



## **PUBLIC DISCLOSURE**

June 7, 2021

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

Zions Bancorporation, N.A.  
Charter Number: 4341

One South Main Street  
Salt Lake City, Utah 84133

Office of the Comptroller of the Currency  
Midsize Bank Supervision  
425 S Financial Place, Suite 1700  
Chicago, IL 60605

**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 (LMI) neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not 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.

## Table of Contents

Overall CRA Rating.....	2
Description of Institution.....	3
Scope of the Evaluation.....	7
Discriminatory or Other Illegal Credit Practices Review.....	8
State Rating.....	9
State of Arizona.....	9
State of California.....	25
State of Colorado.....	49
State of Idaho.....	64
State of Nevada.....	80
State of New Mexico.....	96
State of Oregon.....	104
State of Texas.....	112
State of Utah.....	127
State of Washington.....	148
State of Wyoming.....	156
Appendix A: Scope of Examination.....	A-1
Appendix B: Summary of MMSA and State Ratings.....	B-1
Appendix C: Definitions and Common Abbreviations.....	C-1
Appendix D: Tables of Performance Data.....	D-1

## Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated **Outstanding**

The following table indicates the performance level of **Zions Bancorporation, NA** (ZB or the bank) with respect to the Lending, Investment, and Service Tests:

Performance Levels	Zions Bancorporation, NA Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	
High Satisfactory			X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- Outstanding lending performance in the bank’s primary lending areas (Utah, California, Texas, and Colorado) positively contributes to the overall lending test rating. Community development (CD) lending had a significantly positive impact on the overall Lending Test rating. ZB’s overall lending program was responsive and flexible to unforeseen community needs that arose due to the COVID-19 pandemic in 2020.
- A substantial majority of loans are made in ZB assessment areas (AAs).
- The Outstanding investment performance in the bank’s primary investment areas (Utah, California, and Texas) positively contributes to the overall investment test rating. Excellent levels of CD investments that demonstrated complexity and were responsive to identified community needs.
- The Service Test rating is based on Outstanding performance rating in Utah and good performance in California and Texas.

### Lending in Assessment Area

A substantial majority of the bank’s loans are in its AAs.

The bank originated and purchased 95.4 percent of its total loans inside the bank’s AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Lending Inside and Outside of the Assessment Area 2018-20										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	46,071	95.4	2,208	4.6	48,279	14,322,538	94.1	895,041	5.9	15,217,578
Small Business	69,875	95.9	3,018	4.1	72,893	8,144,341	93.4	579,161	6.6	8,723,502
Small Farm	1,884	78.8	506	21.2	2,390	181,928	72.5	69,172	27.5	251,100
Total	117,830	95.4	5,732	4.6	123,562	22,648,807	93.6	1,543,374	6.4	24,192,180

We consider performance for lending inside the bank's AAs when concluding upon geographical distribution of loans within ZB's respective rating areas.

## Description of Institution

Zions Bancorporation, N.A. formerly known as Zions First National Bank (ZFNB), is a midsize, interstate bank headquartered in Salt Lake City, Utah. ZB was a subsidiary of Zions Bancorporation (ZBC), a bank holding company also headquartered in Salt Lake City. As of September 30, 2018, the holding company was successfully merged into the operating bank entity, which has no impact on the bank's evaluation. As of December 31, 2020, ZB had total assets of \$81.5 billion, total loans of \$53.5 billion, and tier 1 capital of \$6.6 billion. Zions Bancorporation common stock is traded on NASDAQ under the symbol ZION. The company is a member of the S&P 500 Index and the NASDAQ Financial 100 Index. ZB is the only locally headquartered bank in Utah operating a statewide network of branches.

ZB operates 424 branches and 502 deposit-taking automated teller machines (ATMs) throughout 11 western states. ZB is comprised of seven banks that consolidated into the ZFNB charter on January 1, 2016. Individual bank charters were dissolved and are now divisions of ZB (formerly ZFNB). Each prior bank charter maintains their local brand in the states they are located; ZFNB is located in Utah, Idaho, and Wyoming; Amegy Bank of Texas (ABT) is located in Texas; California Bank & Trust (CBT) is located in California; National Bank of Arizona (NBAZ) is located in Arizona; Nevada State Bank (NSB) is located in Nevada; The Commerce Bank of Washington (CBT) is located in Washington and Oregon; and Vectra Bank Colorado (VBC) is located in Colorado and New Mexico. The Commerce Bank is now broken into two local brands: CBT Washington and CBT Oregon. For purposes of this evaluation, ZB operates in 42 AAs across 11 states and each is a rating area; refer to appendix B for a summary of the AAs and respective counties. A few AA changes have occurred since the prior evaluation. As a result of closing branches in California, the San Rafael Metropolitan Division AA was removed as an AA and Placer County was removed from the Sacramento AA. The Austin metropolitan statistical area (MSA) was added into the bank's AA due to branch openings/expansion in Texas, and the Twin Falls MSA was added to Idaho due to combining on non-MSA counties into this MSA. During the evaluation period, eight branches were opened and 21 were closed. The bank's most significant presence is in California, Texas, and Utah, where the bank operates 258 branches.

ZB strategy is to use a community bank model that emphasizes local authority and responsibility for results. ZB has a domestic focus to serve small- and mid-sized businesses, affluent customers, and provide capital markets products.

As of December 31, 2020, the bank reports total deposits of \$69.7 billion, with approximately 71.4 percent of deposits coming from customers in California, Texas, and Utah. Performance in these three states also represent a substantial portion of loan originations reviewed during the evaluation period with 52.1 percent of the total number of Home Mortgage Disclosure Act (HMDA) and 62.7 percent of the total number of small business loans. Within these three states are the Houston MSA, Los Angeles combined statistical area (CSA), and Salt Lake City CSAs, which are the most significant and provide ZB 52.8 percent of the bank's total deposits and 29.5 percent of the ZB total number of branches. These three AAs also represent 33.8 percent of the ZB total number of HMDA loans and 40.8 percent of the number of small business loans. Please refer to the rating section of this Performance Evaluation (PE) for further information.

ZB is a full-service financial institution that offers a comprehensive array of banking, trust, investment, leasing, mortgage, and cash management products and services to commercial enterprises of all sizes and individual customers. Zions primary focus is commercial banking with an emphasis on small business lending.

ZB provided significant support to small businesses during the COVID-19 pandemic. The largest effort was through the Paycheck Protection Program (PPP). For the first round of PPP lending, ZB was the ninth largest PPP lender in the nation and provided loans to 47.8 thousand businesses totaling \$7.0 billion. Over 20.0 percent of the PPP loans originated were new ZB clients. A majority of loans went to very small businesses, with approximately 70.0 percent to businesses with fewer than ten employees. ZB also participated in the Federal Reserve Main Street Lending program to support business related lending needs. Other COVID-19 pandemic support included loan deferrals for approximately seven thousand customers for business and consumer loans. Fee refunds and waived fees were also provided to customers, totaling \$488 thousand from April through December 2020.

ZB offers a variety of deposit products to businesses and individuals. Deposit products include checking, savings, and money market deposit accounts, certificates of deposits, and other time deposits. ZB offers additional retail services including check cashing, direct deposit, online bill payment and funds transfer, mobile banking, and telephone banking. Consumer loan products include conventional mortgages, home equity loans, lines of credit, credit cards, personal loans, and automobile loans. Business loan products include term loans, lines of credit, SBA loans, loans for equipment leases, and credit cards. The bank is an active Small Business Administration (SBA) lender and SBA lists ZB as one of the top 100 lenders for SBA 7(a) loans nationally for the period ending December 2020. Home mortgage lending, while part of the bank's lending strategy, is not a primary emphasis.

ZB offers trust, wealth, fiduciary, investment, and capital market services to customers through affiliates. Zions Trust provides issuing and paying agent and trust account services. Zions Direct specializes in providing security services to customers who invest in mutual funds, exchange-trading funds, stocks, and options online or through financial representatives. Zions Direct customers can open brokerage, IRAs, margin, and trust accounts. Zions Capital Markets provides U.S. Treasuries, securities (government sponsored, guaranteed, and mortgage backed), municipal bonds, corporate bonds, and money market products.

ZB competes with many national banks, state banks, credit unions, and non-bank financial institutions for loan and deposit market share.

There are no known legal, financial, or other factors impeding ZB's ability to meet the credit needs within its AAs. ZB received an overall "Satisfactory" rating in its most recent Performance Evaluation, dated June 4, 2018.

### **Flexible and Innovative Lending Products**

The bank offers several loan products which are either innovative or flexible. These loan products are targeted to LMI borrowers and small business lending. See the Product Innovation and Flexibility section in each rating area for details on rating area usage of these products. The most significant products include:

- **Community Reinvestment Act (CRA) Mortgage Loan Product** – This product was developed internally by ZB to meet the needs of LMI borrowers and in LMI areas in the bank's AAs. The development of this product demonstrates innovation and responsiveness to community needs. The CRA Mortgage Loan Product includes lender paid mortgage insurance, down payment assistance, closing cost assistance, and up to 105.0 percent loan-to value financing.
- **SBA Paycheck Protection Program Loans** – Designed to provide a direct incentive for small businesses to keep workers on the payroll during the pandemic. The use of this product reflects an extensive use of flexible lending practices during the evaluation period.
- **SBA 504 Loans** – Designed to promote growth and job creation for small businesses by providing fixed rate long term financing for land, buildings, equipment, and machinery. The use of this product reflects an extensive use of flexible lending practices during the evaluation period.
- **Federal Home Loan Mortgage Corporation (FHLMC) Home Possible Loan Product** – Designed to meet the needs of LMI borrowers in the bank's AA. The FHLMC Home Possible Loan Product includes up to 105.0 percent loan to value financing, flexible sources of down payments, capped fees, and no credit score necessary. The use of this product reflects use of flexible lending practices during the evaluation period.
- **Federal National Mortgage Association (FNMA) Home Ready Loan Product** – Designed to meet the needs of LMI borrowers in the bank's AA. The FNMA Home Ready Loan Product includes as low as 3.0 percent down payment, flexible sources of down payments, and affordable mortgage insurance. The use of this product reflects an extensive use of flexible lending practices during the evaluation period.
- **Down Payment Assistance Program** – Designed to provide down payment assistance to LMI borrowers purchasing homes in the bank's AAs. The use of this product reflects an extensive use of flexible lending practices during the evaluation period. Down payment assistance providers include Home\$tart, WISH, and Neighborhood Lift.
- **Other Loan Programs** – ZB participates in many housing programs that benefit small organizations and LMI borrowers. These programs included traditional lending programs with governmental and municipal loan programs including:
  - Farmer Mac Loans
  - Affordable Housing Financing offered by CBT's Affordable Housing Division
  - Partnership with DreamSpring, and Clearinghouse community development financial institutions (CDFI) and other CDFI providers
  - Home mortgage loan program through the Colorado housing finance authority
  - UD Department of Agriculture mortgage loan programs
  - Fannie Mae/Freddie Mac Home Ready and Home Possible loan programs geared to LMI
  - Home Ownership Program for Employed (HOPE) Initiative (Nevada State Bank only)

See Product Innovation and Flexibility section in each rating area for information about these products usage in their respective rating areas.

**CD Investments – Broader Regional or Statewide**

In addition to the CD investments mentioned in the Investment Test tables in the respective rating areas, ZB made CD investments that benefitted broader regional or statewide areas. These CD investments aren't allocated to a specific rating area, rather support broader regional and statewide benefits. These include three current period CD investments in Small Business Investment Corporations (SBIC) that total \$8.8 million. In addition to the current period CD investments in the SBICs, there is an additional \$21.2 million in unfunded commitments. Additionally, the broader regional and statewide area benefitted from the ongoing impact of seven prior period CD investments totaling \$12.3 million. These CD investments were made to SBICs. The bank's broader regional and statewide CD investments have been focused on the economic development of small businesses.

**Near to Branch Analysis**

When determining if bank branches near to an LMI CT had a positive impact on the branch distribution conclusion, we considered information provided by the bank. The bank provided geocoded locations of their customer accounts assigned to a specific near to branch. We compared that information to the overall LMI population in that AA. We considered that information as having a positive impact on branch distribution if the customer base of the near to branch approximates the overall LMI population in the AA. In addition, to be considered a near to, the branch had to be in close proximity to LMI CTs.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

ZB's evaluation period is January 1, 2018 through December 31, 2020. We used this evaluation period to conduct the analysis and form conclusions for all tests associated with this public evaluation. For the HMDA analysis and conclusions of geographical and borrower distribution, we consolidated the bank's home purchase, home refinance, home improvement, and multifamily loans. We concluded on all home mortgage, small loans to businesses, and small farm loans products that met the definition of a primary loan product. To be considered a primary loan product there must have been at least 20 loan originations within a respective AA, throughout the evaluation period (see the scope of evaluation in the respective ratings areas). In Arizona, California, Texas, and Utah, ZB did not originate enough small farm loans in every full-scope AA to conclude on small farm lending activity. ZB does not collect and report information on consumer loan products, therefore, they will not be included in this evaluation.

### Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AA(s) within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same MSA, multistate metropolitan statistical area (MMSA), or CSA are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating section for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### Ratings

The bank's overall rating is a blend of the state ratings, and where applicable, multistate ratings.

When determining overall ratings, we gave the most weight to the state of Utah, California, and Texas rating areas. We gave the most weight to these rating areas due to the fact they represent the bank's most significant markets and have the largest bank-wide share of deposits, loans, and branches.

For the Lending Test, unless noted in a rating area's scope section, we gave more weight to small business lending as compared to home mortgage lending. We gave more weight to small business lending due to the fact that it's the bank's primary business focus and small business lending represents the majority of loan originations throughout the evaluation period. We gave less weight to small farm lending, when applicable, as compared to small business and home mortgage lending due to the fact it represents a much smaller percentage of overall loan originations and purchases.

The state ratings are based on performance in all bank AAs. Refer to the "Scope" section under each State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR §25.17, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## State Rating

### State of Arizona

**CRA rating for the State of Arizona:** Satisfactory  
**The Lending Test is rated:** High Satisfactory  
**The Investment Test is rated:** High Satisfactory  
**The Service Test is rated:** High Satisfactory

The major factors that support this rating include:

- Lending levels reflect good responsiveness to community credit needs.
- The geographic and borrower distribution of loans is adequate.
- ZB is a leader in making CD loans. CD lending had a significantly positive impact on the Lending Test rating.
- CD investments exhibit good responsiveness to community needs.
- Branch delivery systems are accessible to geographies and individuals of different income levels.

### Description of Institution's Operations in Arizona

ZB operates under the local brand name National Bank of Arizona in the state of Arizona. As of December 31, 2020, the bank had eight AAs within the state of Arizona. These AAs include the counties of Apache, Gila, Graham, Greenlee, La Paz, Navajo, and Santa Cruz in the Arizona Non-MSA AA, Coconino in the Flagstaff MSA, Mohave in the Lake Havasu-Kingman MSA, Maricopa and Pinal in the Phoenix-Mesa-Chandler MSA, Yavapai in the Prescott Valley-Prescott MSA, part of Cochise County in the Sierra Vista-Douglas MSA, Pima in the Tucson MSA, and Yuma in the Yuma MSA. All the AAs meet the requirements of the regulation and do not arbitrarily exclude any LMI CTs. ZB offers a full range of loan and deposit products and services through the 56 full-service branches and 59 deposit taking ATMs located in Arizona. According to the June 30, 2020 FDIC Market Share Report, ZB held \$6.0 billion in statewide deposits, ranking 6th, and representing a 3.5 percent deposit market share. During the evaluation period, 9.1 percent of total bank deposits and 11.1 percent of total bank loans were in Arizona.

#### Phoenix MSA

The Phoenix-Mesa-Chandler MSA (Phoenix MSA) is comprised of Maricopa and Pinal Counties. Strong competition exists for financial services within the Phoenix MSA. According to the June 30, 2020 FDIC Market Share Report, ZB ranked 10th out of the 59 depository financial institutions with \$2.3 billion in deposits and 1.7 percent market share. ZB has 17 full-service branches and 17 deposit taking ATMs in the AA. Competition includes large national banks, large regional banks, and small state banks. The five largest competitors include JPMorgan Chase Bank, Wells Fargo Bank, Bank of America, Western Alliance Bank, and MFUG Union Bank. These competitors have deposits totaling

\$104.4 billion, representing 77.4 percent of total deposit market share. ZB's deposits within the Phoenix MSA account for 3.4 percent of bank wide deposits.

The bank's lending focus in the Phoenix MSA is on small business and home mortgage loans. During the evaluation period, ZB originated 3,519 CRA small business loans totaling \$478.8 million within the AA. This represented 5.0 percent of the total number of bank wide small business loan originations and 5.9 percent of the total bank wide small business loan dollar volume. The bank originated 2,613 home mortgage loans in the AA during the evaluation period, totaling \$841.5 million. This represented 5.7 percent of the total number of bank wide home mortgage originations and 5.9 percent of the total bank wide home mortgage loan dollar volume.

Table A shows that the percentages of owner-occupied housing units and businesses located in low-income geographies are low at 4.5 percent and 7.1 percent, respectively, while 21.9 percent of families in the AA are low-income.

Based on the information in Table A, low-income families earned up to \$31,843 in the AA. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30.0 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment was \$796 for low-income borrowers. Assuming a 30-year mortgage with a 4.0 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be \$942. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the poverty level are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above the poverty level. Median rents and the high percentage of families below the poverty level suggest rental housing is also unaffordable for many low-income residents. In the Phoenix AA for 2020, 12.5 percent of families had incomes below the poverty level compared to the 2019 national average of 10.5 percent based on US Census Bureau data. These poverty levels had an impact on meeting basic financial needs and home mortgage lending.

Phoenix is the state capitol of Arizona and a major economic center known for financial services, in addition to being a top retiree destination. According to Moody's Analytics, top employers in the AA include Banner Health System, Walmart Inc, Fry's Food Stores, Wells Fargo, and Arizona State University. Significant exports of the AA include computer and electronic products and transportation equipment. Based on US Bureau of Labor Statistics (BLS) data, the unemployment rate for the AA was 4.4 percent in January 2018, dropped to a low of 3.8 percent in May 2018, then reached a high of 13.5 percent in April 2020 due to the impact of the COVID-19 pandemic. As of December 31, 2020, the unemployment rate was 6.4 percent.

We utilized two community contacts in this AA. The first contact was a local city economic development agency that aims to attract, grow, and retain companies and small businesses to the city. The other contact was a local non-profit organization that provides home ownership counseling, financial access, and neighborhood development. Both organizations indicated there is a strong need for affordable housing, and even though the real estate sector has remained strong, there is a limited supply of affordable housing in the AA. Incomes are not increasing at the same rate of housing appreciation, pricing many families out of the market. There is also a need for additional small consumer loan options.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Phoenix-Mesa-Chandler MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	991	11.1	23.3	32.9	31.4	1.3
Population by Geography	4,407,915	10.6	23.5	33.7	31.9	0.3
Housing Units by Geography	1,832,045	9.4	23.9	35.6	31.1	0.1
Owner-Occupied Units by Geography	967,478	4.5	19.6	37.1	38.7	0.0
Occupied Rental Units by Geography	602,639	16.7	29.7	32.6	20.8	0.2
Vacant Units by Geography	261,928	10.7	26.4	36.5	26.3	0.1
Businesses by Geography	655,203	7.1	15.3	31.2	45.8	0.5
Farms by Geography	11,091	6.8	19.5	31.7	41.7	0.3
Family Distribution by Income Level	1,036,417	21.9	17.3	19.5	41.3	0.0
Household Distribution by Income Level	1,570,117	23.4	16.5	17.9	42.2	0.0
Median Family Income MSA - 38060 Phoenix-Mesa-Chandler, AZ MSA		\$63,686	Median Housing Value			\$197,320
			Families Below Poverty Level			12.5%
			Median Gross Rent			\$991
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

### Tucson MSA

The Tucson MSA is comprised of Pima County. Strong competition exists for financial services within the Tucson MSA. According to the June 30, 2020 FDIC Market Share Report, ZB ranked 6th out of the 20 depository financial institutions with \$800.9 million in deposits and 4.3 percent market share. The bank has seven full-service branches and seven deposit taking ATMs in the AA. Competition includes large national banks, large regional banks, and small state banks. The five largest competitors include Wells Fargo Bank, JPMorgan Chase Bank, Bank of America, BBVA USA, and Bank of the West. These competitors have deposits totaling \$15.3 billion, representing 81.7 percent of total deposit market share. ZB's deposits within the Tucson MSA account for 1.2 percent of bank wide deposits.

The bank's lending focus in the Tucson MSA is on small business and home mortgage loans. During the evaluation period, ZB originated 1,605 CRA small business loans totaling \$168.7 million within the AA. This represented 2.3 percent of the total number of bank wide small business loan originations and 2.1 percent of the total bank wide small business loan dollar volume. The bank originated 918 home mortgage loans in the AA during the evaluation period, totaling \$210.8 million. This represented 2.0 percent of the total number of bank wide home mortgage originations and 1.5 percent of the total bank wide home mortgage loan dollar volume.

Based on the information in Table A, low-income families earned up to \$28,729 in the AA. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30.0 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment was \$718 for low-income borrowers. Assuming a 30-year mortgage with a

4.0 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be \$825. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the poverty level are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above the poverty level. Median rents and the high percentage of families below the poverty level suggest rental housing is also unaffordable for many low-income residents. The 2020 poverty level was 13.3 percent compared to the 2019 national average of 10.5 percent reported by the US Census Bureau. These poverty levels had an impact on meeting basic financial needs and home mortgage lending.

Tucson is best known for its defense employers and military base, in addition to being a retiree destination. According to Moody's Analytics, top employers in the AA include Raytheon Missile Systems, University of Arizona, Davis-Monthan Air Force Base, Banner - University Medicine, and Freeport-McMoran Mine. Significant exports of the AA include a mix of other products, transportation equipment, and computer and electronic products. The population of the Tucson AA has continued its slow growth, with a 2019 positive net migration of 10,005 residents. Based on BLS data, the unemployment rate for the AA was 4.7 percent in January 2018, dropped to a low of 4.0 percent in May 2018, then reached a high of 13.9 percent in April 2020 due to the impact of the COVID-19 pandemic. As of December 31, 2020, the unemployment rate was 6.9 percent.

We utilized two community contacts in this AA. The first contact was a local non-profit economic development organization that assists schools to gain access to capital, provides down payment assistance to homeowners, and financing to small businesses. The other contact was a local non-profit organization that acquires vacant and distressed properties, rehabilitates them, and turns them into affordable rental properties. Both organizations indicated there is a strong need for affordable housing. There is also a need for bank loans, including micro-loans, with flexible interest rates, rate pricing, and underwriting.

<b>Assessment Area: Tucson MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	241	7.9	27.8	32.0	31.5	0.8
Population by Geography	998,537	9.1	27.1	31.2	32.1	0.5
Housing Units by Geography	446,769	8.8	27.1	31.6	32.4	0.1
Owner-Occupied Units by Geography	238,329	4.7	21.4	32.9	41.0	0.0
Occupied Rental Units by Geography	151,329	14.9	35.4	29.3	20.2	0.3
Vacant Units by Geography	57,111	10.0	28.4	32.1	29.4	0.1
Businesses by Geography	103,465	6.0	22.2	28.7	42.0	1.1
Farms by Geography	2,147	5.2	22.0	32.9	39.6	0.3
Family Distribution by Income Level	239,972	22.2	17.3	19.1	41.4	0.0
Household Distribution by Income Level	389,658	24.7	16.1	16.9	42.3	0.0
Median Family Income MSA - 46060 Tucson, AZ MSA		\$57,457	Median Housing Value			\$172,844

	Median Gross Rent	\$846
	Families Below Poverty Level	13.3%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>		

## Scope of Evaluation in Arizona

We are conducting full-scope reviews of the Phoenix MSA and the Tucson MSA (refer to appendix A for a list of all AAs). For ZB's performance in the lending test, we gave more weight to small business lending as compared to mortgage lending. We gave slightly more weight to the bank's performance in small business lending due to the volume of loan originations in the bank's AA's in Arizona. In the AAs, small farm lending was considered a primary loan product and was given much less weight than the other lending products due to the small number of farm loans. Between the full-scope areas, we gave more weight to the Phoenix MSA, due to the statewide proportion of loans, deposits, and branches.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ARIZONA

### LENDING TEST

The bank's performance under the Lending Test in Arizona is rated High Satisfactory.

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Phoenix MSA and Tucson MSA is good.

### Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
Arizona Non-MSA	652	901	37	16	1,606	10.7	16.2
Flagstaff MSA	433	643	7	11	1,094	7.3	7.1
Kingman MSA	464	299	7	2	772	5.1	4.3
Phoenix MSA	2,613	3,519	30	78	6,240	41.5	37.6
Prescott MSA	820	892	22	16	1,750	11.6	10.9
Sierra Vista MSA	158	163	6	8	335	2.2	4.9
Tucson MSA	918	1,605	14	41	2,578	17.1	13.3
Yuma MSA	285	364	15	4	668	4.4	5.6

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Arizona Non-MSA	\$99,563	\$82,762	\$2,845	\$11,077	\$196,247	7.1	16.2
Flagstaff MSA	\$106,241	\$55,493	\$343	\$5,568	\$167,645	6.1	7.1
Kingman MSA	\$62,161	\$17,272	\$287	\$195	\$79,915	2.9	4.3
Phoenix MSA	\$841,514	\$478,815	\$2,201	\$197,557	\$1,520,087	55.1	37.6
Prescott MSA	\$181,073	\$72,898	\$1,533	\$11,581	\$267,805	9.7	10.9
Sierra Vista MSA	\$16,037	\$12,628	\$75	\$5,997	\$34,737	1.3	4.9
Tucson MSA	\$210,799	\$168,731	\$412	\$26,665	\$407,607	14.7	13.3
Yuma MSA	\$43,995	\$37,051	\$1,642	\$1,898	\$84,586	3.1	5.6

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### Phoenix MSA

Lending levels reflect good responsiveness to AA credit needs.

