sizes is considered reasonable. 2011 small business and farm information is shown in Table 7 on page 14.

The bank's number of loans to small businesses, representing 43.8 percent of 2011 data is below the area's small business demographic, but fairly consistent with the bank's peer institutions. The bank also originated 38 business loans from September 1, 2010 to December 31, 2010, of which 34 or 89.5 percent were to small businesses. During the evaluation period, the bank originated 57.5 percent of its business loans to small businesses over the examination period. This figure surpasses the bank's CRA peer institutions, but trails the small business demographics in the AA.

Small Farm Loans:

The bank's percentage of loan originations to small farms in 2011 at 86.5 percent is below the 96.7 percent of small farms located in the bank's AA, but is considered reasonable. The bank's percentage of loan originations is slightly higher than the 79 percent of loan originations by the bank's peer institutions. From September 1, 2010 to December 31, 2010, the bank originated 69 farm loans of which 67 were to small farms. During the 2010 time frame and in 2011, the bank originated 88.7 percent of its loans to small farms over the examination period. This performance is considered reasonable.

<b>TABLE 7 DISTRIBUTION OF 2011 SMALL BUSINESS AND FARM LOANS BY REVENUE SIZE RURAL AA</b>							
<b>Business Revenue By Size</b>	<b>Small Business Loans<sup>1</sup></b>				<b>Aggregate CRA Data<sup>2</sup></b>		<b>% of Businesses<sup>3</sup></b>
	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>	<b>#%</b>	<b>\$%</b>	
\$1MM or less	39	2,013	43.8	33.2	50.5	36.6	91.8
Over \$1MM	12	2,668	13.5	44.0	Not Reported		4.3
Not Known	38	1,382	42.7	22.8	Not Reported		3.9
<b>Farm Revenue By Size</b>	<b>Small Farm Loans<sup>1</sup></b>				<b>Aggregate CRA Data<sup>2</sup></b>		<b>% of Farms<sup>3</sup></b>
	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>	<b>#%</b>	<b>\$%</b>	
\$1MM or less	230	20,808	86.5	87.8	79.0	72.1	96.7
Over \$1MM	12	1,509	4.5	6.4	Not Reported		2.9
Not Known	24	1,387	9.0	5.9	Not Reported		0.5

<sup>1</sup> CRA defines small businesses loans as loans in the amount of \$1 million or less and small farm loans in the amount of \$500 thousand or less.  
<sup>2</sup> Aggregate loan data reflects all loan originations in the bank's AA reported by all CRA filers.  
<sup>3</sup> The percentage of businesses and farms in the AA is based on 2010 Dun & Bradstreet (D&B) Data.  
(NOTE: Total percentages shown may vary by .01 percent due to automated rounding differences.)

**COMMUNITY DEVELOPMENT TEST**

The bank was evaluated on its levels of qualified community development loans, investments, and services in consideration of its capacity and the availability of such opportunities in each AA. The bank's level of community development activities performance under the community development test is excellent and demonstrates the bank's responsiveness to the community development needs in the Rural AA. Table 8 on page 15 shows the qualified community development loans, investments, and services in this AA.

The bank had 38 qualified community development loans totaling approximately \$11.7 million dollars as shown in Table 8 on page 15. Twenty-two of the loans were for economic development and sixteen were for revitalization and stabilization purposes. The economic development purpose loans provided operational cash flow and equipment inventory for businesses and farms that provide employment opportunities for LMI individuals in distressed and underserved census tracts in Washington and Yuma Counties. The revitalization and stabilization purpose loans provided loans to a gas station in Akron, a loan to an oil company in Otis, and loans to an optic cable installation company that serves both Yuma and Washington Counties. Additionally, the bank provided

community development loans to the only grocery store in Yuma that serves the surrounding area and some of the nearby communities in Washington County.

CCB had two community development investments totaling \$900,000 in the Rural AA. The bank purchased bonds for a local school district in Yuma. These bonds assist the district in reducing their outstanding financial obligations in a school district where the majority of the students participate in free or reduced lunch programs. The bank also provided 16 donations totaling \$16,950 to organizations that provide community services, economic development, or help to revitalize and stabilize distressed or underserved areas. The services that benefited from the donations included child care, advanced education scholarships, and agriculture research.

CCB staff in this AA also participated in ten community development services to local organizations. In addition, bank staff participated on boards of directors and lent their financial expertise to these organizations. These organizations included those focusing on economic development, affordable housing and providing services, such as youth or elderly programs, to LMI individuals. The bank operates five branch locations in the Rural AA, of which four are located in distressed or underserved middle-income geographies.

**TABLE 8  
COMMUNITY DEVELOPMENT ACTIVITIES  
RURAL AA**

Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services
			Investments		Donations		Total Investments		
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#
Affordable Housing	0	0	0	0	0	0	0	0	4
Community Services	0	0	0	0	11	5	11	5	10
Economic Development	22	10,114	0	0	4	12	4	12	4
Revitalization and Stabilization	16	1,577	2	900	1	0	3	900	0
Totals	38	11,691	2	900	16	17	18	917	18



**GREELEY METROPOLITAN STATISTICAL ASSESSMENT AREA  
(FULL REVIEW)**

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN THE GREELEY AA<sup>3</sup>**

The bank has six full-service branches located in the Greeley MSA AA. The AA offices held \$124.5 million or 27.5 percent of the bank's total deposits as of June 30, 2012. The competition for loans and deposits is strong in this AA with 77 banking offices located throughout the area.

The FDIC Market Share Report as of June 30, 2012, shows the bank's deposit market share equaled 4.2 percent, which ranked tenth out of 26 financial institutions in the MSA. Since this AA represents the bank's second most lending volume, it was subject to a full-scope review and received the second greatest weighting in the bank's overall CRA rating.

**DESCRIPTION OF THE GREELEY AA**

The Greeley MSA consists of a portion of Weld County, located in north central Colorado just east of the Fort Collins MSA. The AA has not changed since the previous examination.

*Employment and Economic Characteristics:* Government, manufacturing, and retail trade are Greeley MSA's largest industry sectors. The largest employers include Swift & Company, North Colorado Medical Center, Greeley/Evans School District 6, U.S. Government, Weld County, State Farm Insurance Company, City of Greeley, and Wal-Mart.

During the economic downturn, the decline in housing prices was more severe in Greeley than in the bank's other AA's. While not generally good for the local economy, it did serve to improve housing affordability in the Greeley MSA AA. The area is a bedroom community for Boulder, Fort Collins, and Denver. Conversely, recent improvements in the affordability of housing in areas surrounding Greeley have diminished some of the affordability in the Greeley area. The heavy reliance on agriculture and manufacturing industries make this MSA the lowest-income area when compared to the other MSAs in the bank's AAs.

A community member noted that the Greeley economy is starting to stabilize and new companies are moving into the area, primarily in the energy sector. Increased growth has caused a need for more short-term rentals and hotels to accommodate temporary energy workers housing needs.

As Table 9 on page 17 illustrates, unemployment rates in the Greeley MSA AA were slightly above state and national figures for the review period.

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<sup>3</sup> Sources of economic and demographic data include the following sources and websites: Greeley Chamber 2010, FDIC RECON – STATS America 2011, the U.S. Census Bureau, and the Colorado Demography Office.

