



PUBLIC DISCLOSURE

JANUARY 09, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**GUARANTY BANK AND TRUST COMPANY
RSSD# 666657**

**1331 17TH STREET
DENVER, COLORADO 80202**

**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'S COMMUNITY REINVESTMENT ACT RATING: *This institution is rated Satisfactory.*

The following table indicates the performance level of Guaranty Bank and Trust Company (the bank) with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	
Low Satisfactory			X
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests in determining the overall rating.

SUMMARY OF MAJOR FACTORS SUPPORTING RATING

Lending Test

- The volume of Home Mortgage Disclosure Act (HMDA) lending, specifically home improvement lending, has increased significantly by number of loans due to a new unsecured home improvement loan program implemented by the bank since the prior examination.
- The volume of small business lending reflected good responsiveness to assessment area (AA) credit needs, primarily in the Denver-Boulder-Greeley Combined Statistical Area (Denver CSA) AA.
- A high percentage of loans were originated within the bank's designated AAs.
- The geographic distribution of HMDA loans reflected adequate penetration throughout its AAs, while its business lending was excellent.
- The distribution of loans among borrowers of different income levels and businesses of different revenue sizes was adequate.
- The bank made a relatively high level of community development (CD) loans.

Investment Test

- The level of qualified CD investments and grants was significant and considered responsive to AA credit needs; however, the dollar volume of investments decreased by approximately 30.0 percent since the previous evaluation.

Service Test

- The bank provided an adequate level of CD services.
- Delivery systems were accessible to tracts of different income levels.
- Changes in branch locations did not adversely affect accessibility throughout its AAs.
- Products, services, and hours did not vary in a way that inconveniences its AAs.

DESCRIPTION OF INSTITUTION

The bank is a wholly owned subsidiary of Guaranty Bancorp, Inc., both located in Denver, Colorado. The bank is a full-service, intrastate financial institution that primarily focuses on commercial loans, products, and services. As of June 30, 2016, the bank had total assets of approximately \$2.4 billion (B). Effective September 8, 2016, Guaranty Bancorp acquired Home State Bancorp, Loveland, Colorado, and subsequently merged Home State Bank (HSB) into the bank. The merger, combined with asset growth in the second half of 2016, increased total assets from \$2.4B to \$3.3B. Due to the recentness of the merger, HSB assets, loans, and Community Reinvestment Act (CRA) activities are not considered in this analysis.

The bank operates a full-service facility within its headquarters in addition to the 25 other full-service branches in Colorado for a total of 21 in the Denver CSA AA and 5 in the Fort Collins Metropolitan Statistical Area (MSA) AA. The bank also has a full-service automated teller machine (ATM) at its headquarters and at each branch location, with one remote, cash-dispensing-only ATM located at Longmont United Hospital in Longmont, Colorado (Longmont United Hospital).

The bank's primary lending focus is commercial loans. The bank also offers residential real estate loans; however, these loans comprise a much smaller portion of the bank's overall loan portfolio. Table 1 shows the breakdown of loans according to the June 30, 2016 consolidated Reports of Condition and Income.

TABLE 1 GUARANTY BANK AND TRUST LOAN PORTFOLIO AS OF JUNE 30, 2016		
Loan Type	Amount \$(000)	Percent of Total
Commercial	1,475,110	77.7
Residential Real Estate	376,930	19.9
Other	23,895	1.3
Agricultural	16,108	0.9
Consumer	6,500	0.3
Gross Loans	1,898,543	100.0

Based on the bank's asset size, product offerings, and financial condition, it has the ability to meet the credit needs of its AAs. No financial or legal impediments exist that would negatively impact this ability. The bank received a Satisfactory rating at the previous CRA evaluation performed by the Federal Reserve Bank of Kansas City on August 18, 2014.

SCOPE OF EXAMINATION

The bank's CRA performance was reviewed using the lending, investment, and service tests as defined under the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Large Institutions*. The bank's primary focus is commercial lending followed by residential real estate lending. Therefore, the loan products evaluated under the lending test included all business loans reported on the 2014 and 2015 CRA Loan/Application Registers (LARs), which included only business loans in the amount of \$1million (MM) or less; all home purchase, refinance, home improvement, and multifamily loans reported on the 2014 and 2015 HMDA LARs; and all qualified CD loans originated between August 19, 2014 and December 31, 2016. Similarly, the investment and service tests considered CD activities that included investments, donations, and services between August 19, 2014 and December 31, 2016, as well as an evaluation of the bank's retail delivery systems and products and services offered.

For evaluative purposes, the bank's loan performance was compared to local demographic data using the U.S. Census 2006-2010 five-year estimate, American Community Survey (2010 ACS) demographic data, corresponding year Dun & Bradstreet (D&B) business data, and 2014 and 2015 aggregate HMDA and CRA data. While lending performance was evaluated for years 2014 and 2015, only lending tables presenting 2015 loan data are included in the body of the performance evaluation. The bank's 2014 Denver CSA AA lending data can be found in Appendix B. To further augment the evaluation, interviews were conducted with members of the local communities to better understand the credit needs, banking opportunities, and local market conditions within the bank's AAs. These contacts included representatives from three economic development entities and three housing authorities.

The geographic distribution analysis was based on the bank's penetration within different geographic income categories, particularly low- and moderate-income (LMI) tracts. Tracts were classified based on 2015 FFIEC census tract definitions. The borrower distribution analysis was based on the bank's lending to individuals of different income categories and to small businesses with gross annual revenues of \$1MM or less. For the evaluation of borrower characteristics, borrower income levels were calculated using the 2014 and 2015 median family income (MFI) listings from the FFIEC.

Under the CRA, a financial institution's performance is evaluated within the context of each delineated AA and within each state in which it operates. In this case, the bank only operates in the state of Colorado. The bank has delineated four separate AAs, three of which comprise a Combined Statistical Area (CSA). The evaluation includes a full-scope review of the bank's Denver CSA AA, which includes six of the ten counties in the Denver-Aurora-Lakewood MSA

(Denver MSA), the entire Boulder MSA, and the entire Greeley MSA. The Fort Collins MSA AA received a limited-scope review.

Table 2 details the bank's presence in each AA by number of branches, the percentage of lending and deposits to the bank wide totals, and the bank's deposit market share as a percentage of all Federal Deposit Insurance Corporation (FDIC)-insured institutions. The bank's overall test ratings and overall composite rating are predominantly weighted on the bank's performance in the Denver CSA AA. The bank's performance in the Fort Collins AA received very little weight and was consistent with the overall Institution rating.

Assessment Area	Number of Branches	Percent of Bank's Lending by Dollar¹	Percent of Bank's Deposits by Dollar²	Percent Market Share²
Denver CSA AA	21	76.5	87.7	1.8
<i>Denver MSA</i>	<i>14</i>	<i>43.1</i>	<i>61.0</i>	<i>1.5</i>
<i>Boulder MSA</i>	<i>4</i>	<i>26.0</i>	<i>19.1</i>	<i>3.8</i>
<i>Greeley MSA</i>	<i>3</i>	<i>7.4</i>	<i>7.6</i>	<i>4.0</i>
Fort Collins MSA AA	5	6.8	12.3	3.1

¹ Based on the bank's CRA and HMDA Loan Application Registers for 2014 and 2015.
² Based on the June 30, 2016 FDIC Market Share Report

As part of the CRA performance evaluation, any CRA complaints received by the bank are reviewed to determine any impact to the bank's CRA performance. The bank has not received any complaints related to CRA since the prior evaluation.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The bank's overall rating and conclusions were based on its performance in each individual AA, with the greatest weight placed on the Denver CSA AA and on the bank's commercial lending performance. The weighting is based on both the number and dollar volume of loan originations. The performance evaluation will discuss the bank's overall performance followed by more in-depth analysis of the bank's record of lending, investment, and service activities in the Denver CSA AA.

LENDING TEST

The bank's overall record of meeting its AA credit needs through its lending activities is considered high satisfactory. Lending levels reflect good responsiveness to AA credit needs with a high percentage of loans made within the bank's AAs. The geographic distribution of loans overall reflects good penetration in the Denver CSA AA, while the distribution of loans to borrowers of different income levels and to businesses of different revenue sizes is considered adequate. Moreover, the bank originated a relatively high level of CD loans and its record of

serving the credit needs of low-income individuals and areas and small businesses is adequate.

Lending Activity

The bank’s lending activities reflect good responsiveness to its AA credit needs based on a review of loan products, including mix and volume. Table 3 summarizes the bank’s lending activity considered in this performance analysis.

TABLE 3 SUMMARY OF LENDING ACTIVITY REVIEWED								
Loan Type	2015				2014			
	#	\$(000)	#%	\$%	#	\$(000)	#%	\$%
Home Purchase	117	74,405	32.1 ^(a)	44.3 ^(a)	72	37,972	47.7 ^(a)	34.5 ^(a)
Home Refinance	86	57,505	23.6 ^(a)	34.3 ^(a)	48	29,420	31.8 ^(a)	26.7 ^(a)
Home Improvement	140	3,829	38.5 ^(a)	2.3 ^(a)	8	440	5.3 ^(a)	0.4 ^(a)
Multifamily	21	32,141	5.8 ^(a)	19.1 ^(a)	23	42,357	15.2 ^(a)	38.4 ^(a)
Total HMDA Loans	364	167,880	40.1^(b)	54.9^(b)	151	110,189	17.7^(b)	39.2^(b)
Total Business Loans	543	137,774	59.9^(b)	45.1^(b)	700	170,791	82.3^(b)	60.8^(b)
TOTAL ALL LOANS	907	305,654	100.0	100.0	851	280,980	100.0	100.0

Note: If applicable, affiliate loans include only loans originated or purchased within the bank’s AAs
(a) Percent of total HMDA loans; (b) Percent of total loans

Assessment Area Concentration

Table 4 illustrates that a high percentage of the bank’s HMDA-related and small business loans were originated inside of its AAs by both number and dollar volume. Only loans within the bank’s AAs are considered for the remaining loan distribution tests discussed within this performance evaluation.