According to the June 30, 2020 FDIC summary of deposit report, ZB had \$2.3 billion in deposits in the Phoenix AA. ZB had a 1.7 percent deposit market share in the AA. ZB's deposit market ranked 10<sup>th</sup> out of 59 deposit taking institutions. ZB's deposit market share ranked in the top 16.9 percent in the AA.

According to 2019 peer mortgage data, ZB had a 0.4 percent market share of home mortgage loan originations in the Phoenix MSA. ZB's market share of home mortgage loan originations was weaker than their deposit market share. ZB's market share of home mortgage loan originations ranked 66<sup>th</sup> out of 924 in mortgage lenders in the AA. The bank's market share of home mortgage loan originations was in the top 7.1 percent in the AA. The bank's market share ranking of home mortgage loan originations was stronger than the deposit market share ranking.

According to 2019 peer small business data, ZB had a 0.5 percent market share of small business loan originations in the Phoenix MSA. ZB's market share of small business loan originations was weaker than their deposit market share. The bank's market share of small business loan originations ranked 16<sup>th</sup> out of 219 small business lenders in the AA. The bank's market share of small business loan originations was in the top 7.3 percent of all small business lenders in the AA. The bank's market share ranking of small business loan originations was stronger than their deposit market share ranking. ZB had an 18.8 percent market share of small business loan volume in the AA.

According to 2019 peer small business data, ZB had a 0.4 percent market share of small farm loan originations in the Phoenix MSA. ZB's market share of small farm loan originations was weaker than their deposit market share. The bank's market share of small farm loan originations ranked 14<sup>th</sup> out of 30 small farm lenders in the AA. The bank's market share of small farm loan originations ranked in the top 46.7 percent of all small farm lenders in the Phoenix MSA. The bank's market share ranking of small farm loan originations was weaker than their deposit market share ranking.

### Tucson MSA

Lending levels reflect good responsiveness to AA credit needs.

According to the June 30, 2020 FDIC summary of deposit report, ZB had \$800.9 million in deposits in the Tucson MSA. ZB had a 4.3 percent deposit market share in the AA. The bank's deposit market share ranked sixth out of 20 deposit taking institutions in the Tucson MSA. ZB's deposit market share ranked in the top 30.0 percent in the AA.

According to 2019 peer mortgage data, ZB had a 0.6 percent market share of home mortgage loan originations in the AA. ZB's market share of home mortgage loan originations was weaker than their deposit market share. ZB's market share of home mortgage loan originations ranked 32<sup>nd</sup> out of 553 mortgage lenders in the AA. ZB's market share of home mortgage originations ranked in the top 5.8 percent of all home mortgage lenders. ZB's market share ranking of home mortgage loan originations was stronger than their deposit market share ranking.

According to 2019 peer small business data, ZB had a 0.9 percent market share of small business loan originations. ZB's market share of small business loan originations was weaker than their deposit market share. ZB's market share of small business loan originations ranked 14<sup>th</sup> out of 114 small business lenders in the AA. ZB's market share of small business loan originations ranked in the top 12.4 percent of all small business lenders in the AA. ZB's market share ranking of small business loan originations was stronger than their deposit market share ranking.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits an adequate geographic distribution of loans in its AAs.

#### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans is poor.

Refer to Table O in the state of Arizona section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

#### **Phoenix MSA**

The geographic distribution of home mortgage loans is poor. The proportion of bank home mortgage loans in low-income geographies was significantly below the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans in those geographies. The proportion of bank loans in moderate-income geographies was well below the percentage of owner-occupied housing and below the aggregate industry distributions of home mortgage loans in those geographies.

#### **Tucson MSA**

The geographic distribution of home mortgage loans is adequate. The proportion of bank home mortgage loans to low-income geographies is significantly below the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans to those geographies. The proportion of bank home mortgage loans in moderate-income geographies is below the percentage of owner-occupied housing and exceeded the aggregate industry distribution of home mortgage loans in those geographies.

***Small Loans to Businesses***

The overall geographic distribution of small loans to businesses is excellent.

Refer to Table Q in the state of Arizona section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

***Phoenix MSA***

The geographic distribution of small loans to businesses is excellent. The proportion of bank small loans to businesses in LMI geographies exceeded both, the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies.

***Tucson MSA***

The geographic distribution of small loans to businesses is excellent. The proportion of bank small loans to businesses in low-income geographies substantially meets the percentage of businesses and is near to the aggregate industry distribution small loans to businesses in those geographies. The proportion of small loans to businesses in moderate-income geographies exceeded both, the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies.

***Small Loans to Farms***

The overall geographic distribution of small loans to farms is poor.

Refer to Table S in the state of Arizona section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to farms.

***Phoenix MSA***

The geographic distribution of small loans to farms is poor. The bank did not originate any small loans to farms in low-income geographies. The proportion bank loans in low-income geographies was significantly below the percentage farms and aggregate industry distribution of small loans to farms in those geographies. The proportion of bank loans to farms in moderate-income geographies was well below the percentage of farms and significantly below the aggregate industry distribution of small loans to farms in those geographies.

***Lending Gap Analysis***

We reviewed supervisory data and other summary reports. We did not find any unexplained conspicuous gaps in the bank's lending.

**Distribution of Loans by Income Level of the Borrower**

The bank exhibits an adequate distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

***Home Mortgage Loans***

The overall borrower distribution of home mortgage loans is poor.

Refer to Table P in the state of Arizona section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

***Phoenix MSA***

The borrower distribution of home mortgage loans is poor. When determining our conclusions, we considered the impact on ZB performance as it relates to a low-income borrower's ability to afford a home at the median housing value in the AA. The proportion of bank home mortgage loans to low-income borrowers is significantly below the percentage of low-income families and well below the aggregate industry distribution of home mortgage to those borrowers. The proportion of home mortgage loans to moderate-income borrowers is well below the percentage of moderate-income families and below the aggregate industry distribution of home mortgage loans to those borrowers.

***Tucson MSA***

The borrower distribution of home mortgage loans is good. When determining our conclusions, we considered the impact on ZB performance as it relates to a low-income borrower's ability to afford a home at the median housing value in the AA. The proportion of bank loans to low-income borrowers is significantly below the percentage of low-income families and exceeds the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of bank loans to moderate-income borrowers is well below the percentage of moderate-income families and below the aggregate industry distribution of home mortgage loans to those borrowers.

***Small Loans to Businesses***

The overall borrower distribution of small loans to businesses is good.

Refer to Table R in the state of Arizona section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

***Phoenix MSA***

The borrower distribution of loans to small businesses by gross annual revenue is good. The proportion of bank small loans to businesses with revenues of \$1 million or less is well below the percentage of those businesses and exceeded the aggregate industry distribution of small loans to those businesses.

***Tucson MSA***

The borrower distribution of loans to small businesses by gross annual revenue is good. The proportion of bank small loans to businesses with revenues of \$1 million or less is well below the percentage of those businesses and exceeded the aggregate industry distribution of small loans to those businesses.

### ***Small Loans to Farms***

The overall borrower distribution of small loans to farms is good.

Refer to Table T in the state of Arizona section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

### **Phoenix MSA**

The borrower distribution of small loans to farms is good. The proportion of bank small loans to farms is well below the percentage of those farms and exceeds the aggregate industry distributions of small loans to those farms.

### **Community Development Lending**

The institution is a leader in making CD loans in the state of Arizona. CD lending had a significantly positive impact on the Lending Test rating.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

### **Phoenix MSA**

The volume of CD lending was excellent and had a significantly positive impact on the Lending Test performance in the Phoenix MSA. During the evaluation period, ZB originated 78 CD loans totaling \$197.6 million or 63.3 percent of allocated tier 1 capital. CD loans were responsive to identified community needs. By dollar volume, 40.1 percent funded revitalization and stabilization efforts, 36.9 percent funded community services, 10.1 percent funded economic development, and 12.9 percent funded affordable housing.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- The bank made a \$37.3 million loan for the redevelopment of an industrial site in a moderate-income CT in the Phoenix MSA. The loan was made to revitalize the LMI community in which the property was located by attracting or retaining businesses and residents.
- The bank made a \$25.5 million loan to a public-school district for the construction of a new elementary school in the Phoenix MSA. The loan serves the LMI youth of the community as the majority of the students in the school district are on the free and reduced school lunch program.
- The bank made a \$10.1 million loan to a local municipality for community services in the Phoenix MSA. The loan was used to purchase water conservation equipment and support the development, rehabilitation, improvement, and maintenance of community facilities that services a majority LMI community.
- ZB's participation in the PPP resulted in 29 CRA qualified SBA loans totaling \$17.8 million. These loans were made to qualified organizations and/or non-profits providing CD activities and services to LMI people in the Phoenix MSA.

Tucson MSA

The volume of CD lending was excellent and had a significantly positive impact on the Lending Test performance in the Tucson MSA. During the evaluation period, ZB originated 41 CD loans totaling \$26.7 million or 24.4 percent of allocated tier 1 capital. CD loans were responsive to identified community needs. By dollar volume, 23.4 percent funded revitalization and stabilization efforts, 37.2 percent funded community services, and 39.4 percent funded economic development.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- The bank made a \$6.4 million loan to finance essential community infrastructure in a majority LMI community in the Tucson MSA. The loan will fund the revitalization and rebuilding of community-wide infrastructure, community services, and community development activities.
- The bank originated a \$1.1 million loan under the SBA 504 Certified Development Company program that created jobs providing economic development for the Tucson MSA.
- The bank made a \$2.5 million loan to provide working capital to a health care center primarily serving LMI families and individuals in the Tucson MSA.
- ZB's participation in the PPP resulted in 12 CRA qualified SBA loans totaling \$8.9 million. These loans were made to qualified organizations and/or non-profits providing CD activities and services to LMI people in the Tucson MSA.

**Product Innovation and Flexibility**

ZB makes extensive use of innovative and/or flexible lending practices in serving its AAs credit needs. ZB's lending provided flexibility for small businesses and affordable housing. In response to the COVID-19 pandemic, ZB made 5,722 PPP loans totaling \$511.1 million in Arizona. ZB's PPP loans in LMI CTs accounted for 25.5 percent of its PPP originations. Additionally, ZB supported affordable housing through participation in numerous flexible home mortgage loan programs including those with down payment assistance, flexible underwriting, and reduced PMI. ZB made 65 innovative or flexible home mortgages totaling \$12.3 million. For a description of these products see the "Innovative and Flexible Product" section of the Overall Description of institution.

**Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Lending Test in the Kingman MSA, Prescott MSA, and Sierra Vista MSA is stronger than the bank's overall performance under the Lending Test in the full-scope areas. Performance in the Kingman MSA, Prescott MSA, and Sierra Vista MSA was stronger due to better geographical and borrower distribution of home mortgage loans. Based on limited-scope reviews, the bank's performance under the Lending Test in The Arizona Non-MSA, Flagstaff MSA, and Yuma MSA was consistent with the bank's overall performance under the Lending Test in the full-scope areas. Performance in the limited-scope areas had a neutral impact on the bank's overall Lending Test rating.

Refer to Tables O through T in the state of Arizona section of appendix D for the facts and data that support these conclusions.

## INVESTMENT TEST

The bank's performance under the Investment Test in Arizona is rated High Satisfactory.

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Phoenix MSA is good and Tucson MSA is excellent.

The institution has a significant level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits good responsiveness to credit and community economic development needs. The institution makes use of innovative and/or complex investments to support CD initiatives.

