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## Who's lending?

### Numbers show some banks are up, others are down

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Here's a remark often heard in Denver business circles: Banks aren't lending.

On the whole, there's some truth to it. In the past six months, only 20 of 47 banks based in the Denver metropolitan area added to their loan portfolios, which increased by a total of \$101 million. Meanwhile, the other 27 banks shrank their loan portfolios by a total of \$890 million.

The reasons are many and varied. Many banks cite lackluster loan demand from creditworthy borrowers, who are waiting for the economy to improve before investing in expansion or improvements. Other banks are more interested in working out troubled loans than in making new ones.

And some banks have no choice. Many of the banks that have reduced their loan portfolios sharply in certain areas — particularly in commercial real estate or construction and land development — have reached agreements with regulators in the past year to diversify their loan portfolios and/or shore up their capital ratios. Denver-based Guaranty Bank and Trust falls into this category, as do Bankers' Bank of the West of Denver, United Western Bank of Denver, Valley Bank and Trust of Brighton, Champion Bank of Parker, Front Range Bank of Lakewood and Premier Bank of Denver, among others.

The Denver Business Journal has put together data that show which banks based in the Denver-Aurora-Broomfield metropolitan area increased or decreased lending the most between Sept. 30, 2009 and March 31, 2010.

The numbers, based on Federal Deposit Insurance Corp. (FDIC) data, reflect the change in the size of loan portfolios during the most recently completed two quarters — not new loans made. Because existing loans mature all the time, banks

must make new ones just to stay even.

The data excludes some big banks that do a lot of business in Denver but are based elsewhere, including San Francisco-based Wells Fargo, Minneapolis-based U.S. Bank and New York-based Chase Bank. Numbers on their Colorado loans aren't available, because they don't report such information on a state-by-state basis to the FDIC.

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Of the four lending categories that we examined, the fastest-growing was commercial real estate, where lending rose by 2.5 percent, or \$119.5 million. Meanwhile, single-family residential loans — that is, mortgages on homes with four or fewer units — rose by 1.8 percent, or \$61.7 million.

But construction and land development loans plunged 22 percent, or \$665 million. And commercial and industrial (C&I) lending dropped by 11.5 percent, or \$250 million.

In terms of overall loan growth, Denver-based First Western Trust Bank led the pack, with net loan and lease portfolio growth of \$37.5 million, up 10 percent in six months. First Western was a strong lender in the commercial real estate, C&I and single-family residential lending categories, as well.

Citywide Banks, based in Aurora, also

ranked as an active lender in single-family residential and commercial real estate, and was one of only a handful of banks that increased construction and land development loans during the period. At the same time, it reduced its C&I portfolio.

FirstBank also showed up as a strong lender in multiple categories. It's worth noting all FirstBanks are owned by the same company — Lakewood-based FirstBank Holding Co. — but operate under more than two dozen separate state charters.

On the downside, Denver-based American National Bank cut its total loan portfolio by \$245 million, or 24 percent, between October and March. The bank showed a net decline in loans in every one of the four loan categories we examined.

Meanwhile, Guaranty Bank and Trust, a subsidiary of Denver-based Guaranty Bancorp (NASDAQ: GBNK), reduced its overall loan portfolio by 10 percent, or \$155 million. It also posted sharp reductions in all four loan categories.

Denver-based CoBiz shrank its total loan portfolio by 7 percent, or \$123 million. Its parent company, CoBiz Financial Inc. (NASDAQ: COBZ), owns Colorado Business Bank and Arizona Business Bank, and in the past year or so, its executives often have cited an effort to reduce exposure in certain types of lending, such as land acquisition and development. The bank's construction and land development portfolio shrank by nearly 36 percent in the past two quarters, according to FDIC data.

United Western Bank, owned by Denver-based United Western Bancorp (NASDAQ: UWBK) pared its loan portfolio by nearly 7 percent, or \$101 million. It reduced in every category except commercial real estate.

See charts on reverse

# LENDING: First Western Trust leads overall loan growth

## WHO'S LENDING?

Banks increase or pull back on lending for many reasons, including perceived risk, the bank's capital levels and customer demand. These charts show which banks based in the Denver-Aurora-Broomfield metropolitan area had the biggest increases and decreases in the size of their loan portfolios from Sept. 30 through March 31.

### NET LOANS AND LEASES

▲▼ Bank	Six-month change
▲ First Western Trust Bank	\$37.5 million
▲ Steele Street Bank & Trust	\$12 million
▲ FirstBank of Douglas County	\$8.7 million
▲ Solera National Bank	\$7.6 million
▲ FirstBank North	\$5.5 million
▲ FirstBank of Cherry Creek	\$5.3 million
▲ FirstBank of South Jeffco	\$3.8 million
▲ Citywide Banks	\$3.8 million
▲ Mountain View Bank of Commerce	\$3.2 million
▲ FirstBank of Wheat Ridge	\$2.7 million
▼ American National Bank	\$245 million
▼ Guaranty Bank and Trust	\$155 million
▼ CoBiz	\$123.9 million
▼ United Western Bank	\$101 million
▼ Bankers' Bank of the West	\$54.8 million
▼ Colorado State Bank and Trust	\$41 million
▼ Community Banks of Colorado	\$36 million
▼ Colorado Federal Savings Bank	\$25 million
▼ Colorado Capital Bank	\$20 million
▼ First American State Bank	\$16.9 million

Source: Federal Deposit Insurance Corp.