TABLE 4 LENDING INSIDE AND OUTSIDE THE BANK’S ASSESSMENT AREAS								
Bank Loans	Inside				Outside			
	#	\$(000)	#%	\$%	#	\$(000)	#%	\$%
Home Purchase	142	73,843	75.1	65.7	47	38,534	24.9	34.3
Home Refinance	113	72,448	84.3	83.3	21	14,477	15.7	16.7
Home Improvement	140	3,307	94.6	77.5	8	962	5.4	22.5
Multifamily	38	68,552	86.4	92.0	6	5,946	13.6	8.0
Total HMDA Loans	433	218,150	84.1	78.5	82	59,919	15.9	21.5
Total Business Loans	1,176	280,115	94.6	90.8	67	28,450	5.4	9.2
Total Loans	1,609	498,265	91.5	84.9	149	88,369	8.5	15.1

Community Development Loans

The bank originated a relatively high level of CD loans. All but two of the bank’s 32 qualified CD loans were made within the Denver CSA AA, totaling approximately \$58.9MM.

Table 5 illustrates the bank's CD lending activities across all AAs.

TABLE 5 QUALIFIED COMMUNITY DEVELOPMENT LOANS BANK-WIDE – ALL ASSESSMENT AREAS		
Purpose	#	(\$000s)
Affordable Housing	2	3,214
Revitalization and Stabilization	27	53,613
Community Services to LMI	2	4,250
Economic Development	1	2,120
Totals	32	63,197

INVESTMENT TEST

Although qualified investment activity has declined by approximately 30.0 percent by dollar volume since the prior examination, it is still considered significant with an overall rating of High Satisfactory. Table 6 shows the allocation of total bank investments and donations by CD purpose. The majority of qualified investments or pools were Federal National Mortgage Association, Government National Mortgage Association, or Federal Home Loan Mortgage Corporation mortgage-backed securities that benefit LMI borrowers. A large number of these pools included loans with collateral located in the bank's various AAs. There were 12 of 16 investments totaling over \$11.1MM allocated to multiple AAs and these were counted at the state level. Of the four remaining investments, two were allocated to the Denver CSA AA totaling over \$2.7MM and two to the Fort Collins AA totaling \$159,069.

In addition to its qualified investments, the bank also made a significant number and dollar volume of qualified donations, at 85 and \$385,517, respectively. It should be noted that multiple donations made in a given calendar year to the same organization for a similar purpose were counted as one donation per year. This counting methodology is intended to maintain consistency among examinations of different banks. However, it is a departure from the prior examination, where multiple donations per year were counted individually. This gives the appearance that the bank made 60 fewer donations during this examination cycle. However, applying the prior examination counting methodology results in a total of 124 donations, which would be 21 fewer donations during this cycle. While the number of donations is down slightly, the dollar volume significantly increased by 63.6 percent.

**TABLE 6
QUALIFIED COMMUNITY DEVELOPMENT INVESTMENTS, GRANTS, DONATIONS
BANK-WIDE – ALL ASSESSMENT AREAS**

Purpose	Prior Period Investments ¹		Current Investments ²		Donations		Total	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
Affordable Housing	13	5,597	2	7,632	2	13	17	13,242
Revitalization and Stabilization	0	0	0	0	2	2	2	2
Community Services	0	0	0	0	61	223	61	223
Economic Development	0	0	1	350	17	147	18	497
Neighborhood Stabilization	0	0	0	0	0	0	0	0
Total	13	5,597	3	7,982	82	385	98	13,964

¹ Book Value
² Original Market Value

SERVICE TEST

The bank’s performance under the service test is rated Low Satisfactory. Weight for this test was primarily allocated to the bank’s performance relative to CD services, which is considered adequate. Bank personnel provided 42 qualified services to 24 different organizations that provide assistance to LMI individuals and families or support small businesses. This is a decline from 67 CD services to 31 different organizations noted during the last examination review period. As the bank fully integrates HSB into the organization in the fourth quarter of 2016, the expectation is that additional services be provided to the bank’s AA communities commensurate with the bank’s growth.

Branch locations and alternative delivery systems, such as ATMs and drive-through facilities, are accessible to the bank’s various census tracts and to individuals of different income levels. The bank also offers 24-hour telephone banking, internet banking, and mobile banking services, including remote deposit capture. The bank has not opened or closed any branches since the prior examination; therefore, accessibility to the bank’s delivery services, especially to LMI tracts and individuals, has not been adversely affected.

The bank’s services and business hours do not vary in a way that inconveniences its AAs, particularly LMI individuals and tracts. Weekday lobby hours generally range from 8:00 a.m. to 5:00 p.m., with Saturday lobby hours and/or drive-through services offered at most locations.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank is in compliance with the substantive provisions of the antidiscrimination laws and regulations. A review of bank policies and procedures, credit applications, loans and denials, and staff interviews revealed no prohibited practices designed to discourage loan applicants. In addition, the bank has not engaged in any illegal credit practices inconsistent with helping to meet the credit needs of the community.

**DENVER CSA AA
(Full-Scope Review)**

DESCRIPTION OF THE BANK'S OPERATIONS IN THE DENVER CSA AA

The Denver CSA AA includes the bank's headquarters and 20 additional branch offices. Each location has a full-service ATM and drive-through facility. One additional remote ATM is located at Longmont United Hospital. According to the FDIC Market Share Report as of June 30, 2016, the bank had 1.8 percent of the market share in the Denver CSA, ranking 10th of 82 FDIC-insured institutions with 837 banking locations. Broken down by individual MSA, the bank had 1.5 percent of market share in the Denver MSA, ranking 13th of 70 FDIC-insured institutions with 649 banking locations; 3.8 percent of the market share in the Boulder MSA, ranking 8th of 34 FDIC-insured institutions with 112 banking locations; and 1.8 percent of the market share in the Greeley MSA, ranking 8th of 24 FDIC-insured institutions with 72 banking locations. The bank faces significant competition for banking services within the Denver CSA AA from large, regional, and local banks, as well as credit unions and other credit service organizations. The bank's major competitors include CoBiz, First National Bank, FirstBank, Community Banks of Colorado, as well as large national banks including Wells Fargo, US Bank, and Chase.

DESCRIPTION OF THE DENVER CSA AA

The Denver CSA AA contains a portion of the Denver MSA and all of the Boulder MSA and the Greeley MSA. Because several terms used throughout the following section are similar, other terms and definitions are listed below for clarification:

- Denver MSA: Includes the counties of Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park.
- Denver MSA AA: Includes six of the ten counties in the Denver MSA including Adams, Arapahoe, Broomfield, Denver, Douglas, and Jefferson Counties.
- Denver CSA: Includes all of the Denver MSA, the Boulder MSA (Boulder County), and the Greeley MSA (Weld County).
- Denver CSA AA: Includes the Denver MSA AA, the Boulder MSA, and the Greeley MSA.

The following discussion will summarize the Denver CSA AA and provide additional detail on each MSA AA as appropriate.

Population Characteristics

The bank's delineated Denver CSA AA includes a 2010 population of 3,037,053 residents, approximately 60.4 percent of the entire state population. Within the Denver CSA AA, the Denver MSA AA represents 82.0 percent of the CSA AA population with a population of 2,489,661 individuals. The area for the Denver MSA as a whole is relatively young, with a median age of 35.5 years, just below the nationwide median age of 37.2 years. In addition, 10.0 percent of the Denver MSA AA population is over 65 years or older, while 25.0 percent is under the age of 18. The breakdown of households that are families and of working age adults, children, and seniors mirrors the statewide figures. Overall, the demographic data does not indicate that there would be a significant impact on lending opportunities or credit demand within the Denver MSA AA.

The Boulder MSA population equaled 294,567 in 2010 and accounted for 9.7 percent of the Denver CSA AA populations. Demographic data was reflective of a large student population due to the presence of the University of Colorado (CU). The concentration of young adults (18-24 years old) in 2010 equaled 14.2 percent of the total population, compared to the statewide figure of 9.7 percent. The concentration of households that were families equaled 58.6 percent, below the 64.4 percent statewide. Further, college dormitories housed 2.2 percent of the area population. These factors may contribute to a larger rental market in the area and may lead to somewhat weaker loan demand for residential real estate loans.

In the Greeley MSA, the population totaled 252,825 as of the 2010 Census and was 8.3 percent of the CSA AA population. The AA population increased 39.7 percent from 2000 figures. Area demographic data reflected a larger concentration of families with 71.5 percent of households versus the state average of 64.4 percent. Like Boulder, the Greeley area has a fairly large student population due to the University of Northern Colorado. The concentration of young adults (18-24 years old) equaled 11.0 percent of the total population, compared to the statewide figure of 9.7 percent. Further, college dormitories housed 1.2 percent of the area population. The larger student population may contribute to weaker demand for residential real estate loans but this may also be offset by the larger concentration of families who are more likely to shop for a home mortgage.

Economic and Employment Conditions

The Denver economy has been one of the strongest in the nation over the last few years with the expansions slowing in the second half of 2015 amid depressed oil prices and losses in white-collar support industries for oil and gas. The Denver market has high industrial and employment diversity and a well-educated and skilled workforce. The Denver MSA has an active housing market with rising home prices, rapidly declining unemployment rates, broad-based job creation, and high consumer confidence.

The economy in Boulder has also been exceptionally strong and is highly diversified. The technology sector is the leading economic driver along with CU, the area's largest employer, contributing to job and income growth. The Boulder MSA has become a viable cost-effective

alternative to California’s Silicon Valley with high wages having a positive spillover effect on the overall economy. The area also attracts a high volume of venture capital, leading to new tech startups and business formations. The Boulder MSA boasts an extremely high educational attainment of area residents, a strong focus on up-and-coming industries, and outstanding credit quality, all of which have helped the local economy grow.

