



Supervisory Condition Letter #2019-02

December 2019

March 20, 2019

Board of Directors
Colorado National Bank
700 17th Street, Suite 100
Denver, CO 80202

Re: Request for No Supervisory Objection (NSO) to the sale of the Palisade, Colorado branch

Members of the Board:

We have reviewed Executive Vice President John Sprengle's letter to our office on behalf of the board of directors dated February 20, 2019. Your correspondence included pro forma financial information and requested OCC NSO pursuant to the Formal Agreement to the sale of the bank's Palisade, Colorado branch. In conjunction with this request, Colorado National Bank has filed an application with the OCC to establish an interim charter to facilitate the relocation of the bank's main office to Denver, resulting in the Palisade location becoming a branch. This letter does not respond to that application.

In your letter, you represented that the proposed sale of the Palisade branch provides several benefits including a projected increase to the banks' capital account, the potential for enhanced service to the Palisade customer base from a larger and locally owned and operated bank, and that the sale is in line with Colorado National Bank's proposed business plan. In addition, it is our understanding that you will take all necessary steps to ensure the bank maintains adequate liquidity before, during and after consummating the sale of the branch.

Condition of No Supervisory Objection

Based upon our analysis and your representations, we are providing a conditional NSO to the proposed sale of the Palisade, Colorado branch following the relocation of your main office to Denver. This conditional NSO is subject to your adherence to your Capital Commitment as described in your February 20, 2019 letter.


This conditional NSO represents a condition imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request within the meaning of 12 USC 1818. As such, the condition is enforceable under 12 USC 1818.

Board of Directors
Colorado National Bank
March 20, 2019
Page 2

Should you have any questions, please contact National Bank Examiners Mary Atma or Goran Mandich or me at 720-475-7500.

Sincerely,

Gary
TeKolste

A digital signature block consisting of a red scribble and the text: Digitally signed by Gary TeKolste, Date: 2019.03.20 11:01:25 -06'00'

Gary D. TeKolste
Assistant Deputy Comptroller
Denver Field Office