*Population Characteristics:* The population of the Greeley MSA, which is comprised of Weld County, totaled 180,926 in 2000. The total MSA population increased 39.7 percent from 2000 to 2010, for an annual growth rate of nearly 4.0 percent. This AA comprised 78.2 percent of the total MSA population. The Greeley AA demographics from 2000 Census data reflect a larger concentration of families and a larger population aged 18 to 24. The concentration of young adults is due to the University of Northern Colorado, which is located in Greeley. This student concentration equaled 13.2 percent of the total population for the MSA and 14.3 percent of the AA, compared to the statewide figure of 10.0 percent. College dormitories housed 2.0 percent of the AA population, while statewide the figure equaled 0.6 percent.

<b>AREA</b>	<b>2010</b>	<b>2011</b>	<b>2Q12</b>
Greeley MSA	10.2	9.3	8.9
State of Colorado	9.0	8.3	8.2
U.S.	9.6	9.0	8.0

*Income Characteristics:* The Greeley AA has the lowest MFI of the bank's five MSA AAs; although it is above the Rural AA MFI. The AA MFI for 2000 equaled \$49,811, which is close to the total MSA figure, but below the statewide MFI of \$55,883. The total MSA's HUD-estimated MFI increased to \$67,500 for 2011. As of 2000 Census data, the AA had a slightly higher number of families living below the poverty level, equaling 8.3 percent of area families, compared to the statewide figure of 6.2 percent. The AA's 2000 breakdown of low-, moderate-, middle-, and upper-income families is similar to the total MSA and statewide figures.

*Housing Characteristics:* The Colorado housing market has an extremely low housing affordability ratio. The Greeley MSA AA housing market affordability ratio was 30.7 percent according to 2000 Census data, which is slightly more affordable than the statewide figure of 29.5 percent. This AA had the lowest median housing value of the bank's five MSA AAs, equaling \$136,846; nonetheless, it also had a lower median household income. The AA's concentration of owner-occupied housing units, equaling 63.6 percent, was also 10 to 15 percentage points below the rest of the bank's MSA AAs with the exception of the Boulder MSA AA. The low housing affordability and the relatively lower owner-occupancy rate may indicate less demand for residential real estate loans in the area.

*Census Tract Income Levels/Characteristics:* Low-income tracts contained only 1.8 percent of area families in 2000, but included 4.9 percent of area businesses. Therefore, the bank may have more commercial lending opportunities in the low-income tracts. Concentrations of owner-occupied housing units are very low in LMI tracts whereas rental units where higher. (74.4% in low-, and 51.3% in moderate-income tracts). Of the rental units, there are relatively high levels of multi-family units in the low- and moderate-income tracts, equaling approximately 50 percent and 25 percent of total housing units, respectively. This is well above the overall AA figure of 13.4 percent. This will diminish the demand for residential loans in the LMI tracts.

Of the bank's six area offices, two are in middle-income tracts, and four are in upper-income tracts. The two middle-income tract branches are located near upper-income tracts.

Table 10, on page 18 shows general income, housing, business and farm characteristics of the AA by tract and family income level.

**TABLE 10  
GREELEY AA DEMOGRAPHICS**

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	7.1	651	1.9	194	29.8	6,782	19.3
Moderate-income	8	28.6	8,560	24.4	1,536	17.9	6,245	17.8
Middle-income	11	39.3	14,044	40.0	772	5.5	8,442	24.0
Upper-income	6	21.4	11,849	33.8	393	3.3	13,635	38.8
Unknown-Income	1	3.6	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>28</b>	<b>100.0</b>	<b>35,104</b>	<b>100.0</b>	<b>2,895</b>	<b>8.2</b>	<b>35,104</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low-income	1,456	306	0.9	21.0	1,083	74.4	67	4.6
Moderate-income	14,440	6,335	19.1	43.9	7,413	51.3	692	4.8
Middle-income	20,548	14,109	42.5	68.7	5,565	27.1	874	4.3
Upper-income	15,762	12,473	37.5	79.1	2,633	16.7	656	4.2
Unknown-Income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>52,206</b>	<b>33,223</b>	<b>100.0</b>	<b>63.6</b>	<b>16,694</b>	<b>32.0</b>	<b>2,289</b>	<b>4.4</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	417	4.9	358	4.6	34	7.6	25	7.9
Moderate-income	1,305	15.4	1,158	15.0	88	19.6	59	18.7
Middle-income	3,487	41.0	3,194	41.3	168	37.5	125	39.7
Upper-income	3,283	38.6	3,019	39.0	158	35.3	106	33.7
Unknown-Income	4	0.0	4	0.1	0	0.0	0	0.0
<b>Total AA</b>	<b>8,496</b>	<b>100.0</b>	<b>7,733</b>	<b>100.0</b>	<b>448</b>	<b>100.0</b>	<b>315</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.0</b>		<b>5.3</b>		<b>3.7</b>
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	10	2.1	10	2.2	0	0.0	0	0.0
Moderate-income	37	7.8	34	7.6	3	11.5	0	0.0
Middle-income	243	51.5	226	50.8	16	61.5	1	100.0
Upper-income	182	38.6	175	39.3	7	26.9	0	0.0
Unknown-Income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>472</b>	<b>100.0</b>	<b>445</b>	<b>100.0</b>	<b>26</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>94.3</b>		<b>5.5</b>		<b>0.2</b>

(Note: Total percentages shown may vary by .01% due to automated rounding differences.)

A member of the community was contacted in order to gain a perspective of this area's economic condition and possible credit needs. The community member noted that the economy in Greeley is stabilizing and the future trends look good. There have been a number of new companies coming into the area, primarily in the energy sector. This growth has brought about a need for additional short term rental housing or the construction of additional hotel properties. According to our contact,

the community is working through challenges on how to best deal with housing for temporary energy workers.

This market was hit hard by foreclosure activity and is now reaching a point where the inventory of homes is much lower than in recent years. Surrounding areas outside Greeley are seeing a return of production homebuilders. While housing inventory may be lower, our contact believes that the majority of those who had a foreclosure in recent years are unable to secure financing for housing, thus increasing the need for affordable rental housing in the area.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE GREELEY AA**

### **LENDING TEST**

The bank's overall lending activity within the Greeley AA demonstrates a reasonable distribution. Tables 11 - 14 detail the bank's level of lending by geographic and borrower distribution compared to area demographic data and to the performance of other lenders originating similar loans in the AA.

#### **Geographic Distribution:**

##### HMDA-Related Loans:

The bank's geographic distribution of HMDA lending in the Greeley MSA is considered reasonable. Table 11 on page 20 illustrates that 14.3 percent of the residential real estate loans were extended to families in the AA LMI geographies in 2011. This is somewhat lower than the geography data which indicates that 20.0 percent of owner-occupied units were in LMI areas, but higher than aggregate peer lenders at 7.5 percent. The bank's lending appears reasonable as the 2000 Census data indicates that 18.8 percent of the families in the LMI geographies have incomes below the poverty level and may not have resources to purchase residential real estate. In addition, 53.5 percent of the housing units in the LMI geographies are rental units.

The bank's performance from September 1, 2010 to December 31, 2010, reflected similar lending activity. The bank originated two HMDA loans during this period with one of these loans originated in a moderate-income census tract. Therefore, CCB originated 22.2 percent of its HMDA loans in LMI census tracts over the examination period. This figure is slightly above the 20.0 percent of LMI owner occupied units in the AA.

Table 11 shows the 2011 HMDA loan distribution by income level of geographies.