After expanding in 2013, the Greeley economy stalled in 2015 with weaker energy investment in the area’s most potent sector from falling oil and gas prices. The Greeley MSA is second in Colorado in the production of oil and gas as the southern section of the Niobrara oil field runs through Weld County. Job losses from the slowdown have decreased hiring in nearly every sector except manufacturing. However, after posting the strongest job growth of any other MSA in the last year, the outlook for growth has been tempered. The MSA is finding some relief from Greeley’s other major driver, agriculture, which is rooted in agriculture-industry and food processing. Cheaper grain prices and firm crop prices have helped area ranchers and farmers as well as local meat processors. However, that trend is beginning to reverse as weaknesses have emerged in cattle and wheat markets.

Area	2013	2014	2015
Denver MSA	6.6	4.8	3.7
Boulder MSA	5.5	4.1	3.2
Greeley MSA	6.6	4.5	3.8
Denver CSA	6.5	4.7	3.6
State of Colorado	6.8	5.0	3.9
United States	7.4	6.2	5.3

All three MSAs in the Denver CSA have enjoyed some of the lowest unemployment rates over the last few years, outpacing the state and country with the unemployment rate in Boulder two percentage points below the U.S. average.

Income Characteristics

As of 2010, the Denver CSA AA had an overall MFI of \$75,150 compared to the statewide average of \$70,046. The Boulder MSA had the highest income in the Denver CSA with an MFI of \$87,860, while the Greeley MSA had the lowest at \$64,996. The MFI of \$75,005 in the Denver MSA AA is the second largest and with a much larger population, compares similarly to the overall CSA AA. Based on per capita personal income (PCPI) in 2014, the Denver MSA ranks 21st of 381 MSAs across the country and was 117.0 percent of the national average at \$53,983 with a compounded ten-year annual growth rate of 2.8 percent. In the Boulder MSA AA, the PCPI was \$58,627 having grown by 3.5 percent over the same time period, ranking 13th overall and 127.0 percent higher than the national average. Conversely, the Greeley MSA ranks 214th in the nation with a PCPI of \$38,664, yet has grown at a faster rate of 3.6 percent annually over the last ten years. The percentage of families in the AA that are considered low-, moderate-, middle-, and upper-income mirror statewide figures. The percentage of families below the poverty level for the Denver CSA AA and MSA AA also mirrors statewide figures, but the poverty rate in the Boulder MSA is lower at 6.5 percent versus 8.6 percent statewide. In the Greeley MSA, the percentage is slightly higher at 9.8 percent. The highest poverty rate in the AA is in Denver County at 14.8 percent and the lowest is in Douglas County at 1.9 percent. Other income characteristics in the AA suggest a

more favorable suburban lending environment than in the urban core of the AA.

Housing Characteristics

The Denver CSA AA housing sector is one of the strongest in the nation with quickly rising home values and rents shattering previous records over the last decade. Residential construction in both single-family and multifamily housing continues to remain elevated as a vastly undersupplied market and a positive net migration of new residents into the area have kept demand high. As expected, permit activity in each MSA is growing or remaining stable and is projected to do so over the next few years. Although area wages are increasing, they are not keeping pace with pricing appreciation; therefore, the CSA AA has a very low housing affordability ratio¹ of 24.3 percent according to the 2010 decennial census. This compares similarly to the 23.9 percent ratio for the state of Colorado. The least affordable housing was found in Boulder and Denver Counties. Given less affordability in the AA, LMI families may find it difficult to afford home ownership absent special programs.

The Denver CSA AA has a higher percentage of owner-occupied units and rental units than the statewide figures. The higher rate of rental units includes a higher rate of multifamily units (5 plus units) within the AA. Multifamily units represented 25.0 percent of area housing stock, compared to 20.3 percent statewide. Within the Denver MSA AA, Denver County has the highest concentration of multifamily units, at 38.8 percent, while Douglas County had the lowest. Of the three MSAs, the Greeley MSA had the lowest percentage of multifamily units, at 11.4 percent. The presence of multifamily units often indicates lower housing credit demand for owner-occupied and single-family units. The CSA AAs 2010 vacancy rate of 7.2 percent was substantially lower than the 11.8 percent statewide vacancy rate. The higher statewide vacancy rate is primarily due to the higher number of second/vacation homes throughout the mountain areas of the state, which are included in the calculation of the vacancy rate. The CSA AA housing stock was only slightly older than statewide, with a 32 year and 29 year median age, respectively. The median age in the Denver and Boulder MSAs was similar at 33 years and 32 years, respectively, while the median age was 23 years in the Greeley MSA, revealing newer development. Denver County was an outlier with a median age of 47 years, suggesting dilapidated housing and homes in need of repair. These factors could hinder home mortgage loans, yet indicate a higher demand for home improvement loans.

Table 8 summarizes the income-related demographic and economic characteristics of the bank's Denver CSA AA.

¹ The housing affordability ratio is calculated by dividing the median household income by the median housing value. A lower ratio reflects less affordable housing.

**TABLE 8
DENVER CSA AA 2015 DEMOGRAPHICS**

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	81	10.8	67,323	9.1	19,691	29.2	161,967	22.0
Moderate	161	21.5	155,597	21.1	23,809	15.3	125,605	17.1
Middle	258	34.4	256,037	34.8	13,684	5.3	149,350	20.3
Upper	242	32.3	257,228	34.9	6,163	2.4	299,263	40.7
Unknown	8	1.1	0	0.0	0	0.0	0	0.0
Total AA	750	100.0	736,185	100.0	63,347	8.6	736,185	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	135,010	46,525	6.1	34.5	73,989	54.8	14,496	10.7
Moderate	296,979	143,578	18.7	48.3	129,186	43.5	24,215	8.2
Middle	448,898	286,359	37.2	63.8	131,454	29.3	31,085	6.9
Upper	370,484	292,527	38.0	79.0	57,687	15.6	20,270	5.5
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	1,251,371	768,989	100.0	61.5	392,316	31.4	90,066	7.2
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	16,597	7.5	14,919	7.2	1,628	11.8	50	9.2
Moderate	44,660	20.2	40,628	19.6	3,926	28.4	106	19.6
Middle	72,170	32.6	68,295	33.0	3,678	26.6	197	36.3
Upper	87,387	39.5	82,765	40.0	4,442	32.1	180	33.2
Unknown	447	0.2	273	0.1	165	1.2	9	1.7
Total AA	221,261	100.0	206,880	100.0	13,839	100.0	542	100.0
Percentage of Total Businesses:				93.5	6.3	0.2		

Based on 2015 FFIEC census tract boundaries, 2010 ACS data, and 2015 D&B data.

Census Tract Income Levels/Characteristics

As shown in Table 8 above, the majority of families, owner-occupied units, and small businesses are located in middle- and upper-income tracts. Therefore, the majority of the bank’s lending is expected to be in middle- and upper-income tracts. For the review period, the bank had 21 CSA AA branches, with four in moderate-income tracts, thirteen in middle-income tracts, and four in upper-income tracts. No branches have been opened or closed since the prior examination period.

Of the 81 low-income tracts in the CSA AA, 69 are in the Denver MSA AA, five in the Boulder MSA, and seven in the Greeley MSA. Of the 161 moderate-income tracts in the CSA AA, 137 are in the Denver MSA AA, 11 in the Boulder MSA, and 13 in the Greeley MSA. The LMI tracts in Boulder and Greeley have unique characteristics compared to those in the Denver

MSA AA, which is partially explained by the state universities in the Boulder and Greeley AAs.

The vast majority of LMI tracts in the Denver MSA AA are located in the northern and western portions of Denver County and other adjacent counties and the eastern portion of Denver County including the city of Aurora. In Boulder and Greeley County, the low-income tracts contained a majority of the area's college populations, which affects consumer and housing credit demand in those tracts.

The CSA AA has less than one-third of area families and businesses in LMI tracts, with three in ten families in low-income tracts living below the poverty level. This will have a limiting effect on lending opportunities in low-income tracts. Moderate-income tracts contain more significant concentrations of area families; however, the same economic and housing characteristics found in low-income tracts may also restrict mortgage lending in these tracts.

The housing stock in LMI tracts in the Denver CSA AA had high concentrations of rental and multifamily housing units. In 2010, 45.7 percent of low- and 33.9 percent of moderate-income tract housing units were multifamily units. In middle- and upper-income tracts, these figures were 23.6 percent and 12.1 percent, respectively. LMI tracts also have a higher median age of 39 years old compared to 32 and 19 years old for middle- and upper-income tracts, respectively. This indicates that many of the homes that would be considered affordable for these families may be in need of repair.

Community Contacts

Members of the community were contacted to determine area economic conditions and potential credit needs of the community. Recent contacts included members from a local chamber of commerce, housing authority, and economic development corporation. Other contacts from previous examinations were also reviewed to provide additional performance context for the Denver CSA AA.

One contact indicated housing costs in Colorado since 2011 have been rising and are well above the United States average. He went on to say that Boulder County has the highest population density of cost-burdened renters (defined as a household that spends over 50 percent of its income on rent). Another contact from a local housing authority stated that his organization couldn't afford to acquire new properties due to drastically increased housing costs (all contacts agreed that housing costs have become prohibitive for many seeking to rent or buy). The wait list for placement of LMI families into homes has grown dramatically. A third contact stated that banks could do more in the "small business niche," which he defined as businesses with 20 or fewer employees. Another common theme mentioned by all contacts is that the unemployment rate has dropped significantly to a rate that is now considered full employment. Finally, the general consensus is that banks are involved in and striving to meet the needs of their communities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE DENVER CSA AA

LENDING TEST

The bank's distribution of loans to different geography levels is good and the distribution of loans to borrowers of different income levels and businesses of different revenue sizes is adequate. The bank also makes a relatively high level of CD loans. Based on lending volume, more weight was placed upon the bank's small business loans.