Qualified Investments 2018 – 2020										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Arizona Non-MSA	3	\$2,240	2	\$550	5	2.7	\$2,790	3.6	1	\$250
Flagstaff MSA	3	\$2,820	6	\$784	9	4.8	\$3,604	4.6	0	\$0
Kingman MSA	1	\$1,004	7	\$750	8	4.3	\$1,754	2.2	0	\$0
Phoenix MSA	11	\$4,050	76	\$17,524	87	46.5	\$21,574	27.6	1	\$501
Prescott MSA	3	\$2,036	8	\$3,469	11	5.9	\$5,505	7.0	0	\$0
Sierra Vista MSA	0	\$0	6	\$398	6	3.2	\$398	0.5	0	\$0
Tucson MSA	4	\$8,520	23	\$2,355	27	14.4	\$10,875	13.9	0	\$0
Yuma MSA	5	\$14,237	9	\$379	14	7.5	\$14,616	18.7	0	\$0
Arizona Statewide	18	\$16,594	2	\$503	20	10.7	\$17,097	21.9	2	1452

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

#### Phoenix MSA

The bank exhibits good responsiveness to community investment needs in the Phoenix MSA. ZB made 76 CD investments and grants totaling \$17.5 million during this evaluation period. Additionally, the community benefitted from the ongoing impact of 11 prior period CD investments totaling \$4.1 million. Current and prior period CD investments total \$21.6 million and are equivalent to 6.9 percent of allocated tier 1 capital. Investments that exhibit complexity and were responsive to community needs included investments in low-income housing tax credit (LIHTC) projects providing funding for 133 low-income housing units. Additional responsive CD investments included investments in small business loan pools and mortgage-backed securities. ZB's CD grants supported affordable housing, community services to LMI individuals, families, schools and communities, and grants to economic development organizations in the AA. ZB also has three unfunded commitments of qualified CD investments that will further benefit affordable housing for LMI individuals totaling \$4.6 million.

#### Tucson

The bank exhibits excellent responsiveness to community investment needs in the Tucson MSA. ZB made 23 current period CD investments and grants totaling \$2.4 million. Additionally, the community benefitted from the ongoing impact of four prior period CD investments totaling \$8.5 million. CD investments and grants total \$10.9 million and are equivalent to 9.9 percent of allocated tier 1 capital. ZB was able to respond to community needs by investing in activities that directly and positively impacted the AA, such as investing in a CDFI small business loan pool, providing funds to support job training for LMI individuals, and supporting affordable housing development, revitalization and community services to LMI individuals.

Statewide

The bank had 20 CD investments within the state of Arizona that could not be allocated to specific AAs. These statewide CD investments totaled \$17.1 million. Two current period investments supported a CDFI equity investment in a loan pool while the prior period investments supported affordable housing through mortgage-backed securities and SBICs providing small businesses with needed financing.

**Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, ZB’s performance under the Investment Test in the Flagstaff, Prescott and Yuma MSAs are stronger than Arizona’s overall High Satisfactory Investment Test performance due to higher levels of current period or outstanding prior period investments compared to allocated tier 1 capital. Performance in the Kingman MSA is consistent with the bank’s overall performance under the Investment Test in Arizona, while performance under the Investment Test in the Arizona Non-MSA and the Sierra Vista MSA were weaker than the bank’s overall performance in Arizona. Weaker performance was due to a smaller percentage of CD investments and grants compared to allocated tier 1 capital. Performance in limited-scope AAs had a neutral impact on the Investment Test rating.

**SERVICE TEST**

The bank’s performance under the Service Test in Arizona is rated High Satisfactory.

**Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank’s performance in the Phoenix MSA was good and performance in the Tucson MSA was adequate.

**Retail Banking Services**

Service delivery systems are accessible to geographies and individuals of different income levels in the institution’s AA. We gave more weight to performance in the Phoenix MSA as ZB has significantly more branches in this AA.

Distribution of Branch Delivery System				
	Deposits	Branches		Population
	% of Rated Area	% of Rated	Location of Branches by Income of Geographies (%)*	% of Population within Each Geography**

Assessment Area	Deposits in AA	# of BANK Branches	Area Branches in AA	Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Arizona Non-MSA	16.2	11	19.6	0.0	18.2	45.4	36.4	1.0	31.5	41.4	26.1
Flagstaff MSA	7.1	4	7.1	0.0	0.0	75.0	25.0	3.2	26.0	29.0	34.5
Kingman MSA	4.3	3	5.4	0.0	0.0	66.7	33.3	0.0	10.3	71.9	17.7
Phoenix MSA	37.6	17	30.4	0.0	23.5	35.3	41.2	10.6	23.5	33.7	31.9
Prescott MSA	10.9	7	12.5	0.0	42.8	28.6	28.6	0.0	24.4	57.2	18.4
Sierra Vista MSA	4.9	3	5.4	0.0	33.3	33.3	33.3	3.5	30.7	38.0	27.8
Tucson MSA**	13.3	7	12.5	0.0	14.3	42.8	28.6	9.1	27.1	31.2	32.1
Yuma MSA	5.6	4	7.1	0.0	50.0	0.0	50.0	0.0	32.9	42.0	24.8

\*May not equal 100.0 percent due to rounding,

\*\* May not equal 100.0 percent due to NA CTs

### Phoenix MSA

ZB has 17 branches in the AA with four located in moderate-income geographies. There are no branches in low-income CTs. The percentage of branches located in low-income CTs was significantly below the percentage of the population in these geographies. The percentage of branches in moderate-income CTs approximates the percentage of the population in these geographies. Eight branches located in middle- and upper-income geographies are near to LMI CTs. When determining the significance of near to branches, we considered bank data that supported significant use of those branches by people living in nearby LMI CTs. When considering these near to branches, performance improved in the AA.

The bank complements its traditional service delivery methods with alternative retail delivery systems, such as deposit-taking ATMs, online banking, and mobile banking. Deposit-taking ATMs are located at each branch facility. No significant weight was placed on these services, as no data was available to determine the impact on, or usage by, LMI individuals.

### Tucson MSA

ZB has seven branches in the AA with one located in a moderate-income geography. There are no branches in low-income CTs. The percentage of branches located in low-income CTs was significantly below the percentage of the population in these geographies. The percentage of branches in moderate-income CTs was below the percentage of the population in these geographies. Four branches located in middle- and upper-income geographies are near to LMI CTs. When determining the significance of near to branches, we considered bank data that supported significant use of those branches by people living in nearby LMI CTs. When considering these near to branches, performance improved in the AA.

The bank complements its traditional service delivery methods with alternative retail delivery systems, such as deposit-taking ATMs, online banking, and mobile banking. Deposit-taking ATMs are located at each branch facility. No significant weight was placed on these services, as no data was available to determine the impact on, or usage by, LMI individuals.

Distribution of Branch Openings/Closings						
Assessment Area	Branch Openings/Closings					
	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Arizona Non-MSA	0	0				
Flagstaff MSA	0	0				
Kingman MSA	0	1			-1	
Phoenix MSA	0	2			-1	-1
Prescott MSA	0	0				
Sierra Vista MSA	0	0				
Tucson MSA	0	0				
Yuma MSA	0	0				

To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. During the evaluation period, there were two branch closings in the Phoenix MSA in middle- and upper-income geographies due to the low number of transactions. No branches were opened or closed in the Tucson MSA during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA(s), particularly LMI geographies and/or individuals.

### **Community Development Services**

The institution provides an adequate level of CD services.

#### Phoenix MSA

CD services were effective and responsive in helping the bank address community needs. The bank conducted or supported a good level of CD services, consistent with its capacity and expertise. More than 60 employees provided their financial expertise to 16 different CD organizations totaling 1,951 hours during the evaluation period. Activities included Board and committee services, financial education, and fundraising. Included in these services are 1,061 hours where bank employees served in leadership roles.

Examples of CD Services:

- Employees supported a national financial literacy program by providing over 750 hours of instruction to students at a local elementary school that primarily serves LMI families and is located in a moderate-income census tract (CT). This included 138 hours in a leadership role as a Board member. The program focuses on the importance of saving money, job skills for specific careers, problem solving, and the value of science, technology, engineering, and math skills.

- Employees provided over 350 hours of financial services by serving on the Board of an economic development organization that supports small business growth and development.
- Employees provided over 80 hours of financial services to an affordable housing organization that helps LMI families buy building homes and providing financial literacy training. This included 36 hours in a leadership role as a Board member. Financial services included evaluating financial criteria of housing applicants and serving as Treasurer. Affordable housing is an identified need in the Phoenix MSA.
- Employees provided over 90 hours of financial services to an organization that helps families going through homelessness. This included 88 hours in leadership roles as a Board member, Committee Chair, and Treasurer. Assistance for homeless individuals and families is an identified need in the Phoenix MSA.

### Tucson MSA

ZB provided a low level of CD services in the AA. Two bank employees provided a total of 58 hours of CD services to two different organizations during the evaluation period. Another employee taught financial literacy at a local school that primarily serves LMI children.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Sierra Vista MSA and Arizona Non-MSA AAs is consistent with the bank's overall performance under the Service Test in the full-scope areas. Performance in the Prescott MSA and Yuma MSA is stronger than the bank's overall performance under the Service Test primarily due to overall excellent branch distribution. The bank's performance in the Flagstaff MSA and Kingman MSA is weaker than the bank's overall performance under the Service Test primarily due to very poor branch distribution in LMI CTs. Performance in limited-scope AA's had a neutral impact on the Service Test rating.

## State Rating

### State of California

**CRA rating for the State of California:** Outstanding

**The Lending Test is rated:** Outstanding

**The Investment Test is rated:** Outstanding

**The Service Test is rated:** High Satisfactory

The major factors that support this rating include:

- Lending levels reflect good responsiveness to community credit needs.
- The geographic and borrower distribution of loans is good.
- ZB is a leader in making CD loans. CD lending had a significantly positive impact on the Lending Test rating.
- Excellent level of CD investments that are responsive to community needs.
- Levels of CD services are good and delivery systems are reasonably accessible to LMI geographies and individuals.

### Description of Institution's Operations in California

ZB operates under the local brand name California Bank & Trust in the state of California. As of December 31, 2020, the bank had nine AAs within the state of California. These AAs include the counties of Kern in the Bakersfield MSA; Fresno in the Fresno MSA; Los Angeles and Orange in the Los Angeles-Long Beach-Anaheim MSA; Ventura in the Oxnard-Thousand Oaks-Ventura MSA; Riverside and San Bernardino in the Riverside-San Bernardino-Ontario MSA; Sacramento in the Sacramento-Roseville-Folsom MSA; San Diego in the San Diego-Chula Vista-Carlsbad MSA; Alameda, Contra Costa, San Francisco, and San Mateo in the San Francisco-Oakland-Hayward MSA ; and Santa Clara in the San Jose-Sunnyvale-Santa Clara MSA. The Los Angeles-Long Beach-Anaheim MSA, Oxnard-Thousand Oaks-Ventures MSA, and Riverside-San Bernardino-Ontario MSA combine to comprise the Los Angeles CSA. All the AAs meet the requirements of the regulation and do not arbitrarily exclude any LMI CTs. ZB offers a full range of loan and deposit products and services through the 85 full-service branches and 94 deposit taking ATMs located in California. According to the June 30, 2020 FDIC Market Share Report, ZB held \$14.2 billion in statewide deposits, ranking 19th, and representing a 0.8 percent deposit market share. During the evaluation period, 21.6 percent of total bank deposits and 19.6 percent of total bank loans were in California.

#### Fresno MSA

The Fresno MSA is comprised of Fresno County. Strong competition exists for financial services within the Fresno MSA. According to the June 30, 2020 FDIC Market Share Report, ZB ranked 11th out of the 23 depository financial institutions with \$535.3 million in deposits and a 3.1 percent market share. There are two full-service branches and two deposit taking ATMs in the AA. Competition includes large national banks, large regional banks, and small state banks. The five largest competitors include Wells

Fargo Bank, Bank of America, JPMorgan Chase Bank, MUFG Union Bank, and Bank of the West. These competitors have deposits totaling \$10.8 billion, representing 63.1 percent of total deposit market share. ZB's deposits within the Fresno MSA account for 0.8 percent of bank wide deposits.

The bank's lending focus in the Fresno MSA is on small business and home mortgage loans. During the evaluation period, ZB originated 672 CRA small business loans totaling \$80.6 million within the AA. This represented 1.0 percent of the total number of bank wide small business loan originations and 1.0 percent of the total bank wide small business loan dollar volume. The bank originated 172 home mortgage loans in the AA during the evaluation period, totaling \$50.9 million. This represented 0.4 percent of the total number of bank wide home mortgage originations and 0.4 percent of the total bank wide home mortgage loan dollar volume.

Table A shows that the percentages of owner-occupied housing units and businesses located in low-income geographies are low at 3.2 percent and 6.4 percent, respectively, while 25.3 percent of families in the AA are low-income.

The Fresno MSA has a high cost of housing relative to low-income borrowers. Based on the information in Table A, low-income families earned up to \$25,000 in the AA. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30.0 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment was \$625 for low-income borrowers. Assuming a 30-year mortgage with a 4.0 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be \$895. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the poverty level are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above the poverty level. Median rents and the high percentage of families below the poverty level suggest rental housing is also unaffordable for many low-income residents. The 2020 poverty level was 21.9 percent of families living below the poverty level, almost double the 2019 national average of 10.5 percent reported by the US Census Bureau. These levels had an impact on meeting basic financial needs and home mortgage lending.