<b>TABLE 11 DISTRIBUTION OF 2011 HMDA LOANS BY INCOME LEVEL OF GEOGRAPHIES GREELEY AA</b>							
<b>Census Tract Income Level</b>	<b>Bank Loans</b>				<b>Aggregate HMDA Data</b>		<b>% of Owner Occupied Units</b>
	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>	<b>#%</b>	<b>\$%</b>	
<b>Home Purchase Loans</b>							
Low	0	0	0.0	0.0	0.2	0.1	0.9
Moderate	1	655	25.0	66.1	9.5	4.8	19.1
Middle	2	111	50.0	11.2	45.3	45.8	42.5
Upper	1	225	25.0	22.7	45.1	49.3	37.5
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
<b>Home Refinance Loans</b>							
Low	0	0	0.0	0.0	0.2	0.1	0.9
Moderate	0	0	0.0	0.0	5.0	3.0	19.1
Middle	0	0	0.0	0.0	44.5	44.4	42.5
Upper	2	642	100.0	100.0	50.3	52.4	37.5
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
<b>Home Improvement Loans</b>							
Low	0	0	0.0	0.0	0.0	0.0	0.9
Moderate	0	0	0.0	0.0	9.0	3.1	19.1
Middle	0	0	0.0	0.0	44.8	49.9	42.5
Upper	1	60	100.0	100.0	46.3	47.0	37.5
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
<b>Total Home Mortgage Loans</b>							
Low	0	0	0.0	0.0	0.2	0.1	0.9
Moderate	1	655	14.3	38.7	7.3	4.0	19.1
Middle	2	111	28.6	6.6	44.9	45.1	42.5
Upper	4	927	57.1	54.8	47.7	50.8	37.5
Unknown	0	0	0.0	0.0	0.0	0.0	0.0

Small Business Loans:

The geographic distribution of small business loans reflects a reasonable penetration. As shown in Table 12 on page 21, loan originations in LMI areas (11.4 percent) was lower than both the percentages of small businesses (20.3 percent) and the lending activity of peer banks (21.3 percent) in the Greeley AA. While the bank's lending performance could appear low, it is important to note that when the aggregate peer data is adjusted to remove credit card lending from larger out of state institutions, the bank's results are more in line with local peer lending performance. For illustrative purposes, had the bank generated one more loan in the LMI geographies, it's percentage of lending would have reflected 13.6 percent. Two loans would have results in 17.2 percent. Both of these numbers are with current peer data. The LMI geographies are located in the cities of Greeley and Evans in the eastern and downtown portions of the AA. Two of the bank's branch locations are in these cities, but are located some distance from these tracts on the west side of these communities, which contributed to the bank's lower penetration in these tracts according to bank management.

The bank's lending performance table for September 1, 2010 through December 31, 2010, is not shown; however, the bank's origination volume was similar to 2011. During this time period the bank originated 16 small business loans, all of them either in middle- or upper-income geographies. The bank originated 8.3 percent of its small business loans in LMI geographies over the examination period. This figure is below the small business demographic in LMI geographies in the Greeley AA.

Small Farm Loans:

The overall geographic distribution of small farm loans reflects a reasonable penetration. While the bank did not originate any small farm loans in low- and moderate-income areas in the Greeley AA, this is not overly concerning. This assessment is due to the fact that all 45 loan reporters operating in this assessment area made only 11 total loans in LMI geographies. The LMI geographies are located in the cities of Greeley and Evans in the eastern and downtown portions of the AA. Agricultural activity in these census tracts are generally east of the city of Greeley which is not easily served by the bank's branches on the west side of Greeley and Evans. Bank management indicated that the geographic location of their branches combined with the competitive lending environment for agricultural loans in the heavily banked Greeley market has made it difficult for the bank to penetrate the agricultural market in these areas. Additionally, a community contact indicated that many of the farmers near Greeley have a reduced need for lending due to the favorable agricultural conditions in the area.

The bank's lending performance table for September 1 through December 31, 2010, is not shown; however, the bank's origination volume was similar to 2011. During this time period the bank originated five small farm loans, in either the middle- or upper-income geographies.

<b>TABLE 12 DISTRIBUTION OF 2011 SMALL BUSINESS AND FARM LOANS BY INCOME LEVEL OF GEOGRAPHIES GREELEY AA</b>							
<b>Census Tract Income Level</b>	<b>Small Business Loans<sup>1</sup></b>				<b>Aggregate CRA Data<sup>2</sup></b>		<b>% of Businesses<sup>3</sup></b>
	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>	<b>#%</b>	<b>\$%</b>	
Low	0	0	0.0	0.0	3.4	4.3	4.9
Moderate	5	164	11.4	5.0	14.0	17.0	15.4
Middle	12	1,104	27.3	33.9	41.4	38.5	41.0
Upper	27	1,988	61.4	61.1	41.3	40.1	38.6
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
<b>Census Tract Income Level</b>	<b>Small Farm Loans<sup>1</sup></b>				<b>Aggregate CRA Data<sup>2</sup></b>		<b>% of Farms<sup>3</sup></b>
	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>	<b>#%</b>	<b>\$%</b>	
Low	0	0	0.0	0.0	0.0	0.0	2.1
Moderate	0	0	0.0	0.0	7.6	5.4	7.8
Middle	9	969	34.6	49.4	42.1	36.1	51.5
Upper	17	994	65.4	50.6	50.3	58.5	38.6
Unknown	0	0	0.0	0.0	0.0	0.0	0.0

<sup>1</sup> CRA defines small businesses loans as loans in the amount of \$1 million or less and small farm loans in the amount of \$500 thousand or less.  
<sup>2</sup> Aggregate loan data reflects all loan originations in the bank's AA reported by all CRA filers.  
<sup>3</sup> The percentage of businesses and farms in the AA is based on 2010 D&B Data.  
(NOTE: Total percentages shown may vary by .01 percent due to automated rounding differences.)

**Distribution by Borrower Income Level and Business and Farm Revenue Size:**

HMDA-Related Loans:

The bank's overall borrower distribution for HMDA-related lending was considered poor. HMDA lending in 2011 was relatively limited with 14 total HMDA originations as reflected in Table 13. In 2011, the bank did not generate any HMDA loans to LMI families. Data on peer lending and actual census data would suggest that opportunities are available as peer institutions generated 27.6 percent of loans to LMI families in the area with 37.1 percent of families.

The bank's lending performance table for July 1, 2010 through December 31, 2010 is not shown; the results were similar to 2011. During this time period the bank originated three HMDA reportable loans, either in the upper- or unknown-income categories. The bank did not generate any loans to LMI families during this four month period.