The lending tables that follow reflect data for 2015, with 2014 loan data considered in context of performance and displayed in Appendix B.

Geographic Distribution

The distribution of HMDA loans to tracts of different income levels is adequate, while the distribution of business loans reflects excellent penetration to businesses located in different tracts. Table 9 displays the bank's geographic HMDA lending performance, while Table 10 shows the bank's business lending performance, both of which are compared to aggregate lenders and demographic data. For the demographic data, the bank's HMDA lending was compared to the percent of owner-occupied units, while the bank's business lending was compared to the percent of businesses operating in the respective tracts.

**TABLE 9
DISTRIBUTION OF 2015 HMDA LOANS BY INCOME LEVEL OF GEOGRAPHY
DENVER CSA AA**

Census Tract Income Level	Bank Loans				Aggregate HMDA Data ¹		% of Owner Occupied Units ²
	#	\$(000)	#%	\$%	#%	\$%	
Home Purchase Loans							
Low	4	1,008	5.9	2.9	6.1	4.4	6.1
Moderate	10	2,223	14.7	6.3	17.3	13.5	18.7
Middle	18	8,498	26.5	24.1	36.5	32.9	37.2
Upper	36	23,522	52.9	66.7	40.1	49.2	38.0
Home Refinance Loans							
Low	2	1,713	3.4	4.2	4.6	3.1	6.1
Moderate	4	784	6.8	1.9	16.8	12.6	18.7
Middle	10	6,042	16.9	14.8	38.1	34.0	37.2
Upper	43	32,163	72.9	79.0	40.5	50.3	38.0
Home Improvement Loans							
Low	3	18	2.7	0.7	5.2	3.5	6.1
Moderate	12	83	10.8	3.1	17.8	14.1	18.7
Middle	70	915	63.1	33.8	38.1	33.8	37.2
Upper	26	1,695	23.4	62.5	38.9	48.6	38.0
Multifamily Loans							% of Multifamily Units²
Low	6	8,533	35.3	31.1	27.8	22.7	19.7
Moderate	6	10,159	35.3	37.0	31.0	34.0	32.2
Middle	4	8,275	23.5	30.1	32.6	26.1	33.8
Upper	1	513	5.9	1.9	8.6	17.2	14.3
Total HMDA Loans							
Low	15	11,272	5.9	10.6	5.4	4.8	6.1
Moderate	32	13,249	12.5	12.5	17.1	14.2	18.7
Middle	102	23,730	40.0	22.4	37.3	33.1	37.2
Upper	106	57,893	41.6	54.5	40.2	47.9	38.0

¹ Aggregate loan data reflects all loan originations in the bank's AA reported by all HMDA filers.
² The percentage of owner-occupied housing and multifamily units by tract are based on 2015 FFIEC census tract boundaries and 2010 ACS data.
(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

Total HMDA Loans

The geographic distribution of all 2015 HMDA loans is adequate. The bank originated 5.9 percent of its total HMDA loans to low-income tracts, which slightly exceeded aggregate lenders and nearly equaled demographic data or the percent of owner-occupied units in these tracts. By dollar volume, the bank exceeded both aggregate lenders and demographic data in low-income tracts. Lending in moderate-income tracts trailed aggregate lenders and the demographic data, by both number and dollar volume. The vast majority of HMDA loans were originated in middle- and upper-income tracts, which reflects the bank's strategy as a commercial lender with HMDA lending typically arising as an accommodation to the bank's

commercial customers. Because these customers typically can afford higher priced homes, the bank recognized a demand for jumbo loans and began offering them in 2012. In 2015, 180 (49.5 percent) of the bank's 364 HMDA loans were jumbo loans. The bank's lending performance in 2014 was similar to 2015; however, performance in the low-income tracts was slightly lower, while performance in the moderate-income tracts was higher.

Home Purchase Loans

The geographic distribution of 2015 home purchase loans is adequate. Of the 68 loans originated, 5.9 percent were originated in low-income tracts, which nearly equaled aggregate lenders and demographic data. By dollar volume, the percentage of originations in low-income tracts slightly trailed aggregate lenders and the demographic data. In moderate-income tracts, the bank trailed aggregate lenders and demographic data by both dollar volume and number of loans originated. The majority of home purchase loans were originated in upper-income tracts, followed by middle-income tract originations that exceeded the total in LMI tracts. In 2014, the bank originated no home purchase loans in low-income tracts and a lower percentage than in 2015 for moderate-income tracts, indicating a positive trend over the two years.

Home Refinance Loans

The geographic distribution of 2015 home refinance loans is poor, with just six of the total 59 loans originated in LMI tracts. The percentage of loans by number originated in low-income tracts was just slightly below aggregate lenders while the dollar volume comparison was higher than aggregate lenders. However, the bank's lending in moderate-income tracts was well below demographic data and aggregate lenders by both number and dollar volume. The majority of loans were originated in the upper-income tracts at 72.9 percent by number and 79.0 percent by dollar volume. Despite these figures, the trend from 2014 to 2015 was positive, with home refinance loans in LMI tracts increasing by both number and dollar volume in 2015.

Home Improvement Loans

The geographic distribution of 2015 home improvement loans is poor. The bank originated 2.7 percent in low-income tracts, which is less than the 5.2 percent by aggregate lenders and the 6.1 percent of owner-occupied units in low-income tracts. In moderate-income tracts, the bank also trailed demographic data and aggregate lenders by both number and dollar volume of loans. However, the number of home improvement loans increased from 6 loans in 2014 to 111 loans in 2015 as a result of the bank introducing a new unsecured home improvement loan program since the prior CRA evaluation to improve lending to LMI individuals and families. While the impact of the program did not align the bank's home improvement lending in LMI tracts to that of aggregate lenders and demographic data, the number of loans originated in those tracts increased from four to fifteen. In addition, the bank's lending in middle-income tracts increased from 2 to 70, more than double the amount of home improvement loans in upper-income tracts.

Multifamily Loans

The geographic distribution of 2015 multifamily loans is good. In 2015, the bank originated a total of 17 multifamily loans in its Denver CSA AA, 12 of which were in LMI tracts (6 in low- and 6 in moderate-income tracts). This exceeded aggregate lending by both number and dollar volume of loans, as well as demographic data. In 2014, three loans were originated in low-income tracts and eleven loans were originated in moderate-income tracts, with only six loans originated in middle- and upper-income tracts. The bank's performance trailed aggregate lenders by both number and dollar volume of loans, as well as demographic data in those tracts.

**TABLE 10
DISTRIBUTION OF 2015 BUSINESS LOANS
BY INCOME LEVEL OF GEOGRAPHY
DENVER CSA AA**

Census Tract Income Level	Business Loans ¹				Aggregate CRA Data ²		% of Businesses ³
	#	\$(000)	#%	\$%	#%	\$%	
Low	65	14,856	11.5	10.9	8.5	11.7	7.5
Moderate	160	39,760	28.4	29.2	20.9	25.5	20.2
Middle	167	38,958	29.7	28.6	30.5	27.1	32.6
Upper	165	41,583	29.3	30.5	38.6	34.1	39.5
Unknown⁴	6	1,167	1.1	0.9	0.3	1.0	0.2

¹ CRA data reports only business loans in the amount of \$1MM or less.

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

³ The percentage of businesses in the AA is based on 2015 FFIEC census tract boundaries and 2015 D&B data.

⁴ Does not include tracts where the income level is unknown, which is 1.2 percent by number and 0.7 percent by dollar for aggregate lenders. Only includes tract locations not reported.

(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences)

Business Loans

The geographic distribution of 2015 business loans is excellent. In LMI tracts, the percentage of business loans substantially exceeded demographic data by both number and dollar volume. The bank also outpaced aggregate lenders by number of loans in LMI tracts and by dollar volume in moderate-income tracts. The difference in the bank's lending in low-income tracts by dollar volume and that of aggregate lenders was negligible at 10.9 percent and 11.7 percent, respectively. Performance in 2014 was consistent, as lending was above both aggregate lenders and demographic data for LMI tracts.

Since the bank is primarily a commercial lender, business lending was assigned more weight when compared to HMDA lending. As such, the bank's overall performance for the geographic distribution of all loans in its Denver CSA AA is good.

Distribution by Borrower Income and Revenue Size of Businesses

The bank has adequate distribution of HMDA loans among borrowers of different income

levels and of business loans to businesses of different revenue sizes. The bank's lending was compared to both aggregate lenders and demographic data. For the demographic data, the bank's HMDA lending was compared to the percent of LMI families in the AA, while the bank's business lending was compared to the percent of small businesses in the AA with gross annual revenues of \$1MM or less. Table 11 shows the bank's distribution of HMDA loans by income levels, and Table 12 displays the distribution of small business loans by revenue size.