Fresno is best known for its crucial agriculture industry, along with logistics companies and medical centers. According to Moody's Analytics, top employers in the AA include Community Medical Center, Ruiz Food Products Inc, Kaiser Permanente, Saint Agnes Medical Center, and California State University - Fresno. Significant exports of the AA include food and kindred products, a mix of other products, and machinery. The population of the Fresno MSA has fluctuated in recent years, with a 2019 net migration gain of 131 residents. Based on BLS data, the unemployment rate for the AA was 8.9 percent in January 2018, dropped to a low of 5.8 percent in September 2019, then reached a high of 17.1 percent in April 2020 due to the impact of the COVID-19 pandemic. As of December 31, 2020, the unemployment rate was 10.0 percent.

We utilized a community development listening session that included several non-profits and organizations that support minority small and startup businesses in the AA. The organizations identified the need for more flexible terms and underwriting for small business loans, and micro-loans for startup businesses. Also, home prices are increasing, leading to a need for affordable housing and down payment assistance.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Fresno MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	199	9.0	34.2	21.6	34.2	1.0
Population by Geography	956,749	8.5	33.6	23.2	34.0	0.7
Housing Units by Geography	321,955	7.6	31.8	22.7	37.7	0.2
Owner-Occupied Units by Geography	156,474	3.2	23.2	22.4	51.1	0.0
Occupied Rental Units by Geography	139,831	12.2	41.6	23.7	22.1	0.3
Vacant Units by Geography	25,650	9.5	30.4	19.1	40.7	0.3
Businesses by Geography	54,497	6.4	26.9	21.5	43.9	1.3
Farms by Geography	3,022	4.0	28.6	28.9	38.4	0.1
Family Distribution by Income Level	216,106	25.3	15.9	16.3	42.5	0.0
Household Distribution by Income Level	296,305	25.2	16.2	15.8	42.8	0.0
Median Family Income MSA - 23420 Fresno, CA MSA		\$49,999	Median Housing Value			\$187,549
			Families Below Poverty Level			21.9%
			Median Gross Rent			\$915
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

### Los Angeles CSA

The Los Angeles-Long Beach CSA (Los Angeles CSA) is made up of the Los-Angeles-Long Beach-Anaheim MSA, the Riverside-San Bernardino-Ontario MSA, and the Oxnard-Thousand Oaks-Ventura MSA. It encompasses a large portion of Southern California and includes the counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura. Strong competition exists for financial services within the Los Angeles CSA. According to the June 30, 2020 FDIC Market Share Report, ZB ranked 20th out of the 125 depository financial institutions with \$6.9 billion in deposits and a 0.9 percent market share. There are 42 full-service branches and 47 deposit taking ATMs in the AA. Competition includes large national banks, large regional banks, and small state banks. The five largest competitors include Bank of America, Wells Fargo Bank, JPMorgan Chase Bank, MUFG Union Bank, and CIT Bank. These competitors have deposits totaling \$456.5 billion, representing 59.7 percent of total deposit market share. ZB's deposits within the Los Angeles CSA account for 10.5 percent of bank wide deposits.

The bank's lending focus in the Los Angeles CSA is on small business and home mortgage loans. During the evaluation period, ZB originated 7,072 CRA small business loans totaling \$995.8 million within the AA. This represented 10.1 percent of the total number of bank wide small business loan originations and 12.2 percent of the total bank wide small business loan dollar volume. The bank originated 2,647 home mortgage loans in the AA during the evaluation period, totaling \$1.4 billion. This represented 5.7 percent of the total number of bank wide home mortgage originations and 9.5 percent of the total bank wide home mortgage loan dollar volume.

Table A shows that the percentages of owner-occupied housing units and businesses located in low-income geographies are low at 2.6 percent and 4.8 percent, respectively, while 23.9 percent of families in the AA are low-income. For moderate-income geographies, there are 18.6 percent of owner-occupied housing units and 20.1 percent of businesses, and 16.5 percent of families in the AA are moderate-income.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the poverty level are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above the poverty level. Median rents and the high percentage of families below the poverty level suggest rental housing is also unaffordable for many LMI residents. The 2020 poverty level was 13.1 percent compared to the 2019 national average of 10.5 percent reported by the US Census Bureau. These levels had an impact on meeting basic financial needs and home mortgage lending.

### Los Angeles County

Los Angeles County (LAC) makes up the Los Angeles-Long Beach-Glendale MD. Strong competition exists for financial services within Los Angeles County. According to the June 30, 2020 FDIC Market Share Report, ZB ranked 21st out of the 98 depository financial institutions with \$3.3 billion in deposits and a 0.6 percent market share. There are 24 full-service branches and 26 deposit taking ATMs in LAC. Competition includes large national banks, large regional banks, and small state banks. The five largest competitors include Bank of America, JPMorgan Chase Bank, Wells Fargo Bank, MUFG Union Bank, and CIT Bank. These competitors have deposits totaling \$312.5 billion, representing 59.8 percent of total deposit market share.

LAC has a high cost of housing relative to LMI borrowers. Based on the information in Table A, low-income families earned up to \$31,351 in LAC and moderate-income families earned up to \$50,162. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30.0 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment was \$783 for low- and \$1,254 for moderate-income borrowers. Assuming a 30-year mortgage with a 4.0 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the CSA median housing value would be \$2,146. Both low- and moderate-income borrowers would be challenged to afford a mortgage loan in LAC.

Los Angeles is best known as a tourist destination, but logistics and high-tech industries are also prevalent. According to Moody's Analytics, top employers in LAC include Cedars-Sinai Medical Center, Los Angeles International Airport, University of California Los Angeles, VXI Global Solutions, and The Walt Disney Company. Significant exports of LAC include a mix of other products, transportation equipment, and computer and electronic products. The population of LAC has continued its steady decline during recent years, with a 2019 net migration loss of 79,758 residents. Based on BLS data, the unemployment rate for LAC was 4.9 percent in January 2018, dropped to a low of 4.1 percent in April 2019, then reached a high of 18.8 percent in May 2020 due to the impact of the COVID-19 pandemic. As of December 31, 2020, the unemployment rate was 12.3 percent.

We utilized two community contacts in LAC. The first contact was a local non-profit housing organization that builds affordable housing communities where residents can achieve housing independence. The other contact was a community development financial institution that supports the creation of quality, affordable housing and invests in the economic development and educational

opportunities in their communities. Both organizations indicated there is a strong need for affordable housing. There is also a need for small business micro-loans and financial education.

### Orange County

Orange County (OC) makes up the Anaheim-Santa Ana-Irvine MD. Strong competition exists for financial services within Orange County. According to the June 30, 2020 FDIC Market Share Report, ZB ranked 13th out of the 75 depository financial institutions with \$3.0 billion in deposits and a 2.0 percent market share. There are 10 full-service branches and 11 deposit taking ATMs in OC. Competition includes large national banks, large regional banks, and small state banks. The five largest competitors include Bank of America, Wells Fargo Bank, JPMorgan Chase Bank, Pacific Premier Bank, and MUFG Union Bank. These competitors have deposits totaling \$91.3 billion, representing 59.4 percent of total deposit market share.

OC has a high cost of housing relative to LMI borrowers. Based on the information in Table A, low-income families earned up to \$43,001 in OC and moderate-income families earned up to \$68,802. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30.0 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment was \$1,075 for low- and \$1,720 for moderate-income borrowers. Assuming a 30-year mortgage with a 4.0 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the CSA median housing value would be \$2,146. Both low- and moderate-income borrowers would be challenged to afford a mortgage loan in OC.

Orange County is best known as a tourist destination, but high-tech industries and medical centers are also prevalent. According to Moody's Analytics, top employers in OC include the Disney Resorts, University of California Irvine, St. Joseph Health, Kaiser Permanente, and Target Brands Inc. The population of OC has continued its steady decline during recent years, with a 2019 net migration loss of 15,180 residents. Based on BLS data, the unemployment rate for OC was 3.3 percent in January 2018, dropped to a low of 2.5 percent in May 2018, then reached a high of 14.9 percent in May 2020 due to the impact of the COVID-19 pandemic. As of December 31, 2020, the unemployment rate was 7.4 percent.

We utilized two community contacts in OC. The first contact was a non-profit housing organization that provides expert finance and policy technical assistance to nonprofits and local governments to create and sustain affordable rental housing. The other contact was a certified development corporation that is a resource to small businesses in an effort to foster job creation and retention. Both organizations indicated there is a strong need for affordable housing due to a shortage of affordable single family and multifamily housing units. There is also a need for financial education and affordable banking products and services.

### Riverside MSA

The Riverside-San Bernardino-Ontario MSA (Riverside MSA) is comprised of the counties of Riverside and San Bernardino. Strong competition exists for financial services within the Riverside MSA. According to the June 30, 2020 FDIC Market Share Report, ZB ranked 16th out of the 40 depository financial institutions with \$525.5 million in deposits and 0.8 percent market share. There are seven full-service branches and nine deposit taking ATMs in the MSA. Competition includes large national banks, large regional banks, and small state banks. The five largest competitors include Bank of America,

Wells Fargo Bank, JPMorgan Chase Bank, U.S. Bank, and Citizens Business Bank. These competitors have deposits totaling \$46.5 billion, representing 71.6 percent of total deposit market share.

The Riverside MSA has a high cost of housing relative to LMI borrowers. Based on the information in Table A, low-income families earned up to \$30,754 in the MSA and moderate-income families earned up to \$49,206. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30.0 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment was \$769 for low- and \$1,230 for moderate-income borrowers. Assuming a 30-year mortgage with a 4.0 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the CSA median housing value would be \$2,146. Both low- and moderate-income borrowers would be challenged to afford a mortgage loan in the MSA.

The Riverside MSA is best known for its logistics and defense industries. According to Moody's Analytics, top employers in the MSA include Stater Brothers Markets, Arrowhead Regional Medical Center, U.S. Marine Corps Air Ground Combat Center, Fort Irwin, and Walmart Inc. Significant exports of the Riverside MSA include a mix of other products, miscellaneous manufacturing, and computer and electronic products. The population of the MSA has continued to increase during recent years, with a 2019 net migration gain of 12,721 residents. Based on BLS data, the unemployment rate for the Riverside MSA was 4.7 percent in January 2018, dropped to a low of 3.5 percent in May 2019, then reached a high of 15.2 percent in April 2020 due to the impact of the COVID-19 pandemic. As of December 31, 2020, the unemployment rate was 8.7 percent.

We utilized two community contacts in the Riverside MSA. The first contact was a county housing agency that develops, rehabilitates, and finances affordable housing programs. The other contact was a small business organization that strives to provide solutions or opportunities for all small businesses by offering consulting, training, and online courses to entrepreneurs and business owners. Both organizations indicated there is a strong need for affordable housing as property costs have increased and thereby caused rental rates to increase at a faster pace than inflation. There is also a need for additional small business lending as well as financial education given the MSA's ethnic diversity and growing Hispanic population.

### Ventura MSA

The Oxnard-Thousand Oaks-Ventura MSA (Ventura MSA) is comprised of Ventura County. Strong competition exists for financial services within the Ventura MSA. According to the June 30, 2020 FDIC Market Share Report, ZB ranked 20th out of the 22 depository financial institutions with \$54.9 million in deposits and 0.2 percent market share. There is 1 full-service branch and 1 deposit taking ATM in the MSA. Competition includes large national banks, large regional banks, and small state banks. The five largest competitors include Wells Fargo Bank, Bank of America, JPMorgan Chase Bank, Citibank, and MUFG Union Bank. These competitors have deposits totaling \$18.5 billion, representing 77.4 percent of total deposit market share.

The Ventura MSA has a high cost of housing relative to LMI borrowers. Based on the information in Table A, low-income families earned up to \$43,383 in the Ventura MSA and moderate-income families earned up to \$69,413. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30.0 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment was \$1,085 for low- and \$1,735 for moderate-income borrowers. Assuming a 30-year mortgage with a 4.0 percent interest rate, and not

considering any down payment, homeowner’s insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the CSA median housing value would be \$2,146. Both low- and moderate-income borrowers would be challenged to afford a mortgage loan in Ventura MSA.

The Ventura MSA is best known for its logistics and defense industries. According to Moody’s Analytics, top employers in the Ventura MSA include the Ventura Naval Base, Amgen Inc, Bank of America, WellPoint Health Networks Inc, and Community Memorial Hospital of San Buenaventura. Significant exports of the Ventura MSA include a mix of other products, machinery, and computer and electronic products. The population of the Ventura MSA has continued its steady decline during recent years, with a 2019 net migration loss of 5,053 residents. Based on U.S. Bureau of Labor Statistics (BLS) data, the unemployment rate for the Ventura MSA was 4.4 percent in January 2018, dropped to a low of 3.0 percent in May, then reached a high of 14.5 percent in April 2020 due to the impact of the COVID-19 pandemic. As of December 31, 2020, the unemployment rate was 7.4 percent.