<b>TABLE 13 DISTRIBUTION OF 2011 HMDA LOANS BY BORROWER INCOME LEVELS GREELEY AA</b>							
<b>Borrower Income Level</b>	<b>Bank Loans</b>				<b>Aggregate HMDA Data<sup>1</sup></b>		<b>% of Families<sup>2</sup></b>
	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>	<b>#%</b>	<b>\$%</b>	
<b>Total Home Mortgage Loans<sup>3</sup></b>							
Low	0	0	0.0	0.0	8.8	5.2	19.3
Moderate	0	0	0.0	0.0	18.8	15.0	17.8
Middle	3	336	42.9	19.8	23.1	22.1	24.0
Upper	1	60	14.3	3.5	32.7	40.2	38.8
Unknown	3	1,297	42.9	76.6	16.6	17.4	0.0
<b>Home Purchase Loans</b>							
Low	0	0	0.0	0.0	12.5	7.3	19.3
Moderate	0	0	0.0	0.0	24.1	20.2	17.8
Middle	3	336	75.0	33.9	24.6	25.4	24.0
Upper	0	0	0.0	0.0	28.3	36.6	38.8
Unknown	1	655	25.0	66.1	10.5	10.5	0.0
<b>Refinanced Loans</b>							
Low	0	0	0.0	0.0	5.3	3.4	19.3
Moderate	0	0	0.0	0.0	13.7	10.5	17.8
Middle	0	0	0.0	0.0	21.5	19.4	24.0
Upper	0	0	0.0	0.0	36.7	43.4	38.8
Unknown	2	642	100.0	100.0	22.7	23.3	0.0
<b>Home Improvement Loans</b>							
Low	0	0	0.0	0.0	9.7	4.5	19.3
Moderate	0	0	0.0	0.0	20.1	12.1	17.8
Middle	0	0	0.0	0.0	26.1	16.5	24.0
Upper	1	60	100.0	100.0	43.3	66.1	38.8
Unknown	0	0	0.0	0.0	0.7	0.8	0.0

<sup>1</sup> Aggregate loan data reflects all loan originations in the bank's AA reported by all HMDA filers.  
<sup>2</sup> The percentage of families and households are based on 2000 Census data.  
<sup>3</sup> Multifamily Loans are not considered in the Borrower Analysis.  
(NOTE: Total percentages shown may vary by .01% due to automated rounding differences.)

The bank's shortfall in lending to LMI families is explained due to high unemployment in the area, the high percent of family poverty levels, and a deflated housing market. A community member stated that Greeley was hit hard by foreclosure activity in recent years and that housing inventories have started to decline in the area. Additionally, the contact stated numerous potential homebuyers have credit concerns. The community member also asserted that the rental market in Greeley has increased. This could be attributed to many factors, including the inability of borrowers to qualify for mortgages.

Small Business Loans:

The bank's distribution of lending to businesses of different sizes is considered reasonable. The bank's number of loans to small businesses, representing 77.3 percent of 2011 business loans within the AA, is below the area's small business demographic; however, it is significantly higher than the bank's peer institutions small business originations. The bank originated 16 business loans from September 1, 2010 to December 31, 2010, and of these loans, 15 of them (93.8 percent) were to small businesses. Therefore, CCB originated 81.7 percent of its business loans to small businesses over the examination period. This figure is slightly below the small business demographic in the Greeley AA. Small business and farm data is reflected in Table 14 on for 2011.

Small Farm Loans:

The bank's percentage of loan originations to small farms in 2011 was 88.5 percent and although it is below the 94.3 percent of small farms located in the bank's AA lending is considered reasonable. The bank's percentage of loan originations is significantly higher than the 70.3 percent of small farm loan originations by the bank's peer institutions. From September 1, 2010 to December 31, 2010, the bank originated five farm loans. Of these, all five were to small farms. When the two years are considered for examination purposes, CCB originated 90.3 percent of its loans to small farms which is comparable to the small farms in the demographic in the Greeley AA.

<b>TABLE 14 DISTRIBUTION OF 2011 SMALL BUSINESS AND FARM LOANS BY REVENUE SIZE GREELEY MSA AA</b>							
<b>Business Revenue By Size</b>	<b>Small Business Loans<sup>1</sup></b>				<b>Aggregate CRA Data<sup>2</sup></b>		<b>% of Businesses<sup>3</sup></b>
	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>	<b>#%</b>	<b>\$%</b>	
\$1MM or less	34	2,679	77.3	82.3	49.7	41.6	91.0
Over \$1MM	3	222	6.8	6.8	Not Reported		5.3
Not Known	7	355	15.6	10.9	Not Reported		3.7
<b>Farm Revenue By Size</b>	<b>Small Farm Loans<sup>1</sup></b>				<b>Aggregate CRA Data<sup>2</sup></b>		<b>% of Farms<sup>3</sup></b>
	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>	<b>#%</b>	<b>\$%</b>	
\$1MM or less	23	1,413	88.5	72.0	70.3	69.1	94.3
Over \$1MM	3	550	11.5	28.0	Not Reported		5.5
Not Known	0	0	0.0	0.0	Not Reported		0.2

<sup>1</sup> CRA defines small businesses loans as loans in the amount of \$1 million or less and small farm loans in the amount of \$500 thousand or less.

<sup>2</sup> Aggregate loan data reflects all loan originations in the bank's AA reported by all CRA filers.

<sup>3</sup> The percentage of businesses and farms in the AA is based on 2010 D&B Data.

(NOTE: Total percentages shown may vary by .01 percent due to automated rounding differences.)



## **COMMUNITY DEVELOPMENT TEST**

The bank's performance under the community development test is adequate and demonstrates CCB's responsiveness to the community development needs of the Greeley MSA AA. The bank was evaluated on its levels of qualified community development loans, investments, and services in consideration of its capacity and the availability of such opportunities in the AA.

The bank originated eight loans totaling \$2.6 million since the last examination that assisted in providing economic development to the area. All eight of these loans helped provide operational cash flow and equipment for businesses that employ LMI individuals. In addition, CCB had seven community development donations for \$13,000 to organizations with community service purposes. All donations benefitted scholarship programs at the University of Northern Colorado. Furthermore, CCB staff in this AA participated in five community development services and two economic development services. Bank staff participated on boards of directors and lent their financial expertise to these organizations.

**LOVELAND METROPOLITAN STATISTICAL ASSESSMENT AREA  
(FULL REVIEW)**

**DESCRIPTION OF THE INSTITUTION’S OPERATIONS IN THE LOVELAND AA<sup>4</sup>**

The bank operates one full-service branch in the city of Loveland and has not closed or opened offices in the AA since the previous examination. The AA office held \$55.4 million or 12.2 percent of the bank's total deposits as of June 30, 2012. Competition is strong with 107 banking offices in the area. The bank’s operations, products, and services are similar to those described in the overall institution section. The FDIC Market Share Report as of June 30, 2012, shows the bank’s deposit market share equaled 1.0 percent, which ranked 19th of 26 financial institutions in the area; well behind the majority of the banks in the MSA AA.

**DESCRIPTION OF THE LOVELAND AA**

The Fort Collins – Loveland MSA includes all of Larimer County, located in north central Colorado just north of Denver and the Boulder MSAs. The bank’s AA consists of the tracks in and around the city of Loveland.

*Employment and Economic Characteristics:* Government and service industries are the MSA’s largest industry sectors. The government sector contains 15.2 percent of the area’s work force, followed by retail trade at 11.2 percent, and health care and social assistance at 10.3 percent. The MSA’s largest employers include Colorado State University, Poudre Valley Health Systems, HP/Compaq Corporation, Columbine Health System, and Wal-Mart Stores, Inc.

As Table 15 illustrates, unemployment rates in the Fort Collins-Loveland MSA AA were well below state and national figures for the review period.

*Population Characteristics:* The Fort Collins-Loveland MSA population totaled 251,494 in 2000. The bank’s AA in Loveland and the surrounding areas contained a population of only 82,824 or 32.9 percent of the entire Fort Collins MSA population. The total MSA population increased to 299,630, or 19.1 percent, from 2000 to 2010. MSA demographics are reflective of a large student population at Colorado State University in Fort Collins. The bank’s AA includes the city of Loveland, south of Fort Collins.