### COMMERCIAL REAL ESTATE LOANS

▲▼ Bank	Six-month change
▲ Community Banks of Colorado	\$42 million
▲ CoBiz	\$31 million
▲ United Western Bank	\$29 million
▲ Citywide Banks	\$18.6 million
▲ Solera National Bank	\$10 million
▲ Steele Street Bank & Trust	\$9 million
▲ FirstBank of Denver	\$7.7 million
▲ FirstBank of Tech Center	\$4 million
▲ First Western Trust Bank	\$3.7 million
▲ Mountain View Bank of Commerce	\$2.9 million
▼ American National Bank	\$23.9 million
▼ Colorado Capital Bank	\$6 million
▼ Valley Bank and Trust	\$3.6 million
▼ FirstBank of Littleton	\$3.4 million
▼ First American State Bank	\$2.9 million
▼ Champion Bank	\$2.5 million
▼ FirstBank	\$1.8 million
▼ Front Range Bank	\$1.7 million
▼ Native American Bank	\$1.7 million
▼ Guaranty Bank and Trust	\$1 million

Source: Federal Deposit Insurance Corp.

### SINGLE FAMILY RESIDENTIAL LOANS

▲▼ Bank	Six-month change
▲ Colorado Capital Bank	\$23 million
▲ FirstBank of Cherry Creek	\$16 million
▲ First Western Trust Bank	\$13.7 million
▲ Citywide Banks	\$13 million
▲ FirstBank of Colorado	\$9.6 million
▲ FirstBank of South Jeffco	\$7.5 million
▲ UMB Bank Colorado	\$7.5 million
▲ FirstBank	\$5.6 million
▲ Colorado State Bank and Trust	\$5.6 million
▲ FirstBank of Douglas County	\$5.3 million
▼ Colorado Federal Savings Bank	\$25 million
▼ American National Bank	\$22.8 million
▼ United Western Bank	\$13 million
▼ Castle Rock Bank	\$6.5 million
▼ Guaranty Bank and Trust	\$6.4 million
▼ FirstBank of Denver	\$3.8 million
▼ First American State Bank	\$1.3 million
▼ Champion Bank	\$1 million
▼ Valley Bank and Trust	\$645,000
▼ Native American Bank	\$451,000

Source: Federal Deposit Insurance Corp.

### CONSTRUCTION AND LAND DEVELOPMENT LOANS

▲▼ Bank	Six-month change
▲ Citywide Banks	\$3 million
▲ FirstBank of Douglas County	\$2 million
▲ North Valley Bank	\$1.8 million
▲ Redstone Bank	\$896,000
▲ FirstBank of Arapahoe County	\$158,000
▼ CoBiz	\$139 million
▼ American National Bank	\$110 million
▼ United Western Bank	\$99.9 million
▼ Community Banks of Colorado	\$76.6 million
▼ Guaranty Bank and Trust	\$61.8 million
▼ Colorado Capital Bank	\$60.8 million
▼ Bankers' Bank of the West	\$22.6 million
▼ FirstBank of Colorado	\$10.6 million
▼ First American State Bank	\$10 million
▼ FirstBank of Cherry Creek	\$8.8 million

Source: Federal Deposit Insurance Corp.

CHARTS BY LUIS URIBE | BUSINESS JOURNAL

Chart information compiled by Renee McGaw.

### COMMERCIAL AND INDUSTRIAL LOANS

▲▼ Bank	Six-month change
▲ Colorado Capital Bank	\$25 million
▲ First Western Trust Bank	\$21 million
▲ Steele Street Bank & Trust	\$1.4 million
▲ UMB Bank Colorado	\$1 million
▲ Solera National Bank	\$983,000
▲ FirstBank of Denver	\$855,000
▲ Redstone Bank	\$846,000
▲ The Bank of Denver	\$841,000
▲ Mountain View Bank of Commerce	\$595,000
▲ Premier Bank	\$156,000
▼ American National Bank	\$81 million
▼ Guaranty Bank and Trust	\$70 million
▼ Colorado State Bank and Trust	\$54 million
▼ Citywide Banks	\$38 million
▼ Colorado Business Bank (CoBiz)	\$12.6 million
▼ Native American Bank	\$12 million
▼ United Western Bank	\$9 million
▼ Community Banks of Colorado	\$7 million
▼ Bankers' Bank of the West	\$5.5 million
▼ Valley Bank and Trust	\$2.6 million

Source: Federal Deposit Insurance Corp.