We utilized one community contact with a local non-profit organization that promotes and enables philanthropy to improve the local community. The organization indicated there is a strong need for affordable housing for farmworkers and LMI resident, community social services to support the widening gap of income and education, and more food banks to assist the families requesting help every week.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Los Angeles-Long Beach-Anaheim CSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	3,925	8.1	28.5	28.6	33.2	1.6
Population by Geography	18,388,091	7.6	28.6	29.4	33.8	0.5
Housing Units by Geography	6,346,543	6.7	26.2	29.2	37.5	0.4
Owner-Occupied Units by Geography	3,074,292	2.6	18.6	30.8	47.9	0.1
Occupied Rental Units by Geography	2,780,656	11.3	34.6	27.1	26.4	0.6
Vacant Units by Geography	491,595	6.4	26.1	31.5	35.3	0.7
Businesses by Geography	1,610,138	4.8	20.1	27.1	46.5	1.6
Farms by Geography	20,051	3.9	20.9	31.7	43.0	0.6
Family Distribution by Income Level	4,090,774	23.9	16.5	17.6	42.0	0.0
Household Distribution by Income Level	5,854,948	25.3	15.6	16.5	42.6	0.0
Median Family Income MSA - 11244 Anaheim-Santa Ana-Irvine, CA		\$86,003	Median Housing Value			\$449,452
Median Family Income MSA - 31084 Los Angeles-Long Beach-Glendale, CA		\$62,703	Median Gross Rent			\$1,330
Median Family Income MSA - 37100 Oxnard-Thousand Oaks-Ventura, CA MSA		\$86,766	Families Below Poverty Level			13.1%
Median Family Income MSA - 40140 Riverside-San Bernardino-Ontario, CA MSA		\$61,507				

Source: 2015 ACS and 2020 D&B Data

Due to rounding, totals may not equal 100.0%

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

### San Diego MSA

The San Diego-Chula Vista-Carlsbad MSA (San Diego MSA) is comprised of San Diego County. Strong competition exists for financial services within the San Diego MSA. According to the June 30, 2020 FDIC Market Share Report, ZB ranked 6th out of the 48 depository financial institutions with \$4.5 billion in deposits and a 4.0 percent market share. There are 23 full-service branches and 26 deposit taking ATMs in the AA. Competition includes large national banks, large regional banks, and small state banks. The five largest competitors include Wells Fargo Bank, JPMorgan Chase Bank, Bank of America, MUFG Union Bank, and Axos Bank. These competitors have deposits totaling \$78.6 billion, representing 71.0 percent of total deposit market share. ZB's deposits within the San Diego MSA account for 6.8 percent of bank wide deposits.

The bank's lending focus in the San Diego MSA is on small business and home mortgage loans. During the evaluation period, ZB originated 4,586 CRA small business loans totaling \$655.8 million within the AA. This represented 6.6 percent of the total number of bank wide small business loan originations and 8.1 percent of the total bank wide small business loan dollar volume. The bank originated 1,164 home mortgage loans in the AA during the evaluation period, totaling \$541.8 million. This represented 2.5 percent of the total number of bank wide home mortgage originations and 3.8 percent of the total bank wide home mortgage loan dollar volume.

The San Diego MSA has a high cost of housing relative to LMI borrowers. Based on the information in Table A, low-income families earned up to \$37,590 and moderate-income families earned up to \$60,143. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30.0 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment was \$940 for low- and \$1,504 for moderate-income borrowers. Assuming a 30-year mortgage with a 4.0 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the CSA median housing value would be \$2,188. Both low- and moderate-income borrowers would be challenged to afford a mortgage loan in the San Diego MSA.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the poverty level are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above the poverty level. Median rents and the percentage of families below the poverty level suggest rental housing is also unaffordable for many low-income residents. The 2020 poverty level was 10.6 percent, compared to the 2019 national average of 10.5 percent reported by the US Census Bureau. These levels had an impact on meeting basic financial needs and home mortgage lending.

San Diego is best known for its high tech and defense industries, in addition to being a top vacation destination. According to Moody's Analytics, top employers in the AA include Marine Corps Base Camp Pendleton, University of California San Diego, Naval Base San Diego, Naval Base Coronado and North Island Naval Air Station, and Sharp HealthCare. Significant exports of the AA include a mix of other products, miscellaneous manufacturing, and computer and electronic products. Based on BLS data, the unemployment rate for the AA was 3.7 percent in January 2018, dropped to a low of 2.8 percent in

May 2019, then reached a high of 15.9 percent in April 2020 due to the impact of the COVID-19 pandemic. As of December 31, 2020, the unemployment rate was 8.0 percent.

We utilized two community contacts in this AA. The first contact was a joint city and county commission created to monitor local banking practices and recommend lending strategies that benefit LMI residents. The other contact was a local non-profit organization that builds and provides affordable apartment communities for LMI residents. Both organizations indicated a strong need for affordable housing both to purchase and rent. Affordable banking products and services for LMI individuals are also identified needs.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: San Diego-Carlsbad MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	628	9.7	22.6	32.5	34.1	1.1
Population by Geography	3,223,096	8.9	23.6	32.5	34.7	0.3
Housing Units by Geography	1,180,806	7.7	21.7	34.2	36.5	0.0
Owner-Occupied Units by Geography	579,079	2.8	15.1	35.5	46.6	0.0
Occupied Rental Units by Geography	515,078	13.1	28.8	32.8	25.2	0.0
Vacant Units by Geography	86,649	7.6	22.8	33.8	35.8	0.0
Businesses by Geography	302,002	5.5	14.9	34.8	44.6	0.2
Farms by Geography	5,749	4.2	17.6	37.8	40.4	0.0
Family Distribution by Income Level	731,328	23.6	16.9	17.8	41.7	0.0
Household Distribution by Income Level	1,094,157	24.8	15.7	17.1	42.4	0.0
Median Family Income MSA - 41740 San Diego-Chula Vista-Carlsbad, CA MSA		\$75,179	Median Housing Value			\$458,248
			Families Below Poverty Level			10.6%
			Median Gross Rent			\$1,404
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

### Scope of Evaluation in California

We are conducting full-scope reviews of the Fresno MSA, Los Angeles CSA, and San Diego MSA (refer to appendix A for a list of all AAs). For ZB’s performance in the Lending Test we gave more weight to small business lending as compared to mortgage lending. We gave more weight to small business lending due to the volume of loan originations in the bank’s AAs in California. Small farm lending was considered a primary loan product in the Los Angeles CSA and San Diego MSA. Small farm lending was given significantly less weight in the performance evaluation due to the limited number of loan originations compared to small business and home mortgage. Amongst the full-scope areas, we gave more weight to the Los Angeles CSA and the San Diego MSA, due to the statewide proportion of loans, deposits, and branches.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CALIFORNIA

### LENDING TEST

The bank's performance under the Lending Test in California is rated Outstanding.

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Los Angeles CSA and San Diego MSA is excellent and performance in the Fresno MSA is good.

### Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Bakersfield MSA	32	110	4	1	147	0.7	0.3
Fresno MSA	172	672	14	8	866	4.4	3.8
Los Angeles CSA	2,647	7,072	26	144	9,889	50.1	48.7
Sacramento MSA	98	497	2	25	622	3.1	3.0
San Diego MSA	1,164	4,586	32	128	5,910	29.9	31.4
San Francisco CSA	767	1,504	5	38	2,314	11.7	12.7

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Bakersfield MSA	\$6,607	\$8,310	\$289	\$16	\$15,222	0.3	0.3
Fresno MSA	\$50,990	\$80,619	\$1,785	\$9,363	\$142,757	2.6	3.8
Los Angeles CSA	\$1,356,308	\$995,775	\$2,824	\$380,829	\$2,735,736	50.2	48.7
Sacramento MSA	\$29,378	\$66,154	\$145	\$70,312	\$165,989	3.0	3.0
San Diego MSA	\$541,846	\$655,838	\$2,838	\$249,687	\$1,450,209	26.6	31.4
San Francisco CSA	\$407,262	\$207,020	\$916	\$325,570	\$940,768	17.3	12.7

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### Fresno MSA

Lending levels reflect good responsiveness to AA credit needs.

According to the June 30, 2020 FDIC Deposit Market Share Report, ZB had \$535.3 million in deposits with a 3.1 percent deposit market share in the Fresno MSA. ZB's deposit market share ranked 11<sup>th</sup> out of 23 and ranked in the top 47.8 percent of deposit taking institutions in the AA.

According to 2019 peer mortgage data, ZB had a 0.3 percent market share of home mortgage loan originations. ZB's market share of home mortgage loan originations was weaker than their deposit market share. ZB had home mortgage loan origination market share ranked 70<sup>th</sup> out of 494 home mortgage lenders. ZB's home mortgage loan origination market share ranking was in the top 14.2 percent in the AA. The bank's market share ranking of home mortgage loan originations was stronger than their deposit market share ranking.

According to 2019 peer small business data, ZB had 0.4 percent market share of small business loan originations. ZB's market share of small business loan originations was weaker than their deposit market share. ZB's market share of small business loan originations ranked 33<sup>rd</sup> out of 108 lenders in the AA. ZB's market share of small business loan originations ranked in the top 30.6 percent of all lenders in the AA. The bank's market share ranking of small business loan originations was stronger than their deposit market share ranking.

#### Los Angeles MSA

Lending levels reflect good responsiveness to AA credit needs.

According to the June 30, 2020 FDIC Deposit Market Share Report, ZB had \$6.9 billion in deposits with a 0.9 percent deposit market share in the Los Angeles CSA. ZB's deposit market share ranked 20<sup>th</sup> out of 125 and ranked in the top 16.0 percent of all deposit taking institutions in the AA.

According to 2019 peer mortgage data, ZB had a 0.1 percent market share of home mortgage loan originations. ZB's market share of home mortgage loan originations was weaker than their deposit market share. ZB had home mortgage loan origination market share ranked 120<sup>th</sup> out of 991 home mortgage lenders. ZB's home mortgage loan origination market share ranking was in the top 12.1 percent in the AA. The bank's market share ranking of home mortgage loan originations was stronger than their deposit market share ranking.

According to 2019 peer small business data, ZB had 0.2 percent market share of small business loan originations. ZB's market share of small business loan originations was weaker than their deposit market share. ZB's market share of small business loan originations ranked 36<sup>th</sup> out of 274 lenders in the AA. ZB's market share of small business loan originations ranked in the top 13.1 percent of all lenders in the AA. The bank's market share ranking of small business loan originations was stronger than their deposit market share ranking.

#### San Diego MSA

Lending levels reflect good responsiveness to AA credit needs.

According to the June 30, 2020 FDIC Deposit Market Share Report, ZB had \$4.5 billion in deposits with a 4.0 percent deposit market share in the San Diego MSA. ZB's deposit market share ranked sixth out of 48 and ranked in the top 12.5 percent of all deposit taking institutions in the AA.

According to 2019 peer mortgage data, ZB had a 0.3 percent market share of home mortgage loan originations. ZB's market share of home mortgage loan originations was weaker than their deposit market share. ZB had home mortgage loan origination market share ranked 60<sup>th</sup> out of 731 home mortgage lenders. ZB's home mortgage loan origination market share ranking was in the top 8.2 percent in the AA. The bank's market share ranking of home mortgage loan originations was stronger than their deposit market share ranking.

According to 2019 peer small business data, ZB had 0.6 percent market share of small business loan originations. ZB's market share of small business loan originations was weaker than their deposit market share. ZB's market share of small business loan originations ranked 14<sup>th</sup> out of 161 lenders in the AA. ZB's market share of small business loan originations ranked in the top 8.7 percent of all lenders in the AA. The bank's market share ranking of small business loan originations was stronger than their deposit market share ranking.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits a good geographic distribution of loans in its AAs.

#### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans is adequate.

Refer to Table O in the state of California section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

#### **Fresno MSA**

The geographic distribution of home mortgage loans is very poor. The proportion of bank loans in LMI geographies was significantly below the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans to those geographies.

#### **Los Angeles CSA**

The geographic distribution of home mortgage loans was adequate. More weight was given to performance in moderate-income CTs due to the low percentage of owner-occupied housing in low-income CTs. The proportion of bank loans in low-income geographies was well-below the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans to those geographies. The proportion of bank loans in moderate-income geographies was below the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans to those geographies.

#### **San Diego MSA**

The geographic distribution of home mortgage loans was adequate. The proportion of bank loans in low-income geographies was somewhat below the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans to those geographies. The proportion of bank loans in moderate-income geographies was below the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans to those geographies.

***Small Loans to Businesses***

The geographical distribution of small loans to businesses is excellent.

Refer to Table Q in the state of California section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

***Fresno MSA***

The geographical distribution of small loans to businesses is good. The proportion of bank loans in low-income geographies was near to the percentage of businesses and exceeded the aggregate industry distribution of small loans to businesses in those geographies. The proportion of bank loans in moderate-income geographies was somewhat below the percentage of businesses and near to the aggregate industry distribution of small loans to businesses in those geographies.