<b>TABLE 15 FORT COLLINS – LOVELAND MSA ANNUALIZED UNEMPLOYMENT RATES</b>			
<b>AREA</b>	<b>2010</b>	<b>2011</b>	<b>2Q12</b>
Fort Collins – Loveland MSA	7.4	6.8	6.5
State of Colorado	9.0	8.3	8.2
U.S.	9.6	9.0	8.0

<sup>4</sup> Sources of economic and demographic data include the following sources and websites: FDIC RECON – STATS America 2010, FDIC RECON – Book of Lists: Northern Colorado Business Report, 2008, and Northern Colorado Business Report: Loveland Largest Employers – 2009, the U.S. Census Bureau, and the Colorado Demography Office.

The concentration of young adults, 18-24 years old, equaled 7.3 percent in the bank's AA, approximately half the 14.2 percent figure for the overall MSA. The AA had a higher concentration of households that are families than the overall MSA figure. Overall, the demographics indicate that there is not a significant impact on lending opportunities or credit demand within the AA, although the higher concentration of families may produce slightly stronger credit demands.

*Income Characteristics:* The Loveland AA had a MFI of \$58,984 in 2000, which mirrored the overall MSA figure and was slightly higher than the statewide figure. The MSA's HUD-estimated MFI increased to \$76,700 for 2011. As of 2000 Census data, the AA's breakdown of low-, moderate-, middle-, and upper-income families and the number of families living below the poverty level were similar to the overall MSA and statewide figures.

*Housing Characteristics:* Colorado has a very low housing affordability ratio. The Fort Collins MSA affordability ratio of 29.0 percent mirrors the statewide affordability ratio of 29.5 percent as of 2000 Census data. The bank's Loveland AA is slightly more affordable, with a ratio of 31.3 percent. The AA's 2000 median housing value of \$167,462 also mirrors the overall MSA figure.

*Census Tract Income Levels/Characteristics:* The AA is comprised of two moderate-, eleven middle-, and three upper-income census tracts. There are only two moderate-income tracts, housing a comparatively small percentage of area families and owner-occupied housing units of 8 percent and 9 percent, respectively. There is a high concentration of rental units in these tracts, which may somewhat hinder the demand for residential housing loans. However, there is a good amount of businesses at 15.1 percent in the AA; the bank may have further commercial lending opportunities in the moderate-income tracts. The bank's one office in the Loveland AA is located in a middle-income tract.

Table 16 shows income, housing, business, and farm characteristics of the AA by tract and family income level.

<b>TABLE 16 LOVELAND AA DEMOGRAPHICS</b>								
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	3,726	16.0
Moderate-income	2	12.5	2,044	8.8	222	10.9	4,474	19.2
Middle-income	11	68.8	15,103	64.8	436	2.9	6,208	26.6
Upper-income	3	18.8	6,178	26.5	152	2.5	8,917	38.2
Unknown-Income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>16</b>	<b>100.0</b>	<b>23,325</b>	<b>100.0</b>	<b>810</b>	<b>3.5</b>	<b>23,325</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	3,648	1,894	8.0	51.9	1,612	44.2	141	3.9
Middle-income	20,588	15,075	63.6	73.2	5,064	24.6	449	2.2
Upper-income	8,031	6,730	28.4	83.8	831	10.3	470	5.9
Unknown-Income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>32,267</b>	<b>23,699</b>	<b>100.0</b>	<b>73.4</b>	<b>7,507</b>	<b>23.3</b>	<b>1,061</b>	<b>3.3</b>
	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	954	15.2	881	15.1	49	20.5	24	13.2
Middle-income	3,148	50.3	2,970	50.9	90	37.7	88	48.4
Upper-income	2,157	34.5	1,987	34.0	100	41.8	70	38.5
Unknown-Income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>6,259</b>	<b>100.0</b>	<b>5,838</b>	<b>100.0</b>	<b>239</b>	<b>100.0</b>	<b>182</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>93.3</b>	<b>3.8</b>	<b>2.9</b>		
	Total Farms by Tract	Farms 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	5	3.7	5	3.8	0	0.0	0	0.0
Middle-income	48	35.8	48	36.6	0	0.0	0	0.0
Upper-income	81	60.4	78	59.5	1	100.0	2	100.0
Unknown-Income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>134</b>	<b>100.0</b>	<b>131</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>97.8</b>	<b>0.7</b>	<b>1.5</b>		

(Note: Total percentages shown may vary by .01 percent due to automated rounding differences.)

A member of the community was contacted in order to gain a perspective of this area's economic condition and possible credit needs. This contacted indicated that the economy in the Fort Collins / Loveland area is stable with improving economic trends. Many companies that have held off on expansion in prior years have now begun hiring staff and building or expanding their facilities. One of the reasons for the growth in commercial construction in the area is a relative lack of vacant properties available for purchase. According to this contact, the area has a very small inventory of large pieces of commercial real estate available for lease or purchase. Therefore, companies looking to grow may have to factor the costs of construction into their growth plans.

Housing has fared better in this area than in neighboring Greeley. Inventories are stable and new residential real estate construction has recently begun in the area. Our contact feels that the demand for residential housing is directly tied to the increase in primary jobs coming to the area.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE LOVELAND AA**

### **LENDING TEST**

The bank's overall lending activity within the Loveland AA demonstrated a reasonable distribution. Tables 17 – 20 detail the bank's level of lending by geographic and borrower distribution compared to area demographic data and to the performance of other lenders originating similar loans in the AA.

#### **Geographic Distribution**

##### HMDA-Related Loans:

The geographic distribution of HMDA-related loans is reasonable. Table 17 on page 29 illustrates that 20 percent of the residential real estate loans were extended to families in the AAs LMI geographies in 2011. This is higher than the geography data which indicates that 8 percent of owner-occupied loans were originated in LMI geographies. The bank's 20 percent figure is also higher than the 8.6 percent of originations in LMI geographies aggregate peer lenders originated in 2011.

The bank's performance from September 1, 2010 to December 31, 2010, reflected similar lending activity. The bank originated two HMDA loans during this period; both of these loans were in middle-income census tracts. CCB originated 14.3 percent of its HMDA loans to borrowers in LMI census tracts over the examination period. This figure is slightly above the 8.0 percent of loans to owner-occupied borrowers in the AA.

<b>TABLE 17 DISTRIBUTION OF 2011 HMDA LOANS BY INCOME LEVEL OF GEOGRAPHIES LOVELAND AA</b>							
<b>Census Tract Income Level</b>	<b>Bank Loans</b>				<b>Aggregate HMDA Data<sup>1</sup></b>		<b>% of Owner Occupied Units<sup>2</sup></b>
	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>	<b>#%</b>	<b>\$%</b>	
<b>Total Home Mortgage Loans</b>							
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	1	330	20.0	56.7	8.6	6.3	8.0
Middle	2	239	40.0	41.1	48.4	41.6	63.6
Upper	2	13	40.0	2.2	43.0	52.1	28.4
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
<b>Home Refinance Loans</b>							
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	1	330	50.0	63.0	6.8	5.1	8.0
Middle	1	194	50.0	<b>37.0</b>	48.7	41.8	63.6
Upper	0	0	0.0	<b>0.0</b>	44.5	53.2	28.4
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
<b>Total Home Improvement Loans</b>							
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	1	0	0.0	0.0	13.4	12.6	8.0
Middle	2	45	33.3	77.6	44.3	31.4	63.6
Upper	2	13	66.7	22.4	42.3	56.0	28.4
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
<sup>1</sup> Aggregate loan data reflects all loan originations in the bank's AA reported by all HMDA filers.							
<sup>2</sup> The percentage of families and households are based on 2000 Census data.							