**TABLE 11
DISTRIBUTION OF 2015 HMDA LOANS BY BORROWER INCOME LEVELS
DENVER CSA AA**

Borrower Income Level	Bank Loans				Aggregate HMDA Data ¹		% of Families ²
	#	\$(000)	#%	\$%	#%	\$%	
Home Purchase Loans							
Low	0	0	0.0	0.0	5.3	2.8	22.0
Moderate	1	21	1.5	0.1	18.6	13.6	17.1
Middle	1	478	1.5	1.4	22.7	21.1	20.3
Upper	49	31,160	72.1	88.4	36.7	46.7	40.7
Unknown	17	3,592	25.0	10.2	16.7	15.9	0.0
Home Refinance Loans							
Low	2	176	3.4	0.4	5.5	3.1	22.0
Moderate	2	130	3.4	0.3	16.4	12.0	17.1
Middle	1	85	1.7	0.2	21.7	19.5	20.3
Upper	49	36,914	83.1	90.7	34.5	43.7	40.7
Unknown	5	3,397	8.5	8.3	21.9	21.6	0.0
Home Improvement Loans							
Low	14	98	12.6	3.6	6.8	3.6	22.0
Moderate	34	220	30.6	8.1	19.3	13.8	17.1
Middle	29	223	26.1	8.2	27.0	24.8	20.3
Upper	34	2,170	30.6	80.0	41.0	49.3	40.7
Unknown	0	0	0.0	0.0	5.9	8.4	0.0
Total HMDA Loans³							
Low	16	274	6.3	0.3	5.5	2.8	22.0
Moderate	37	371	14.5	0.3	17.5	12.1	17.1
Middle	31	786	12.2	0.7	22.3	19.3	20.3
Upper	132	70,244	51.8	66.2	35.6	42.9	40.7
Unknown	39	34,469	15.3	32.5	19.2	22.9	0.0
¹ Aggregate loan data reflects all loan originations in the bank's AA reported by all HMDA filers. ² The percentage of families and households are based on 2010 ACS data. ³ Multifamily loans are not considered in the borrower analysis. (NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)							

Total HMDA Loans

The borrower distribution of all 2015 HMDA loans is adequate. The penetration of HMDA loans to low-income borrowers is slightly higher by number and lower by dollar volume than aggregate lenders, but is well below the percentage of low-income families in the AA. The lending to moderate-income borrowers by number of loans is slightly below aggregate lenders

and demographic data, while the dollar volume significantly lags aggregate lenders and demographic data. 51.8 percent of HMDA loans were originated to upper-income borrowers. This is a reflection of the bank's strategy as a commercial lender with HMDA lending typically arising as an accommodation to the bank's commercial customers. Because these customers typically can afford higher priced homes, the bank recognized a demand for jumbo loans and began offering them in 2012. In 2015, 180 (49.5 percent) of the bank's 364 HMDA loans were jumbo loans.

Compared to 2014, the bank's performance in 2015 showed significant growth in the percentage of loans by number to LMI borrowers, mainly due to an unsecured home improvement program the bank implemented after the prior CRA evaluation. Because these loans are individually capped at \$7,500, there is not a corresponding increase in percentage of loans by dollar volume to LMI borrowers.

Home Purchase Loans

The borrower distribution of 2015 home purchase loans is poor. The bank is significantly behind aggregate lenders and demographic data in its lending to LMI borrowers by both dollar volume and number of loans, with no home purchase loans to low-income borrowers and one loan to a moderate-income borrower. Similarly, only one loan was originated to middle-income borrowers. 72.1 percent of home purchase loans went to upper-income borrowers. Performance in 2014 was similar with only one home purchase loan to LMI borrowers, which was significantly below aggregate lenders and demographic data.

Home Refinance Loans

The borrower distribution of 2015 home refinance loans is poor. By number, the distribution of loans to low-income borrowers slightly trailed aggregate lenders at 3.4 percent and 5.5 percent, respectively, while the 0.4 percent of loans originated by dollar volume was well below the 3.1 percent by aggregate lenders. In both cases, the bank fell far below demographic data as well. Furthermore, the bank's lending to moderate-income borrowers significantly trailed all three comparators. As with home purchase loans, the bank's refinance lending to middle-income borrowers was very low with just one loan. The bank originated 49 refinance loans totaling \$36.9MM to upper-income borrowers, representing 83.1 percent by number and 90.7 percent by dollar volume. Performance in 2014 was similar with refinance lending to LMI borrowers significantly below aggregate lenders and demographic data.

Home Improvement Loans

The borrower distribution of 2015 home improvement loans is good. This loan category had the highest number of loans compared to home purchase and refinance loans. The bank's percentage of lending to low-income borrowers was well below demographic data; however, bank performance was nearly double that of aggregate lenders by number of loans and equal to aggregate lenders by dollar volume. For moderate-income borrowers, the bank's lending percentage by number of loans significantly exceeds both the aggregate lending and

demographic data. By dollar volume of loans, the bank's lending to moderate-income borrowers lagged behind both aggregate lenders and demographic data due to the previously mentioned cap on the dollar amount of these loans.

The upward trend in the number of home improvement loans over the two-year review period is significant, from 6 loans originated in 2014 to 111 loans in 2015. Accordingly, the bank's lending performance in this category also substantially improved.

**TABLE 12
DISTRIBUTION OF 2015 BUSINESS LOANS BY REVENUE SIZE
DENVER CSA AA**

Business Revenue By Size	Business Loans ¹				Aggregate CRA Data ²		% of Businesses ³
	#	\$(000)	#%	\$%	#%	\$%	
\$1MM or less	245	48,926	43.5	35.9	51.5	36.6	93.5
Over \$1MM	259	76,076	46.0	55.8	Not Reported		6.3
Not Known	59	11,322	10.5	8.3	Not Reported		0.2

¹ CRA data reports only business loans in the amount of \$1MM or less.

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

³ The percentage of businesses in the AA is based on 2015 D&B data.

(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

Business Loans

The borrower distribution of 2015 business loans is adequate. Bank lending to small businesses or those with gross annual revenues of \$1MM or less is well below the percent of small businesses in the AA by number and dollar volume. However, in comparison to aggregate lenders, the bank's performance is much closer by number at 43.5 percent compared to 51.5 and nearly identical by dollar volume at 35.9 percent compared to 36.6 percent.

The 2015 results illustrate a marked improvement from the 2014 data, where the bank trailed aggregate lenders by 16.7 percent by number and 8.6 percent by dollar volume. Also, the bank originated seven fewer loans in 2015 to businesses with revenues over \$1MM while dramatically increasing loans to small businesses with revenues of \$1MM or less by 106 additional originations. The positive trend from 2014 to 2015 reflects the bank's increased focus on small business loans since the prior CRA evaluation to improve lending to small businesses.

Community Development Lending

The bank originated a relatively high level of CD loans within the Denver CSA AA. All but two of the bank's 32 qualified CD loans were made within this AA, totaling approximately \$58.9MM. A substantial majority (25) of the qualified loans for the review period were for revitalization/stabilization of LMI tracts. In addition, the bank also originated two loans each with purposes of affordable housing and community services to LMI individuals, and one loan

with an economic development purpose.

Table 13 illustrates the bank's CD lending activities in the Denver CSA AA.

TABLE 13 QUALIFIED COMMUNITY DEVELOPMENT LOANS DENVER CSA AA		
Purpose	#	(\$000s)
Affordable Housing	2	3,214
Revitalization and Stabilization	25	49,341
Community Services to LMI	2	4250
Economic Development	1	2120
Totals	30	58,925

Following are some examples of CD loans originated by the bank:

- Multiple loans in LMI tracts for the acquisition and renovation of multifamily rental properties in various states of disrepair that help to revitalize/stabilize the areas.
- Purchase of a 44-unit apartment building in close proximity to a new light rail station. The property has a Low-Income Housing Tax Credit Land Use Restriction Agreement, which restricts 40.0 percent of the units to residents that earn 60 percent or less of the average median income for the area. This provides needed affordable housing to LMI individuals and families.

Innovative and Flexible Lending Practices

The bank made limited use of innovative and/or flexible lending programs in serving AA credit needs. However, in response to low HMDA lending activity cited during the prior CRA evaluation, the bank implemented an unsecured home improvement loan program with a dollar limit of \$7,500. This program was the major driver in increasing the number of home improvement loans from 6 loans in 2014 to 111 loans in 2015. Accordingly, the bank's lending performance to borrowers of different income levels by number of loans substantially improved.

The bank has also proposed a microfinance project to provide loan support to low-income and minority-owned small businesses to gain access to capital to grow their enterprises. Although the contract between the bank and the organizations involved has not yet been consummated, the bank has begun the process by donating funds to two of the involved organizations. Specifically, \$45,000 was donated to one nonprofit organization to support increased hours for a lending consultant position and for a business training program. Another \$30,000 donation was made to a partnering government agency to sponsor a half-time employee financial coach for LMI entrepreneurs.

INVESTMENT TEST

Qualified CD investment and donation activity in the Denver CSA AA is significant. In addition to the \$5.5MM current-period and \$5.7MM prior-period investments that were allocated at the state and institution level, the bank purchased an additional mortgage-backed securities (MBS) investment in the amount of \$2.5MM that directly benefits the Denver CSA AA. Moreover, the bank maintains another prior period MBS in the amount of \$227,612 that directly benefits the Boulder AA and, ultimately, the Denver CSA AA. The size and number of investments demonstrate adequate responsiveness but rare innovativeness or flexibility by the bank in meeting CD needs.

The bank also has shown good responsiveness through its donation activities. In the Denver CSA AA, the bank provided 75 donations for a total of \$355,762.

Some notable examples of donations include:

- A \$20,500 donation to a community service organization that inspires and enables young people in the community to reach their full potential. Nine of ten children receiving services are eligible for free or reduced lunches.
- A donation of \$6,000 to an economic development entity that provides consulting, training, and funding to small businesses in the community.
- Two \$1,200 donations to a downtown development authority used to revitalize/stabilize LMI tracts in the downtown area.
- A \$45,000 donation to a community service organization that provides economic development opportunities to low-income families throughout the metropolitan area. The funds were specifically used to support a lending consultant position and a financial empowerment program geared towards small business owners.

SERVICE TEST

Retail Services

The bank's delivery systems are accessible to the bank's tracts and individuals of different income levels within the Denver CSA AA. The bank operated 21 locations in this AA with 4 offices in moderate-, 13 in middle-, and 4 in upper-income tracts. All locations have a full-service ATM and the bank operates one stand-alone ATM at a Longmont hospital located in a moderate-income tract in the Boulder AA.

The bank's record of opening and closing branches does not adversely affect the accessibility of its delivery systems in LMI areas or to LMI individuals, as there were no openings or closures of branches during the examination period. The bank's business hours and services

do not vary in a way that inconveniences the Denver CSA AA. Lobby hours and services were discussed under the overall bank review and did not vary by market.