***Los Angeles CSA***

The geographical distribution of small loans to businesses is excellent. The proportion of bank loans in LMI geographies exceeded both, the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies.

***San Diego CSA***

The geographical distribution of small loans to businesses is excellent. The proportion of bank loans in low-income geographies approximates the percentage of businesses and exceeded the aggregate industry distribution of small loans to businesses in those geographies. The proportion of bank loans in moderate-income geographies exceeded both, the percentage of businesses and aggregate industry distribution of small loans to businesses in those geographies.

***Small Loans to Farms***

The geographical distribution of small loans to farms is good.

Refer to Table S in the state of California section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to farms.

***Los Angeles CSA***

The geographical distribution of small loans to farms is excellent. The proportion of bank loans in LMI geographies exceeded both, the percentage of farms and the aggregate industry distribution of small loans to farms in those geographies.

***San Diego MSA***

The geographical distribution of small loans to farms is adequate. We gave more weight to performance in moderate-income CTs due to the small overall number of farms in low-income CTs. The bank did not originate any loans in low-income geographies. The proportion of bank loans in low-income geographies was significantly below the percentage of farms and the aggregate industry distribution of small loans to farms in those geographies. The proportion of bank loans in moderate-income

geographies was well below the percentage of farms and approximates the aggregate industry distribution of small loans to farms in those geographies.

### ***Lending Gap Analysis***

We reviewed supervisory data and other summary reports. We did not find any unexplained conspicuous gaps in the bank's lending.

### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits a good distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

### ***Home Mortgage Loans***

The borrower distribution of home mortgage loans is adequate.

Refer to Table P in the state of California section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

### **Fresno MSA**

The borrower distribution of home mortgage loans is poor. When determining our ratings, we considered the relative high housing costs compared to low-income families in this AA. The relative high housing costs in this AA somewhat impacts a low-income borrower's ability to qualify for a home mortgage. The proportion of bank mortgage loans to low-income borrowers was significantly below the percentage of low-income families and well below the aggregate industry distribution of mortgage loans to low-income borrowers. The proportion of bank mortgage loans to moderate-income families was well below the percentage of moderate-income families and aggregate industry distribution of mortgage loans to moderate-income borrowers.

### **Los Angeles CSA**

The borrower distribution of home mortgage loans is adequate. When determining our ratings, we considered the relative high housing costs compared to LMI families in this AA. The relative high housing costs in this AA somewhat impacts a LMI borrower's ability to qualify for a home mortgage. The proportion of bank mortgage loans was significantly below the percentage of low-income families and near to the aggregate industry distribution of mortgage loans to low-income borrowers. The proportion bank loans to moderate-income borrowers was significantly below the percentage of moderate-income families and well below the aggregate industry distribution of mortgage loans to moderate-income borrowers.

### **San Diego MSA**

The borrower distribution of home mortgage loans is good. When determining our ratings, we considered the relative high housing costs compared to LMI families in this AA. The relative high housing costs in this AA somewhat impacts a LMI borrower's ability to qualify for a home mortgage. The percentage of bank mortgage loans was significantly below the percentage of low-income families and exceeded the aggregate industry distribution of mortgage loans to low-income borrowers. The

percentage of bank mortgage loans to moderate-income borrowers is significantly below the percentage of moderate-income families and near to the aggregate industry distribution of mortgage loans to those borrowers.

***Small Loans to Businesses***

The bank exhibits a good borrower distribution of small loans to businesses with revenues less than \$1 million.

Refer to Table R in the state of California section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

*Fresno MSA*

The bank has a good borrower distribution of small loans to businesses. The proportion of bank loans to businesses with revenues less than \$1 million was well below the percentage of those businesses and exceeded the aggregate industry distribution of small loans to businesses with revenues less than \$1 million.

*Los Angeles MSA*

The bank has a good distribution of small loans to businesses. The proportion of bank loans to businesses with revenues less than \$1 million was well below the percentage of those businesses and approximates the aggregate industry distribution of small loans to businesses with revenues less than \$1 million.

*San Diego MSA*

The bank has a good distribution of small loans to businesses. The proportion of bank loans to businesses with revenues less than \$1 million was well below the percentage of those businesses and substantially meets the aggregate industry distribution of small loans to businesses with revenues less than \$1 million.

***Small Loans to Farms***

The bank exhibits a good borrower distribution of small loans to small farms.

Refer to Table T in the state of California section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

*Los Angeles CSA*

The bank exhibits a good borrower distribution of small loans to small farms. The proportion of bank loans to small farms was significantly below the percentage of those farms and substantially meets the aggregate industry distribution of small loans to small farms.

*San Diego*

The bank exhibits a good borrower distribution of small loans to small farms. The proportion of bank loans to small farms was significantly below the percentage of those farms and was somewhat near to the aggregate industry distribution of small loans to small farms.

### **Community Development Lending**

The institution is a leader in making CD loans in the state of California.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

#### Fresno MSA

The volume of CD lending was excellent and had a significantly positive impact on the Lending Test performance in the Fresno MSA. During the evaluation period, ZB originated eight CD loans totaling \$9.4 million or 19.5 percent of allocated tier 1 capital. CD loans were responsive to identified community needs. By dollar volume, 51.5 percent funded community services, 38.7 percent funded economic development, and 9.8 percent funded affordable housing.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- The bank originated a \$5.6 million loan to fund the purchase of two properties that will be converted into charter school in the Fresno MSA. The loan serves the LMI youth of the community as the majority of the students in the school district are on the free and reduced school lunch program.
- The bank originated two loans totaling \$2.1 million for the purchase of commercial real estate under the SBA 504 Certified Development Company program that created jobs providing economic development for the Fresno MSA.
- The bank originated a \$1.1 million loan to fund the purchase of a 22-unit multi-family housing apartment complex with all units renting at less than the HUD Fair Market Rent. The property is located in a moderate-income CT.
- ZB's participation in the PPP resulted in four CD loans totaling \$451 thousand. These loans were made for a qualified CD purpose and/or to non-profits providing CD activities and services to LMI people in the Fresno MSA.

#### Los Angeles CSA

The volume of CD lending was excellent and had a significantly positive impact on the Lending Test performance in the Los Angeles CSA. During the evaluation period, ZB originated 144 CD loans totaling \$380.8 million or 58.8 percent of allocated tier 1 capital. CD loans were responsive to identified community needs, particularly affordable housing. By dollar volume, 13.6 percent funded revitalization and stabilization efforts, 16.0 percent funded community services, 27.5 percent funded economic development, and 42.9 percent funded affordable housing.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- The bank originated a \$31.3 million loan to fund the purchase and renovation of a 406-unit multi-family housing apartment complex with all units renting at less than the HUD Fair Market Rent. The property is located in a moderate-income census tract.
- The bank originated a \$21.6 million loan to fund the construction of a 52-unit LIHTC housing project for homeless transitional age youth families, low-income families, and military veteran families. The property is located in a low-income census tract.
- The bank originated a \$15.1 million loan to fund the purchase of three properties that will be converted into a charter school in the Los Angeles CSA. The loan serves the LMI youth of the community as the majority of the students in the school district are on the free and reduced school lunch program.
- ZB's participation in the PPP resulted in 22 CD loans totaling \$16.4 million. These loans were made for a qualified CD purpose and/or to non-profits providing CD activities and services to LMI people.

### San Diego MSA

The volume of CD lending was excellent and had a significantly positive impact on the Lending Test performance in the San Diego MSA. During the evaluation period, ZB originated 128 CD loans totaling \$249.7 million or 64.8 percent of allocated tier 1 capital. CD loans were responsive to identified community needs, particularly affordable housing. By dollar volume, 3.4 percent funded revitalization and stabilization efforts, 35.2 percent funded community services, 13.6 percent funded economic development, and 47.8 percent funded affordable housing.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- The bank originated a \$30.0 million loan to fund the construction of a combined retail and multifamily residential project with all units renting at less than the HUD Fair Market Rent.
- The bank funded 50.0 percent of a \$57.0 million loan for the development of a 239 multi-family housing apartment complex with all units priced as affordable housing.
- The bank funded a \$12.0 million loan to fund the purchase and rehabilitation of a 77-unit apartment complex with all units renting at less than the HUD Fair Market Rent. The property is located in a moderate-income census tract.
- ZB's participation in the PPP resulted in 31 CD loans totaling \$23.1 million. These loans were made for a qualified CD purpose and/or to non-profits providing CD activities and services to LMI people.

### **Product Innovation and Flexibility**

ZB makes extensive use of innovative and/or flexible lending practices in serving its AAs credit needs. ZB's lending provided flexibility for small businesses and affordable housing. In response to the COVID-19 pandemic, ZB made 10,403 PPP loans totaling \$1.1 billion in California. ZB's PPP loans in LMI CTs accounted for 24.8 percent of the PPP originations. Additionally, ZB supported affordable

housing through participation in numerous flexible home mortgage loan programs including those with down payment assistance, flexible underwriting, and reduced PMI. ZB made 83 innovative or flexible home mortgages totaling \$26.3 million. For a description of these products see the “Innovative and Flexible Product” section of the Overall Description of institution.

## Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank’s performance under the Lending Test in the Bakersfield MSA, Sacramento MSA, and San Francisco CSA was consistent with the bank’s overall performance under the Lending Test in the full-scope areas. Performance in the limited-scope areas had a neutral impact on the bank’s overall Lending Test.

Refer to Tables O through T in the state of California section of appendix D for the facts and data that support these conclusions.

## INVESTMENT TEST

The bank’s performance under the Investment Test in California is rated Outstanding.

## Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank’s performance in the Los Angeles CSA and San Diego MSA is excellent and performance in the Fresno MSA is adequate.

The institution has an excellent level of qualified CD investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits excellent responsiveness to credit and community economic development needs. The institution makes extensive use of innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Bakersfield MSA	0	\$0	6	\$506	6	1.8	\$506	0.4	1	\$251
Fresno MSA	0	\$0	5	\$2,508	5	1.5	\$2,508	1.9	0	\$0
Los Angeles CSA	20	\$19,437	125	\$29,389	145	43.0	\$48,826	36.4	1	\$3,579
Sacramento MSA	2	\$567	23	\$3,212	25	7.4	3,779	2.8	2	\$15
San Diego MSA	8	\$6,405	80	\$21,702	88	26.1	\$28,107	21.0	1	\$952
San Francisco CSA	8	\$5,583	35	\$14,233	43	12.8	\$19,816	14.8	1	\$1,237
California Statewide	25	\$30,514	0	\$0	25	7.4	\$30,514	22.8	3	\$2,693

\* Prior Period Investments’ means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments’ means legally binding investment commitments that are tracked and recorded by the institution’s financial reporting system.

### Fresno MSA

The bank exhibits adequate responsiveness to community investment needs in the Fresno MSA. ZB made only five investments and grants totaling \$2.5 million during this evaluation period. There were no

prior period investments outstanding. CD investments and grants total \$2.5 million are equivalent to 5.2 percent of allocated tier 1 capital. Bank CD investments were responsive to affordable housing needs. ZB made a \$2.2 million CD investment for a 28-unit low-income housing project being developed in a low-income CT that will benefit affordable housing. The bank's CD grants supported affordable housing and community services to LMI persons.

### Los Angeles CSA

The bank exhibits excellent responsiveness to community investment needs in the Los Angeles CSA. ZB made 125 current period CD investments and grants totaling \$29.4 million. Additionally, the community benefitted from the ongoing impact of 20 prior period investments totaling \$19.4 million. CD investments and grants total \$48.8 million and are equivalent to 7.5 percent of allocated tier 1 capital. ZB was able to respond to community needs, with complex CD investments, by investing in activities that directly and positively impacted the AA, such as investing in various LIHTCs that provided funding for nearly 700 low-income housing units. In addition, they provided equity investments in CDFIs to support small business lending. Grants and donations supported affordable housing and community service organizations. Funds were provided to improve economic development through start-up business grants and assisted other organizations with revitalization efforts in LMI areas by assisting with loan programs for home repair.

### San Diego MSA

The bank exhibits excellent responsiveness to community investment needs in the San Diego MSA. ZB made 80 current period CD investments and grants totaling \$21.7 million during this evaluation period. Additionally, the community benefitted from the ongoing impact of eight prior period investments totaling \$6.4 million. Current and prior period CD investments and grants total \$28.1 million and are equivalent to 7.4 percent of allocated tier 1 capital. Investments that demonstrated complexity and responsiveness to community needs included investments in LIHTC projects providing funding for low-income housing units. CD investments in small business loan pools and mortgage-backed securities were responsive to economic development and affordable housing needs. The bank's CD grants supported affordable housing, community services to LMI individuals, families, schools and communities and grants to economic development organizations in the AA. ZB also has unfunded commitments of qualified CD investments that will further benefit affordable housing totaling \$952 thousand.