Small Business Loans:

The geographic distribution of small business loans reflects a reasonable penetration. As shown in Table 18 on page 30, CCB's loan originations in LMI areas (7.9 percent) was lower than both the percent of small businesses (20.1 percent) and the lending activity of peer banks (17.4 percent) in the Loveland AA. However, when taking into consideration that there are over 30 CRA reporters operating in these two tracts, and remove the approximately 72 percent of business volume attributed to credit card lending, the residual peer data is comparable to the bank's lending. This area is highly competitive and continues to have low loan demand. The two LMI geographies are located directly north and east of the bank's Loveland location. While the bank's lending is considered reasonable in this performance context, management could look for opportunities to increase its lending performance in the moderate-income census tracts.

The bank's lending performance for September 1, 2010 through December 31, 2010 is not shown, but the bank's origination volume was similar to 2011. During this time period the bank originated eleven small business loans, with ten of these loans originated in middle- or upper-income geographies. One loan was originated in the moderate-income tract. The bank originated 6.1 percent of its small business loans in LMI geographies over the examination period. This is lower than the percentage of small business demographics in the LMI geographies in the area.

Small Farm Loans:

As shown in Table 18, CCB nor its peers originated any loans to small farms located in LMI geographies. The LMI geographies are located in the city of Loveland in a primarily urban area. It is difficult to originate agricultural loans because of the small percentage (3.7 percent) of farms in the area. This is not overly concerning given that small farms only represent 3.7 percent in the AA. Based on the limited opportunities to make small farm loans in the AA the level of lending in the LMI census tracts is considered reasonable.

The bank's lending performance table for September 1, 2010 through December 31, 2010, is not shown; however, the bank's origination volume was similar to 2011. During this time period, the bank did not originate any small farm loans. Again, based on the limited lending opportunities in the LMI census tracts, the level of lending is considered reasonable.

**TABLE 18  
DISTRIBUTION OF 2011 SMALL BUSINESS AND FARM LOANS  
BY INCOME LEVEL OF GEOGRAPHIES  
LOVELAND AA**

Census Tract Income Level	Small Business Loans <sup>1</sup>				Aggregate CRA Data <sup>2</sup>		% of Businesses <sup>3</sup>
	#	\$(000)	#%	\$%	#%	\$%	
Low	0	0	0.0	0.0	3.4	4.3	4.9
Moderate	3	204	7.9	6.2	14.0	14.7	15.2
Middle	20	1,705	52.6	51.7	41.5	39.2	50.3
Upper	15	1,390	39.5	42.1	44.5	46.1	34.5
Unknown	0	0	0.0	0.0	0.0	0.0	0.0

  

Census Tract Income Level	Small Farm Loans <sup>1</sup>				Aggregate CRA Data <sup>2</sup>		% of Farms <sup>3</sup>
	#	\$(000)	#%	\$%	#%	\$%	
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	0.0	0.0	3.7
Middle	0	0	0.0	0.0	37.0	12.8	35.8
Upper	0	0	0.0	0.0	63.0	87.2	60.4
Unknown	0	0	0.0	0.0	0.0	0.0	0.0

<sup>1</sup> CRA defines small businesses loans as loans in the amount of \$1 million or less and small farm loans in the amount of \$500 thousand or less.

<sup>2</sup> Aggregate loan data reflects all loan originations in the bank's AA reported by all CRA filers.

<sup>3</sup> The percentage of businesses and farms in the AA is based on 2010 D&B Data.

(NOTE: Total percentages shown may vary by .01 percent due to automated rounding differences.)

**Distribution by Borrower Income Level and Business and Farm Revenue Size:**

HMDA-Related Loans:

The bank's distribution by borrower income level in the Loveland AA is considered reasonable. HMDA lending in 2011 was somewhat limited with a total of five HMDA originations as reflected in Table 19 on page 31. The bank originated 40 percent of its HMDA loans in 2011 to LMI families. This figure is higher than the number of LMI families in the AA (35.2 percent) and the HMDA LMI lending percentages of the bank's peer institutions at 29.2 percent.

The bank's lending performance figures for September 1, 2010 through December 31, 2010, is not shown; the bank's origination volume was similar to the 2011 table. During this time frame the bank originated two HMDA reportable loans, one to a low-income family and one to a middle-income family. The bank originated 42.9 percent of its HMDA reportable loans to families in the LMI classification during the examination period.

<b>TABLE 19 DISTRIBUTION OF 2011 HMDA LOANS BY BORROWER INCOME LEVELS LOVELAND AA</b>							
<b>Borrower Income Level</b>	<b>Bank Loans</b>				<b>Aggregate HMDA Data<sup>1</sup></b>		<b>% of Families<sup>2</sup></b>
	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>	<b>#%</b>	<b>\$%</b>	
<b>Home Improvement Loans</b>							
Low	1	8	33.3	13.8	17.5	10.2	16.0
Moderate	1	5	33.3	8.6	19.6	17.3	19.2
Middle	0	0	0.0	0.0	17.5	15.7	26.6
Upper	0	0	0.0	0.0	37.1	48.8	38.2
Unknown	1	45	33.3	77.6	8.2	8.0	0.0
<b>Refinanced Loans</b>							
Low	0	0	0.0	0.0	8.6	5.4	16.0
Moderate	0	0	0.0	0.0	15.9	12.9	19.2
Middle	0	0	0.0	0.0	24.2	23.5	26.6
Upper	1	194	50.0	37.0	33.7	40.7	38.2
Unknown	1	330	50.0	63.0	17.7	17.5	0.0
<b>Total Home Mortgage Loans<sup>3</sup></b>							
Low	1	8	20.0	1.4	9.9	6.1	16.0
Moderate	1	5	20.0	0.9	19.3	15.6	19.2
Middle	0	0	0.0	0.0	23.2	22.9	26.6
Upper	1	194	20.0	33.3	32.4	40.3	38.2
Unknown	2	375	40.0	64.4	15.2	15.0	0.0

<sup>1</sup> Aggregate loan data reflects all loan originations in the bank's AA reported by all HMDA filers.  
<sup>2</sup> The percentage of families and households are based on 2000 Census data.  
(NOTE: Total percentages shown may vary by .01 percent due to automated rounding differences.)

**Small Business Loans:**

Small business and farm data is reflected in Table 20 on page 32 for 2011. The bank's distribution of lending to businesses and farms of different sizes is considered reasonable.

The bank's number of loans to small businesses, represented 89.5 percent of 2011 small business loans within the AA, this is slightly below the area's small business demographic of 93.3 percent; however, it is significantly higher than the bank's peer institutions small business originations of 46 percent. The bank originated eleven business loans from September 1, 2010 to December 31, 2010; seven (63.6 percent) were to small businesses. CCB originated 83.7 percent of its business loans to small businesses over the examination period. This figure is below the small business demographic in the Loveland AA but above the bank's peer institutions performance.



Small Farm Loans:

Over the combined examination period from September 2010 to December 2011, the bank did not generate any small farm loans in this AA. While peer institutions originated 98.1 percent, in 2011 this too is well below the demographic data reflected in 93.3 percent of small farms being located in the AA. This lack of performance is considered poor. The bank's branch location in this AA is located centrally within the city of Loveland and is not close to agricultural lending opportunities. Bank management indicated that the geographic location of its branch in Loveland, combined with the general lack of farms in the area, has made it difficult for the bank to penetrate the agricultural market.