The bank makes occasional use of retail deposit products that are beneficial to small businesses, nonprofits, or LMI individuals. The bank continues to support and has now become a premier sponsor for the Bank on Denver program targeted to the unbanked and under-banked population. Participation in the program includes the bank offering an account that has an opening balance requirement of \$50 or less with no monthly maintenance fees. In addition, the program offers leniency regarding an applicant's potential negative history on ChexSystems reports.

The bank offers Colorado Lawyer Trust Account Foundation (COLTAF) and Colorado Association of REALTORS® Housing Opportunity Foundation (CARHOF) accounts. COLTAF funds are client funds held by attorneys that are nominal in amount and/or are not expected to be held for a long period of time. As a result, these funds will not earn interest in excess of the reasonably estimated cost of establishing, maintaining, and accounting for such trust accounts and will not provide the benefit of a return to the client; therefore, they are held in a pooled interest-bearing account and the bank pays the interest on the account to COLTAF. The earnings on these pooled funds are then used to provide legal services to LMI clients. Similarly, CARHOF donates interest collected on earnest money deposits in real estate transactions from real estate and title companies that voluntarily set up interest-bearing CARHOF accounts. CARHOF funds assist low- and moderate-income and first-time homebuyers with down payment and other assistance to support their housing needs. The bank pays a higher interest rate on these accounts, versus the regular NOW account interest rate.

The bank also offers a nonprofit value package that offers a basic business checking account with reduced fees and other free services.

Community Development Services

The bank provides an adequate level of CD services within the Denver CSA AA. As shown in Table 14, bank employees engaged in 37 services to 22 different organizations. The following is a sample of activities that were considered responsive to area needs:

- A bank vice president of small business banking assisted an organization with assessing the financial health of various small businesses and consulting with those businesses on ways to improve financial health.
- Another bank vice president provided financial expertise serving on the board of directors (board) for a local organization that provides immediate response to basic human needs and promotes pathways to self-sufficiency for LMI county residents and the homeless.

- A bank senior vice president chaired a fundraising committee of the board for an organization that develops LMI children into responsible citizens. The funds were to be used to build a new facility to help the organization broaden its footprint in the community.

**TABLE 14
RETAIL AND COMMUNITY DEVELOPMENT SERVICES
DENVER CSA AA**

Branch Accessibility ¹	Location of Branches (%)						Percent of Population (%)					
	Low	Mod	Mid	Upp	Unk	Total	Low	Mod	Mid	Upp	Unk	Total
	0.0	19.0	61.9	19.0	0.0	100.0	10.8	22.6	34.9	31.7	0.1	100.0
Changes in Branch Locations	Number of Branches			Net Change in Branch Locations #								
	Total Branches	# of Openings	# of Closings	Low	Mod	Mid	Upp	Unk	Total			
	21	0	0	0	0	0	0	0	0			
Community Development Services	Affordable Housing	Community Services	Economic Development	Revitalization /Stabilization	Total CD Services	Total Organizations						
	2	29	6	0	37	22						

¹ Based on 2010 ACS and 2015 FFIEC census tract income designations
(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences)

**FORT COLLINS MSA AA
(Limited Review)**

DESCRIPTION OF THE BANK'S OPERATIONS IN THE FORT COLLINS MSA AA

The bank's presence in the Fort Collins MSA AA consists of five full-service offices, each with an on-site ATM and drive-through facility. According to the June 30, 2016 FDIC Market Share Report, the bank has 3.1 percent of the market share, which ranked 9th of 28 FDIC-insured banks in the AA. The Fort Collins MSA AA consists of the entirety of Larimer County and is located in the north central area of Colorado's Front Range. The AA is just north of the Denver CSA AA and consists of 2 low-, 18 moderate-, 36 middle-, 16 upper-, and 1 unknown-income census tracts.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE FORT COLLINS MSA AA

The bank's performance for this AA was reviewed using limited-scope examination procedures. Through these procedures, conclusions regarding the institution's CRA performance are drawn from the review of available facts and data, including performance figures, aggregate comparisons, and demographic data as discussed previously for the full-scope AA. This information can be found in the tables in Appendix B accompanying this report. The conclusions regarding performance in this AA did not affect the overall CRA rating, as the bank's performance under the lending test, investment test, and service test in the Fort Collins MSA AA is consistent with the bank's overall performance.

COMMUNITY REINVESTMENT ACT APPENDIX A

SCOPE OF EXAMINATION			
FINANCIAL INSTITUTION Guaranty Bank and Trust Company Denver, Colorado		PRODUCTS/SERVICES REVIEWED <ul style="list-style-type: none"> •Home Purchase Loans •Home Refinance Loans •Home Improvement Loans •Business Loans •Community Development Loans •Community Development Investments •Community Development Services 	
TIME PERIODS REVIEWED			
<u>HMDA/CRA LAR:</u>		January 1, 2014 to December 31, 2015	
<u>Community Development Activities:</u>		August 19, 2014 to December 31, 2016	
LIST OF AFFILIATES CONSIDERED IN THIS EVALUATION			
AFFILIATES	AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED	
Guaranty BC	Holding Company	None	
Holdco LLC	Sub of Holding Company	None	
Cenbank Statutory Trust III	Sub of Holding Company	None	
Guaranty Capital Trust III	Sub of Holding Company	None	
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAM	BRANCHES VISITED	COMMUNITY CONTACTS
Denver CSA AA	Full Review	1331 17 th Street Denver, Colorado 80202	3 current, 2 prior
Fort Collins MSA AA	Limited Review	None	1 prior

COMMUNITY REINVESTMENT ACT APPENDIX B

ANALYSIS TABLES

A. 2014 Full-Scope Review Denver CSA AA

B. 2015 and 2014 Limited-Scope Review Fort Collins MSA AA

A. 2014 Full-Scope Review Denver CSA AA

TABLE B-A1 DENVER CSA AA 2014 DEMOGRAPHICS								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	81	10.8	67,323	9.1	19,691	29.2	161,967	22.0
Moderate	161	21.5	155,597	21.1	23,809	15.3	125,605	17.1
Middle	258	34.4	256,037	34.8	13,684	5.3	149,350	20.3
Upper	242	32.3	257,228	34.9	6,163	2.4	299,263	40.7
Unknown	8	1.1	0	0.0	0	0.0	0	0.0
Total AA	750	100.0	736,185	100.0	63,347	8.6	736,185	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	135,010	46,525	6.1	34.5	73,989	54.8	14,496	10.7
Moderate	296,979	143,578	18.7	48.3	129,186	43.5	24,215	8.2
Middle	448,898	286,359	37.2	63.8	131,454	29.3	31,085	6.9
Upper	370,484	292,527	38.0	79.0	57,687	15.6	20,270	5.5
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	1,251,371	768,989	100.0	61.5	392,316	31.4	90,066	7.2
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	15,874	7.7	13,783	7.3	1,420	12.0	671	10.4
Moderate	42,417	20.5	37,551	19.9	3,384	28.7	1,482	22.9
Middle	68,264	33.0	63,008	33.4	3,162	26.8	2,094	32.4
Upper	80,092	38.7	74,215	39.3	3,679	31.2	2,198	34.0
Unknown	429	0.2	249	0.1	154	1.3	26	0.4
Total AA	207,076	100.0	188,806	100.0	11,799	100.0	6,471	100.0
Percentage of Total Businesses:			91.2		5.7		3.1	
Based on 2014 FFIEC census tract boundaries, 2010 ACS data, and 2014 D&B data.								

**TABLE B-A2
DISTRIBUTION OF 2014 HMDA LOANS BY INCOME LEVEL OF GEOGRAPHY
DENVER CSA AA**

Census Tract Income Level	Bank Loans				Aggregate HMDA Data ¹		% of Owner Occupied Units ²
	#	\$(000)	#%	\$%	#%	\$%	
Home Purchase Loans							
Low	0	0	0.0	0.0	5.8	3.9	6.1
Moderate	8	2,091	11.6	5.7	17.7	13.5	18.7
Middle	17	7,368	24.6	19.9	36.7	32.8	37.2
Upper	44	27,509	63.8	74.4	39.7	49.8	38.0
Home Refinance Loans							
Low	0	0	0.0	0.0	4.9	3.1	6.1
Moderate	2	206	4.5	0.8	17.6	12.7	18.7
Middle	11	6,123	25.0	22.6	38.3	34.1	37.2
Upper	31	20,755	70.5	76.6	39.3	50.1	38.0
Home Improvement Loans							
Low	0	0	0.0	0.0	4.7	3.1	6.1
Moderate	4	320	66.7	86.5	18.9	15.1	18.7
Middle	2	50	33.3	13.5	37.0	31.8	37.2
Upper	0	0	0.0	0.0	39.4	50.0	38.0
Multifamily Loans							% of Multifamily Units²
Low	3	5,254	15.0	13.1	23.6	13.4	19.7
Moderate	11	17,898	55.0	44.7	32.5	34.6	32.2
Middle	5	13,375	25.0	33.4	35.0	32.6	33.8
Upper	1	3,500	5.0	8.7	8.9	19.3	14.3
Total HMDA Loans							
Low	3	5,254	2.2	5.0	5.5	4.2	6.1
Moderate	25	20,515	18.0	19.6	17.7	14.6	18.7
Middle	35	26,916	25.2	25.8	37.3	33.2	37.2
Upper	76	51,764	54.7	49.6	39.4	48.0	38.0

¹ Aggregate loan data reflects all loan originations in the bank's AA reported by all HMDA filers.

² The percentage of owner-occupied housing and multifamily units by tract are based on 2014 FFIEC census tract boundaries and 2010 ACS data.