<b>TABLE 20 DISTRIBUTION OF 2011 SMALL BUSINESS AND FARM LOANS BY REVENUE SIZE LOVELAND AA</b>							
<b>Business Revenue By Size</b>	<b>Small Business Loans<sup>1</sup></b>				<b>Aggregate CRA Data<sup>2</sup></b>		<b>% of Businesses<sup>3</sup></b>
	<b>#</b>	<b>\$(000)</b>	<b>##%</b>	<b>\$%</b>	<b>##%</b>	<b>\$%</b>	
\$1MM or less	34	2,729	89.5	82.7	46.0	44.7	93.3
Over \$1MM	4	570	10.5	17.3	Not Reported		3.8
Not Known	0	0	0.0	0.0			2.9
<b>Farm Revenue By Size</b>	<b>Small Farm Loans<sup>1</sup></b>				<b>Aggregate CRA Data<sup>2</sup></b>		<b>% of Farms<sup>3</sup></b>
	<b>#</b>	<b>\$(000)</b>	<b>##%</b>	<b>\$%</b>	<b>##%</b>	<b>\$%</b>	
\$1MM or less	0	0	0.0	0.0	48.1	68.0	97.8
Over \$1MM	0	0	0.0	0.0	Not Reported		0.7
Not Known	0	0	0.0	0.0			1.5

<sup>1</sup> CRA defines small businesses loans as loans in the amount of \$1 million or less and small farm loans in the amount of \$500 thousand or less.  
<sup>2</sup> Aggregate loan data reflects all loan originations in the bank's AA reported by all CRA filers.  
<sup>3</sup> The percentage of businesses and farms in the AA is based on 2010 D&B Data.  
(NOTE: Total percentages shown may vary by .01% due to automated rounding differences.)

**COMMUNITY DEVELOPMENT TEST**

The bank's performance under the community development test is considered poor. The bank was evaluated on its levels of qualified community development loans, investments, and services in consideration of its capacity and the availability of such opportunities in the AA. It is important to note that given there is only one banking location in this assessment area, staffing and resources for community development are limited. The bank's had one community development investment, a COLTAF account at the Loveland branch location. The bank did not originate any community development loans nor did bank staff participate in any community development services.

**SOUTH DENVER, NORTH DENVER, AND LONGMONT METROPOLITAN STATISTICAL AREAS  
(LIMITED SCOPE REVIEW)**

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE SOUTH DENVER, NORTH DENVER,  
AND LONGMONT COLORADO MSA AAs**

**South Denver AA:**

The bank has designated portions of Arapahoe and Douglas Counties located in the Denver-Aurora-Broomfield MSA, as the South Denver AA. The bank operates four full-service branch offices in the AA. Two of the bank's area branches are located in middle-income tracts in the city of Castle Rock, and two are in upper-income tracts in Highlands Ranch and Centennial areas.

As of June 30, 2012, the bank's deposit market share for all of Douglas and Arapahoe Counties equaled 0.4 percent, which ranked 25<sup>th</sup> of 41 financial institutions. The AA branch offices held \$67 million of the bank's total deposits, or a total of 17.5 percent. Banking competition is extremely strong with 254 branch offices located in the Douglas and Arapahoe Counties.

The South Denver AA's 2000 breakdown of low-, moderate-, middle-, and upper-income families showed a considerable lower concentration of low-income families, somewhat less moderate-income families, and a much higher concentration of upper-income families than the percentages of families in the overall Denver MSA. This AA does not have any low-income census tracts and only six moderate-income tracts. The MSA and state had 18.2 percent of families in the low-income category, while the South Denver AA had 8.9 percent. The AA's percentage of families below the poverty rate was lower than the MSA figure, equaling 2.2 percent versus 5.5 percent.

The area is predominantly an upper-income area. As of the 2000 Census, the area's MFI equaled \$77,370, compared to the overall Denver MSA MFI of \$61,301 and the statewide MFI of \$55,883. The AA MFI equals 126.2 percent of the MSA figure. Furthermore, the overall MSA MFI increased to \$78,200 for 2011. The moderate-income tracts contain a small concentration of area families at 5.2 percent, owner-occupied housing units at 3.8 percent, and businesses at 3 percent. Minimal bank lending activity was observed in the moderate-income tracts.

Table 21 shows income, housing, business, and farm characteristics of the AA by tract and family income level.

<b>TABLE 21 SOUTH DENVER AA DEMOGRAPHICS</b>								
<b>Income Categories</b>	<b>Tract Distribution</b>		<b>Families by Tract Income</b>		<b>Families &lt; Poverty Level as % of Families by Tract</b>		<b>Families by Family Income</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Low-income</b>	0	0.0	0	0.0	0	0.0	10,909	8.9
<b>Moderate-income</b>	6	5.8	6,420	5.2	537	8.4	17,000	13.9
<b>Middle-income</b>	40	38.8	45,259	37.0	1,154	2.5	28,277	23.1
<b>Upper-income</b>	57	55.3	70,684	57.8	951	1.3	66,177	54.1
<b>Unknown-Income</b>	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	103	100.0	122,363	100.0	2,642	2.2	122,363	100.0
	<b>Housing Units by Tract</b>	<b>Housing Type by Tract</b>						
		<b>Owner-occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		<b>#</b>	<b>% by tract</b>	<b>% by unit</b>	<b>#</b>	<b>% by unit</b>	<b>#</b>	<b>% by unit</b>
<b>Low-income</b>	0	0	0.0	0.0	0	0.0	0	0.0
<b>Moderate-income</b>	11,757	4,935	3.8	42.0	6,465	55.0	357	3.0
<b>Middle-income</b>	65,350	49,236	37.7	75.3	14,351	22.0	1,763	2.7
<b>Upper-income</b>	88,925	76,338	58.5	85.8	9,815	11.0	2,772	3.1
<b>Unknown-Income</b>	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	166,032	130,509	100.0	78.6	30,631	18.4	4,892	2.9
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	
<b>Low-income</b>	0	0.0	0	0.0	0	0.0	0	0.0
<b>Moderate-income</b>	939	2.9	839	2.8	46	3.0	54	4.4
<b>Middle-income</b>	8,682	26.9	8,060	27.3	338	22.1	284	23.2
<b>Upper-income</b>	22,620	70.2	20,589	69.8	1,147	74.9	884	72.3
<b>Unknown-Income</b>	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	32,241	100.0	29,488	100.0	1,531	100.0	1,222	100.0
<b>Percentage of Total Businesses:</b>				91.5		4.7		2.9
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	
<b>Low-income</b>	0	0.0	0	0.0	0	0.0	0	0.0
<b>Moderate-income</b>	5	1.5	5	1.5	0	0.0	0	0.0
<b>Middle-income</b>	74	22.6	73	22.5	1	25.0	0	0.0
<b>Upper-income</b>	249	75.9	246	75.9	3	75.0	0	0.0
<b>Unknown-Income</b>	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	328	100.0	324	100.0	4	100.0	0	.0
<b>Percentage of Total Farms:</b>				98.8		1.2		0.0
(Note: Total percentages shown may vary by .01% due to automated rounding differences.)								

**North Denver AA:**

The bank has designated portions of Adams and Broomfield Counties, located in the Denver-Aurora-Broomfield MSA, as the North Denver AA. CCB operates one full-service branch office located in a moderate-income census tract in the city of Northglenn. The AA branch office held \$31.5 million of the bank's total deposits, or 7.5 percent of the bank's total deposits, as of June 30, 2012. According to the FDIC Market Share Report of the same date, CCB's deposit market share for all of Adams and Broomfield Counties was 0.8 percent, and the bank ranked 19th among 24 banking institutions. Banking competition is strong with 111 branch offices located in these counties.

The North Denver AA's 2000 Census breakdown of low-, moderate-, middle-, and upper-income families showed a lower concentration of low-income families than the overall MSA, a higher number of moderate-income families, and a much higher concentration of middle-income families. Similarly, the number of upper-income families was lower in this AA than the MSA and state figures. The MSA and state had 39 percent and 39.2 percent of families in the upper-income category, respectively, while the bank's AA had 32 percent. The majority of the overall AA demographics are heavily influenced by the demographics of Adams County. Whereas 22.9 percent of families in Adams County were low-income, the Broomfield County figure was significantly lower at 10.5 percent. Conversely, 47.2 percent of families in Broomfield County were upper-income, compared to just 26.7 percent in Adams County. The overall AA's percentage of families below the poverty rate was lower than the MSA figure, equaling 4.3 percent versus 5.8 percent.

The area is predominantly a middle-income area. The 2000 Census data revealed the area's MFI equaled \$56,636, compared to the overall MSA MFI of \$61,301 and the statewide MFI of \$55,883. The AA MFI equals 92.4 percent of the MSA figure. The overall MSA MFI increased to \$78,200 for 2011. Similar to the county breakdown of AA incomes, the level of families below poverty was significantly lower in Broomfield County at 2.1 percent than in Adams County at 6.7 percent.

Table 22 shows income, housing, business, and farm characteristics of the AA by tract and family income level.

**TABLE 22  
NORTH DENVER AA 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	8,858	18.0
Moderate-income	18	43.9	19,462	39.5	1,427	7.3	10,854	22.0
Middle-income	16	39.0	21,033	42.6	583	2.8	13,872	28.1
Upper-income	7	17.1	8,826	17.9	113	1.3	15,737	31.9
Unknown-Income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>41</b>	<b>100.0</b>	<b>49,321</b>	<b>100.0</b>	<b>2,123</b>	<b>4.3</b>	<b>49,321</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	30,501	18,602	37.1	61.0	11,003	36.1	896	2.9
Middle-income	28,832	21,773	43.5	75.5	6,320	21.9	739	2.6
Upper-income	10,904	9,728	19.4	89.2	967	8.9	209	1.9
Unknown-Income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>70,237</b>	<b>50,103</b>	<b>100.0</b>	<b>71.3</b>	<b>18,290</b>	<b>26.0</b>	<b>1,844</b>	<b>2.6</b>
	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	2,134	32.8	1,952	32.4	85	36.6	97	40.6
Middle-income	3,124	48.1	2,885	47.8	122	52.6	117	49.0
Upper-income	1,243	19.1	1,193	19.8	25	10.8	25	10.5
Unknown-Income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>6,501</b>	<b>100.0</b>	<b>6,030</b>	<b>100.0</b>	<b>232</b>	<b>100.0</b>	<b>239</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				92.8		3.6		3.7
	Total Farms by Tract	Farms 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	12	32.4	12	32.4	0	0.0	0	0.0
Middle-income	14	37.8	14	37.8	0	0.0	0	0.0
Upper-income	11	29.7	11	29.7	0	0.0	0	0.0
Unknown-Income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>37</b>	<b>100.0</b>	<b>37</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				100.0		0.0		0.0

(Note: Total percentages shown may vary by .01 percent due to automated rounding differences.)

**Longmont AA:**

The bank has designated portions of Boulder County as the Longmont AA. This AA is encompassed within the Boulder MSA. CCB operates one full-service branch office in the AA in a middle-income census tract in the city of Longmont. The bank's AA includes Longmont and smaller communities surrounding Longmont, but does not include the city of Boulder. The AA branch office held \$20.6 million of the bank's total deposits, or 4.8 percent of the bank's total deposits, as of June 30, 2012.

As of June 30, 2013, the bank's market share equaled 0.3 percent, which ranked 23<sup>rd</sup> of 31 financial institutions in Boulder County. Banking competition in Boulder County remains strong with 108 branch office locations in Boulder County.

The bank's AA is concentrated around the city of Longmont, which has the second highest income figures in the bank's six AAs. The 2000 MFI equaled \$61,027, or 109.2 percent of the statewide MFI of \$55,883. The AA MFI was 14.2 percent lower than the Boulder MSA as a whole. The MSA's HUD-estimated MFI for 2011 increased to \$92,500. As of 2000 Census data, the AA had a low number of families living below the poverty level, 5.5 percent of area families, compared to the statewide figure of 6.2 percent.

The AA's 2000 breakdown of low-, moderate-, middle-, and upper-income families showed slightly higher concentrations of low-, moderate-, and middle-income families and slightly lower concentrations of upper-income families than the total statewide breakdown. The bank's AA contains no low-income and seven moderate-income census tracts.

Table 23 shows income, housing, business, and farm characteristics of the AA by tract and family income level.

**TABLE 23  
LONGMONT AA 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	4,818	22.7
Moderate-income	7	41.2	8,151	38.3	718	8.8	4,544	21.4
Middle-income	9	52.9	11,712	55.1	406	3.5	5,249	24.7
Upper-income	1	5.9	1,405	6.6	43	3.1	6,657	31.3
Unknown-Income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>17</b>	<b>100.0</b>	<b>21,268</b>	<b>100.0</b>	<b>1,167</b>	<b>5.5</b>	<b>21,268</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	12,530	6,971	34.1	55.6	5,277	42.1	282	2.3
Middle-income	16,433	11,803	57.7	71.8	4,127	25.1	503	3.1
Upper-income	1,950	1,683	8.2	86.3	216	11.1	51	2.6
Unknown-Income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>30,913</b>	<b>20,457</b>	<b>100.0</b>	<b>66.2</b>	<b>9,620</b>	<b>31.1</b>	<b>836</b>	<b>2.7</b>
	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	1,995	38.0	1,782	36.7	122	54.0	91	54.5
Middle-income	2,843	54.2	2,696	55.5	84	37.2	63	37.7
Upper-income	409	7.8	376	7.7	20	8.8	13	7.8
Unknown-Income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>5,247</b>	<b>100.0</b>	<b>4,854</b>	<b>100.0</b>	<b>226</b>	<b>100.0</b>	<b>167</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>92.5</b>		<b>4.3</b>		<b>3.2</b>
	Total Farms by Tract		Farms 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	15	17.9	13	15.9	2	100.0	0	0.0
Middle-income	61	72.6	61	74.4	0	0.0	0	0.0
Upper-income	8	9.5	8	9.8	0	0.0	0	0.0
Unknown-Income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>84</b>	<b>100.0</b>	<b>82</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>97.6</b>		<b>2.4</b>		<b>0.0</b>

(Note: Total percentages shown may vary by .01 percent due to automated rounding differences.)

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE SOUTH DENVER, NORTH DENVER, AND LONGMONT AAs**

The evaluation of lending performance was based on a limited volume of lending. Lending test results showed similar results in these AAs to that of the Rural, Greeley and Loveland AAs. Community development loan activities were less than reasonable despite the bank's limited presence. The bank had three community development services in the North Denver AA and four in the South Denver AA. CCB had no community development service activity in the Longmont AA. The bank's only community development loan was in the Longmont AA for \$225,000. The bank had no investment activity in any of these AAs during this examination period. Overall performance within the three limited review AAs does not materially alter performance conclusions.

<b>ASSESSMENT AREA</b>	<b>LENDING TEST</b>	<b>COMMUNITY DEVELOPMENT TEST</b>
South Denver	Consistent	Below
North Denver	Consistent	Below
Longmont	Consistent	Below