(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

**TABLE B-A3
DISTRIBUTION OF 2014 BUSINESS LOANS BY INCOME LEVEL OF GEOGRAPHY
DENVER CSA AA**

Census Tract Income Level	Business Loans ¹				Aggregate CRA Data ²		% of Businesses ³
	#	\$(000)	#%	\$%	#%	\$%	
Low	60	12,646	13.2	11.3	8.1	11.7	7.7
Moderate	127	34,072	28.0	30.4	20.7	25.4	20.5
Middle	129	31,301	28.4	27.9	30.5	27.1	33.0
Upper	129	30,566	28.4	27.2	39.1	33.9	38.7
Unknown ⁴	9	3,590	2.0	3.2	0.3	1.0	0.2

¹ CRA data reports only business loans in the amount of \$1MM or less.

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

³ The percentage of businesses in the AA is based on 2014 FFIEC census tract boundaries and 2014 D&B data.

⁴ Does not include tracts where the income level is unknown, which is 1.4 percent by number and 0.8 percent by dollar for aggregate lenders. Only includes tract locations not reported.

(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

TABLE B-A4
DISTRIBUTION OF 2014 HMDA LOANS BY BORROWER INCOME LEVELS
DENVER CSA AA

Borrower Income Level	Bank Loans				Aggregate HMDA Data ¹		% of Families ²
	#	\$(000)	#%	\$%	#%	\$%	
Home Purchase Loans							
Low	1	665	1.4	1.8	6.1	3.2	22.0
Moderate	0	0	0.0	0.0	18.3	13.0	17.1
Middle	0	0	0.0	0.0	21.6	20.1	20.3
Upper	54	33,464	78.3	90.5	36.7	47.3	40.7
Unknown	14	2,839	20.3	7.7	17.2	16.4	0.0
Home Refinance Loans							
Low	1	6	2.3	0.0	6.6	3.7	22.0
Moderate	2	190	4.5	0.7	15.9	11.5	17.1
Middle	3	480	6.8	1.8	21.6	19.3	20.3
Upper	35	24,842	79.5	91.7	35.7	45.8	40.7
Unknown	3	1,566	6.8	5.8	20.2	19.7	0.0
Home Improvement Loans							
Low	3	10	50.0	2.7	8.4	4.0	22.0
Moderate	0	0	0.0	0.0	16.6	11.1	17.1
Middle	2	50	33.3	13.5	23.4	20.4	20.3
Upper	0	0	0.0	0.0	42.5	50.4	40.7
Unknown	1	310	16.7	83.8	9.1	14.1	0.0
Total HMDA Loans³							
Low	5	681	3.6	0.7	6.4	3.2	22.0
Moderate	2	190	1.4	0.2	17.3	11.7	17.1
Middle	5	530	3.6	0.5	21.6	18.6	20.3
Upper	89	58,306	64.0	55.8	36.4	44.0	40.7
Unknown	38	44,742	27.3	42.8	18.4	22.5	0.0

¹ Aggregate loan data reflects all loan originations in the bank's AA reported by all HMDA filers.
² The percentage of families and households are based on 2010 ACS data.
³ Multifamily loans are not considered in the borrower analysis.
(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

TABLE B-A5
DISTRIBUTION OF 2014 BUSINESS LOANS BY REVENUE SIZE
DENVER CSA AA

Business Revenue By Size	Business Loans ¹				Aggregate CRA Data ²		% of Businesses ³
	#	\$(000)	#%	\$%	#%	\$%	
\$1MM or less	139	28,419	30.6	25.3	47.3	33.9	91.2
Over \$1MM	266	71,378	58.6	63.6	Not Reported		5.7
Not Known	49	12,378	10.8	11.0			3.1

¹ CRA data reports only business loans in the amount of \$1MM or less.
² Aggregate loan data reflects all loan originations in the bank's AA reported by all CRA filers.
³ The percentage of businesses in the AA is based on 2014 D&B data.
(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

B. 2015 and 2014 Limited-Scope Review Fort Collins MSA AA

TABLE B-B1 FORT COLLINS MSA AA 2015 DEMOGRAPHICS								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	2	2.7	1,020	1.4	282	27.6	14,995	20.2
Moderate	18	24.7	14,167	19.1	1,797	12.7	13,102	17.6
Middle	36	49.3	37,482	50.4	2,295	6.1	16,539	22.3
Upper	16	21.9	21,642	29.1	730	3.4	29,688	39.9
Unknown	1	1.4	13	0.0	0	0.0	0	0.0
Total AA	73	100.0	74,324	100.0	5,104	6.9	74,324	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	3,412	799	1.0	23.4	2,416	70.8	197	5.8
Moderate	30,761	14,387	18.2	46.8	12,335	40.1	4,039	13.1
Middle	65,522	39,631	50.0	60.5	18,848	28.8	7,043	10.7
Upper	30,789	24,388	30.8	79.2	4,598	14.9	1,803	5.9
Unknown	135	13	0.0	0.1	0	0.0	122	90.4
Total AA	130,619	79,218	100.0	60.6	38,197	29.2	13,204	10.1
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	248	1.1	232	1.0	14	1.3	2	3.2
Moderate	4,842	20.8	4,523	20.5	301	27.4	18	28.6
Middle	11,485	49.3	10,974	49.6	477	43.4	34	54.0
Upper	6,698	28.8	6,383	28.9	308	28.0	7	11.1
Unknown	6	0.0	4	0.0	0	0.0	2	3.2
Total AA	23,279	100.0	22,116	100.0	1,100	100.0	63	100.0
Percentage of Total Businesses:			95.0		4.7		0.3	

Based on 2015 FFIEC census tract boundaries, 2010 ACS data, and 2015 D&B data.

**TABLE B-B2
DISTRIBUTION OF 2015 HMDA LOANS BY INCOME LEVEL OF GEOGRAPHY
FORT COLLINS MSA AA**

Census Tract Income Level	Bank Loans				Aggregate HMDA Data ¹		% of Owner Occupied Units ²
	#	\$(000)	#%	\$%	#%	\$%	
Home Purchase Loans							
Low	0	0	0.0	0.0	0.5	0.4	1.0
Moderate	0	0	0.0	0.0	18.0	15.3	18.2
Middle	3	1,221	75.0	83.1	47.4	44.7	50.0
Upper	1	248	25.0	16.9	34.1	39.6	30.8
Home Refinance Loans							
Low	0	0	0.0	0.0	0.8	0.7	1.0
Moderate	1	24	14.3	0.8	16.9	13.8	18.2
Middle	1	600	14.3	18.9	49.6	46.3	50.0
Upper	5	2,552	71.4	80.4	32.7	39.2	30.8
Home Improvement Loans							
Low	0	0	0.0	0.0	1.6	1.3	1.0
Moderate	5	40	23.8	25.6	16.9	15.3	18.2
Middle	10	68	47.6	43.6	50.7	47.8	50.0
Upper	6	48	28.6	30.8	30.9	35.5	30.8
Multifamily Loans							% of Multifamily Units²
Low	0	0	0.0	0.0	6.1	23.3	8.1
Moderate	0	0	0.0	0.0	39.4	47.3	34.6
Middle	1	1,045	100.0	100.0	39.4	6.3	45.0
Upper	0	0	0.0	0.0	15.2	23.2	12.3
Total HMDA Loans							
Low	0	0	0.0	0.0	0.7	1.7	1.0
Moderate	6	64	18.2	1.1	17.5	16.2	18.2
Middle	15	2,934	45.5	50.2	48.5	43.6	50.0
Upper	12	2,848	36.4	48.7	33.2	38.6	30.8

¹ Aggregate loan data reflects all loan originations in the bank's AA reported by all HMDA filers.

² The percentage of owner-occupied housing and multifamily units by tract are based on 2015 FFIEC census tract boundaries and 2010 ACS data.

(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

**TABLE B-B3
DISTRIBUTION OF 2015 BUSINESS LOANS BY INCOME LEVEL OF GEOGRAPHY
FORT COLLINS MSA AA**

Census Tract Income Level	Business Loans ¹				Aggregate CRA Data ²		% of Businesses ³
	#	\$(000)	#%	\$%	#%	\$%	
Low	0	0	0.0	0.0	1.3	1.8	1.1
Moderate	28	5,338	28.6	28.4	21.5	27.8	20.8
Middle	39	4,924	39.8	26.2	43.4	35.4	49.3
Upper	31	8,555	31.6	45.5	31.9	34.0	28.8

¹ CRA data reports only business loans in the amount of \$1MM or less.

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

³ The percentage of businesses in the AA is based on 2015 FFIEC census tract boundaries and 2015 D&B data.
(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

**TABLE B-B4
DISTRIBUTION OF 2015 HMDA LOANS BY BORROWER INCOME LEVELS
FORT COLLINS MSA AA**

Borrower Income Level	Bank Loans				Aggregate HMDA Data ¹		% of Families ²
	#	\$(000)	#%	\$%	#%	\$%	
Home Purchase Loans							
Low	0	0	0.0	0.0	5.5	3.3	20.2
Moderate	0	0	0.0	0.0	19.0	15.1	17.6
Middle	0	0	0.0	0.0	23.5	22.9	22.3
Upper	3	1,309	75.0	89.1	37.8	45.0	39.9
Unknown	1	160	25.0	10.9	14.1	13.6	0.0
Home Refinance Loans							
Low	0	0	0.0	0.0	6.9	4.3	20.2
Moderate	1	24	14.3	0.8	19.0	15.3	17.6
Middle	1	92	14.3	2.9	23.7	22.6	22.3
Upper	5	3,060	71.4	96.3	32.0	38.7	39.9
Unknown	0	0	0.0	0.0	18.5	19.1	0.0
Home Improvement Loans							
Low	1	8	4.8	5.1	6.7	2.4	20.2
Moderate	5	31	23.8	19.9	19.9	16.5	17.6
Middle	7	55	33.3	35.3	27.2	30.1	22.3
Upper	8	62	38.1	39.7	39.9	42.2	39.9
Unknown	0	0	0.0	0.0	6.3	8.9	0.0
Total HMDA Loans³							
Low	1	8	3.0	0.1	6.2	3.5	20.2
Moderate	6	55	18.2	0.9	19.0	14.5	17.6
Middle	8	147	24.2	2.5	23.7	21.8	22.3
Upper	16	4,431	48.5	75.8	35.1	40.1	39.9
Unknown	2	1,205	6.1	20.6	16.0	20.0	0.0

¹ Aggregate loan data reflects all loan originations in the bank's AA reported by all HMDA filers.
² The percentage of families and households are based on 2010 ACS data.
³ Multifamily loans are not considered in the borrower analysis.
(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

**TABLE B-B5
DISTRIBUTION OF 2015 BUSINESS LOANS BY REVENUE SIZE
FORT COLLINS MSA AA**

Business Revenue By Size	Business Loans ¹				Aggregate CRA Data ²		% of Businesses ³
	#	\$(000)	#%	\$%	#%	\$%	
\$1MM or less	50	7,351	51.0	39.1	47.2	37.2	95.0
Over \$1MM	37	9,769	37.8	51.9	Not Reported		4.7
Not Known	11	1,697	11.2	9.0			0.3

¹ CRA data reports only business loans in the amount of \$1MM or less.
² Aggregate loan data reflects all loan originations in the bank's AA reported by all CRA filers.
³ The percentage of businesses in the AA is based on 2015 D&B data.
(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

**TABLE B-B6
FORT COLLINS MSA AA 2014 DEMOGRAPHICS**

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	2	2.7	1,020	1.4	282	27.6	14,995	20.2
Moderate	18	24.7	14,167	19.1	1,797	12.7	13,102	17.6
Middle	36	49.3	37,482	50.4	2,295	6.1	16,539	22.3
Upper	16	21.9	21,642	29.1	730	3.4	29,688	39.9
Unknown	1	1.4	13	0.0	0	0.0	0	0.0
Total AA	73	100.0	74,324	100.0	5,104	6.9	74,324	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	3,412	799	1.0	23.4	2,416	70.8	197	5.8
Moderate	30,761	14,387	18.2	46.8	12,335	40.1	4,039	13.1
Middle	65,522	39,631	50.0	60.5	18,848	28.8	7,043	10.7
Upper	30,789	24,388	30.8	79.2	4,598	14.9	1,803	5.9
Unknown	135	13	0.0	0.1	0	0.0	122	90.4
Total AA	130,619	79,218	100.0	60.6	38,197	29.2	13,204	10.1
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	222	1.0	203	1.0	12	1.3	7	1.2
Moderate	4,589	21.4	4,176	20.9	272	28.7	141	24.6
Middle	10,788	50.2	10,089	50.5	405	42.8	294	51.3
Upper	5,882	27.4	5,494	27.5	258	27.2	130	22.7
Unknown	4	0.0	3	0.0	0	0.0	1	0.2
Total AA	21,485	100.0	19,965	100.0	947	100.0	573	100.0
Percentage of Total Businesses:				92.9		4.4		2.7

Based on 2014 FFIEC census tract boundaries, 2010 ACS data, and 2014 D&B data.

**TABLE B-B7
DISTRIBUTION OF 2014 HMDA LOANS BY INCOME LEVEL OF GEOGRAPHY
FORT COLLINS MSA AA**

Census Tract Income Level	Bank Loans				Aggregate HMDA Data ¹		% of Owner Occupied Units ²
	#	\$(000)	#%	\$%	#%	\$%	
Home Purchase Loans							
Low	0	0	0.0	0.0	0.8	0.5	1.0
Moderate	0	0	0.0	0.0	16.8	13.1	18.2
Middle	0	0	0.0	0.0	47.8	45.0	50.0
Upper	1	155	100.0	100.0	34.6	41.4	30.8
Home Refinance Loans							
Low	0	0	0.0	0.0	0.6	0.4	1.0
Moderate	0	0	0.0	0.0	17.7	14.6	18.2
Middle	1	565	33.3	38.0	50.8	47.1	50.0
Upper	2	921	66.7	62.0	31.0	37.9	30.8
Home Improvement Loans							
Low	0	0	0.0	0.0	0.4	0.1	1.0
Moderate	0	0	0.0	0.0	17.6	13.2	18.2
Middle	2	70	100.0	100.0	47.4	46.1	50.0
Upper	0	0	0.0	0.0	34.6	40.6	30.8
Multifamily Loans							% of Multifamily Units²
Low	0	0	0.0	0.0	5.6	5.0	8.1
Moderate	0	0	0.0	0.0	30.6	23.4	34.6
Middle	0	0	0.0	0.0	41.7	19.3	45.0
Upper	0	0	0.0	0.0	22.2	52.2	12.3
Total HMDA Loans							
Low	0	0	0.0	0.0	0.7	0.8	1.0
Moderate	0	0	0.0	0.0	17.2	14.2	18.2
Middle	3	635	50.0	37.1	48.8	44.1	50.0
Upper	3	1,076	50.0	62.9	33.3	41.0	30.8

¹ Aggregate loan data reflects all loan originations in the bank's AA reported by all HMDA filers

² The percentage of owner-occupied housing and multifamily units by tract are based on 2014 FFIEC census tract boundaries and 2010 ACS data.

(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

**TABLE B-B8
DISTRIBUTION OF 2014 BUSINESS LOANS BY INCOME LEVEL OF GEOGRAPHY
FORT COLLINS MSA AA**

Census Tract Income Level	Business Loans ¹				Aggregate CRA Data ²		% of Businesses ³
	#	\$(000)	#%	\$%	#%	\$%	
Low	1	476	1.6	3.7	1.3	1.8	1.0
Moderate	18	2,533	29.5	19.8	20.2	24.7	21.4
Middle	29	6,925	47.5	54.1	45.3	40.4	50.2
Upper	13	2,865	21.3	22.4	31.1	31.9	27.4

¹ CRA data reports only business loans in the amount of \$1MM or less.

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

³ The percentage of businesses in the AA is based on 2014 FFIEC census tract boundaries and 2014 D&B data.
(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

**TABLE B-B9
DISTRIBUTION OF 2014 HMDA LOANS BY BORROWER INCOME LEVELS
FORT COLLINS MSA AA**

Borrower Income Level	Bank Loans				Aggregate HMDA Data ¹		% of Families ²
	#	\$(000)	#%	\$%	#%	\$%	
Home Purchase Loans							
Low	0	0	0.0	0.0	5.0	2.7	20.2
Moderate	0	0	0.0	0.0	16.9	13.3	17.6
Middle	0	0	0.0	0.0	24.2	23.1	22.3
Upper	0	0	0.0	0.0	40.4	47.6	39.9
Unknown	1	155	100.0	100.0	13.5	13.3	0.0
Home Refinance Loans							
Low	0	0	0.0	0.0	6.8	4.2	20.2
Moderate	0	0	0.0	0.0	16.3	12.8	17.6
Middle	0	0	0.0	0.0	24.3	22.4	22.3
Upper	3	1,486	100.0	100.0	36.0	42.7	39.9
Unknown	0	0	0.0	0.0	16.7	18.0	0.0
Home Improvement Loans							
Low	0	0	0.0	0.0	5.9	3.0	20.2
Moderate	0	0	0.0	0.0	18.8	15.3	17.6
Middle	0	0	0.0	0.0	24.3	21.4	22.3
Upper	2	70	100.0	100.0	45.3	51.2	39.9
Unknown	0	0	0.0	0.0	5.7	9.1	0.0
Total HMDA Loans³							
Low	0	0	0.0	0.0	5.7	3.0	20.2
Moderate	0	0	0.0	0.0	16.7	12.3	17.6
Middle	0	0	0.0	0.0	24.2	21.4	22.3
Upper	5	1,556	83.3	90.9	38.9	43.1	39.9
Unknown	1	155	16.7	9.1	14.6	20.1	0.0

¹ Aggregate loan data reflects all loan originations in the bank's AA reported by all HMDA filers.

² The percentage of families and households are based on 2010 ACS data.

³ Multifamily loans are not considered in the borrower analysis.

(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

**TABLE B-B10
DISTRIBUTION OF 2014 BUSINESS LOANS BY REVENUE SIZE
FORT COLLINS MSA AA**

Business Revenue By Size	Business Loans ¹				Aggregate CRA Data ²		% of Businesses ³
	#	\$(000)	#%	\$%	#%	\$%	
\$1MM or less	23	2,798	37.7	21.9	44.2	35.7	92.9
Over \$1MM	30	7,943	49.2	62.1	Not Reported		4.4
Not Known	8	2,058	13.1	16.1			2.7

¹ CRA data reports only business loans in the amount of \$1MM or less.

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

³ The percentage of businesses in the AA is based on 2014 D&B data.

(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

COMMUNITY REINVESTMENT ACT APPENDIX C

GLOSSARY

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

Census tract: A small, relatively permanent statistical subdivision of a county. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons and average about 4,000 inhabitants.

Community development: Includes affordable housing (including multifamily rental housing) for low- and moderate-income individuals; community services targeted to low- and moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies. Effective September 1, 2005, the Board of Governors of the Federal Reserve System, adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize (i) low- or moderate-income geographies; (ii) designated disaster areas; or (iii) distressed or underserved nonmetropolitan middle-income geographies designated by the Board, based on: (a) rates of poverty, unemployment, and population loss; or (b) population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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

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

Full-scope review: Performance under the lending, investment and service tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity and responsiveness).

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

Home Mortgage Disclosure Act (“HMDA”): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include data such as race, gender and income of applications, amount of loan requested, and disposition of the application (for example, approved, denied, and withdrawn).

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

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

Limited-scope review: Performance under the lending, investment and service tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Metropolitan area (“MA”): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economical and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small loan(s) to business(es): A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income ("Call Report"). These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small loan(s) to farm(s): A loan included in "loans to small farms" as defined in the instructions for preparation of the Call Report. These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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