### Statewide

The bank had 25 prior period CD investments within the state of California that could not be allocated to specific AAs. These statewide CD investments total \$30.5 million, the majority of which support affordable housing through mortgage-backed securities and SBICs providing small businesses with needed financing. There were no current period investments that were not allocated to specific AAs in California. Statewide performance had a neutral impact on the Investment Test rating.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, ZB's performance under the Investment Test in the Sacramento MSA and the San Francisco CSA are consistent with the state of California's overall Outstanding Investment Test. Performance in the Bakersfield MSA was weaker than the bank's overall performance in

California due to a smaller percentage of CD investments and grants compared to allocated tier 1 capital. Performance in the limited-scope AAs had a neutral impact on the Investment Test Rating.

**SERVICE TEST**

The bank’s performance under the Service Test in California is rated High Satisfactory.

**Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank’s performance in the Los Angeles CSA and San Diego MSA was good. Performance in the Fresno MSA was poor. The excellent level of community development services in the Los Angeles CSA had a positive impact on its performance under the Service Test.

**Retail Banking Services**

Service delivery systems are reasonably accessible to portions of the AA, particularly LMI geographies and/or LMI individuals. We gave more weight to performance in the Los Angeles CSA and San Diego MSA as ZB has significantly more branches in these AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Bakersfield MSA	0.3	1	1.2	0.0	0.0	100.0	0.0	9.7	23.3	31.8	33.0
Fresno MSA	3.8	2	2.4	0.0	0.0	0.0	100.0	8.5	33.6	23.2	34.0
Los Angeles CSA *	48.7	42	49.4	4.8	7.1	40.5	45.2	7.6	28.6	29.4	33.8
Sacramento MSA	3.0	3	3.5	0.0	33.3	66.7	0.0	12.8	28.9	34.3	23.9
San Diego MSA	31.4	23	27.1	4.3	17.4	43.5	34.8	8.9	23.6	32.5	34.7
San Francisco CSA	12.7	14	16.5	14.3	14.3	35.7	35.7	10.9	21.7	33.6	33.5

\*Does not equal 100.0 percent due to NA CTs.

Fresno MSA

ZB has two branches in the AA; all are located in middle- and upper-income CTs. The percentage of branches in LMI CTs was significantly below the percentage of the population in these geographies.

Los Angeles CSA

ZB has 42 branches in the AA with two located in low-income CTs and three located in moderate-income CTs. The percentage of branches in low-income CTs was below the percentage of population in these geographies. The percentage of branches in moderate-income CTs was significantly below the

percentage of the population in these geographies. Seven branches located in middle- and upper-income geographies are near to LMI CTs. When determining the significance of near to branches, we considered bank data that supported significant use of those branches by people living in nearby LMI CTs. When considering these near to branches, performance improved in the AA. In addition, as a result of the 2015 American Community Survey (ACS) Census changes, two branches moved from moderate- to middle-income CTs and one branch moved from a low- to upper-income CT.

San Diego MSA

ZB has 23 branches in the AA with one located in a low-income CT and four located in moderate-income CTs. The percentage of branches in low-income CTs was significantly below the percentage of population in these geographies. The percentage of branches in moderate-income CTs was near-to the percentage of the population in these geographies. Four branches located in middle- and upper-income geographies are near to LMI CTs. When determining the significance of near to branches, we considered bank data that supported significant use of those branches by people living in nearby LMI CTs. When considering these near to branches, performance improved in the AA.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Bakersfield MSA	0	0				
Fresno MSA	0	0				
Los Angeles CSA	0	5	-1		-1	-3
Sacramento MSA	0	1			-1	
San Diego MSA	0	1				-1
San Francisco CSA	1	1				

To the extent changes have been made, the institution’s opening and closing of branches has adversely affected the accessibility of its delivery systems, particularly in LMI geographies and to LMI individuals.

Fresno MSA

During the evaluation period, there were no branch openings or closings.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AAs, particularly LMI geographies and/or individuals. Banking hours are the same for all branch locations in the Fresno MSA.

### Los Angeles CSA

During the evaluation period, there were five branch closings. ZB closed one branch in a low-income CT in August 2018 due to the space being too large for business needs, the ability of nearby branches to meet customer needs, and another branch location 2.9 miles away to service customers. This branch closure adversely affected accessibility of the bank's delivery systems in LMI geographies and to LMI individuals. Additional closures included one branch in a middle-income CT and three branches in upper-income CTs. There was also one branch relocation within a 1,000-foot radius due to an expired lease with no renewal option. Both locations were in the same upper-income CT.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AAs, particularly LMI geographies and/or individuals. Banking hours are the same for all branch locations in the Fresno MSA.

In the Los Angeles CSA, most branches have the same banking hours closing at 5:00 p.m. Monday – Thursday and at 6 p.m. on Friday. Some branch lobbies close earlier on Fridays, including one in a moderate-income CT, five in upper-income CTs, and four in middle-income CTs. The moderate-income branch that closes early on Fridays has a drive-up facility that stays open until 6:00 p.m.

### San Diego MSA

During the evaluation period, there was one branch closing. ZB closed one branch in an upper-income CT in March 2020 due to the low number of transactions. There was also one branch relocation within a 1,000-foot radius. The bank moved from a leased facility to a bank-owned building.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AAs, particularly LMI geographies and/or individuals. Banking hours are the same for all branch locations in the Fresno MSA.

In the San Diego MSA, most branches have the same banking hours from 9:00 a.m. to 5:00 p.m. Monday – Friday. Four branches close at 6:00 p.m., including one in a moderate-income CT, two in middle-income CTs, and one in an upper-income CT. Three branches open at 8:30 a.m., including one each in a moderate-, middle-, and upper-income CT.

## **Community Development Services**

The institution provides a relatively high level of CD services.

### Fresno MSA

ZB provided an adequate level of CD services. Four out of 16 employees provided a total of 34 hours of CD services to four different organizations during the evaluation period. Activities included Board and committee services, and financial education. Included in these services are nine hours where bank employees served in leadership roles. Employees supported financial literacy by providing 25 hours of

instruction to youth from LMI families. The remaining CD services helped support organizations that primarily support small businesses and LMI youth.

### Los Angeles CSA

CD services were effective and responsive in helping the bank address community needs. ZB conducted or supported an excellent level of CD services, consistent with its capacity and expertise. Sixty employees provided their financial expertise to 41 different organizations totaling 2,162 hours during the evaluation period. Included in these services are 350 hours where bank employees served in leadership roles. Activities focused on community services to LMI individuals. ZB also provided services to organizations that help provide affordable housing and services to small businesses.

#### Examples of CD Services:

- Employees provided over 1,000 hours through the IRS's Volunteer Income Tax Assistance program to provide over 950 hours of free tax preparation services for low- and moderate-income individuals and families. ZB worked with a moderate-income neighborhood organization and a community development organization to provide these services.
- Employees supported a national financial literacy program by providing over 400 hours of instruction to LMI youth and young adults. The program focuses on the importance of saving money, job skills for specific careers, problem solving, and the value of science, technology, engineering, and math skills.
- Employees provided over 70 hours to a CDFI that focuses on affordable housing and small business lending. Financial services included serving as Board and committee members, including the loan committee and as chairperson of the local advisory committee.

### San Diego MSA

ZB conducted or supported a good level of CD services, consistent with its capacity and expertise. Thirty-six employees provided their financial expertise to 24 different organizations totaling over 903 hours during the evaluation period. Included in these services are 548 hours where bank employees served in leadership roles. Activities focused on community services to LMI individuals. ZB also provided services to organizations that help provide affordable housing and services to small businesses.

#### Examples of CD Services:

- Employees provided over 290 hours as Board and committee members to an organization that primarily supports LMI youth in becoming productive and responsible citizens.
- Employees supported a national financial literacy program by providing over 100 hours of instruction to youth in school that primarily serve LMI families. The program focuses on the importance of saving money, job skills for specific careers, problem solving, and the value of science, technology, engineering, and math skills.
- Employees provided 65 hours of financial services to an organization that serves at-risk children by serving as Board and committee members.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the San Francisco MSA AA is consistent with the bank's overall performance under the Service Test in the full-scope areas. Performance in the Bakersfield MSA and Sacramento MSA AAs is weaker than the bank's overall performance under the Service Test primarily due to the limited analyses performed in these areas and the level of CD services. Performance in limited-scope AA's had a neutral impact on the Service Test rating.

## State Rating

### State of Colorado

**CRA rating for the State of Colorado:** Outstanding

**The Lending Test is rated:** Outstanding

**The Investment Test is rated:** High Satisfactory

**The Service Test is rated:** High Satisfactory

The major factors that support this rating include:

- Lending levels reflect good responsiveness to community credit needs.
- Excellent geographic distribution of loans.
- Adequate borrower distribution of loans.
- ZB is a leader in CD lending. CD lending had a significantly positive impact on the Lending Test rating.
- CD investments exhibit good responsiveness to community needs. Statewide and limited-scope AA's had a positive impact on overall rating.
- Levels of CD services are good and delivery systems are accessible to geographies and individuals of different income levels.

### Description of Institution's Operations in Colorado

ZB operates under the local brand name Vectra Bank Colorado in the state of Colorado. As of December 31, 2020, the bank had six AAs within the state of Colorado. These AAs include the counties of Boulder in the Boulder MSA; Eagle, Garfield, La Plata, Montezuma, Montrose, Pitkin, and Routt in the Colorado Non-MSA; El Paso and Teller in the Colorado Springs MSA; Adams, Arapahoe, Broomfield, Denver, Douglas, Gilpin, and Jefferson in the Denver-Aurora-Lakewood MSA; Mesa in the Grand Junction MSA; and Pueblo in the Pueblo MSA. All the AAs meet the requirements of the regulation and do not arbitrarily exclude any LMI CTs. ZB offers a full range of loan and deposit products and services through the 34 full-service branches and 34 deposit taking ATMs located in Colorado. According to the June 30, 2020 FDIC Market Share Report, ZB held \$3.7 billion in statewide deposits, ranking 11th, and representing a 2.2 percent deposit market share. During the evaluation period, 5.7 percent of total bank deposits and 10.5 percent of total bank loans were in Colorado.

#### Denver MSA

The Denver-Aurora-Lakewood MSA (Denver MSA) is comprised of the counties of Adams, Arapahoe, Broomfield, Denver, Douglas, Gilpin, and Jefferson. Strong competition exists for financial services within the Denver MSA. According to the June 30, 2020 FDIC Market Share Report, ZB ranked ninth out of the 66 depository financial institutions with \$2.2 billion in deposits and a 2.1 percent market share. There are 15 full-service branches and 14 deposit taking ATMs in the AA. Competition includes large national banks, large regional banks, and small state banks. The five largest competitors include

Wells Fargo Bank, U.S. Bank, JPMorgan Chase Bank, FirstBank, and KeyBank. These competitors have deposits totaling \$73.9 billion, representing 69.1 percent of total deposit market share. ZB's deposits within the Denver MSA account for 3.4 percent of bank wide deposits.

The bank's lending focus in the Denver MSA is on small business and home mortgage loans. During the evaluation period, ZB originated 2,972 CRA small business loans totaling \$331.6 million within the AA. This represented 4.3 percent of the total number of bank wide small business loan originations and 4.1 percent of the total bank wide small business loan dollar volume. The bank originated 4,065 home mortgage loans in the AA during the evaluation period, totaling \$1.1 billion. This represented 8.8 percent of the total number of bank wide home mortgage originations and 7.4 percent of the total bank wide home mortgage loan dollar volume.

The Denver MSA has a high cost of housing relative to low-income borrowers. Based on the information in Table A, low-income families earned up to \$40,410 in the AA. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30.0 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment was \$1,010 for low-income borrowers. Assuming a 30-year mortgage with a 4.0 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be \$1,340. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the poverty level are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above the poverty level. Median rents and the high percentage of families below the poverty level suggest rental housing is also unaffordable for many low-income residents. The 2020 level of families living below the poverty level was 8.1 percent compared to the 2019 national average of 10.5 percent reported by the US Census Bureau. These levels had an impact on meeting basic financial needs and home mortgage lending.

Denver is the state capitol of Colorado and a major economic center known for its high tech, financial services, and logistics industries. According to Moody's Analytics, top employers in the AA include Health ONE, UCHHealth, University of Colorado Hospital, Lockheed Martin Corporation, United Airlines, and Children's Hospital Colorado. Significant exports of the AA include machinery, computer and electronic products, and fabricated metal products. Based on BLS information, the unemployment rate for the AA was 3.0 percent in January 2018, dropped to a low of 2.3 percent in May 2019, then reached a high of 12.4 percent in April 2020 due to the impact of the COVID-19 pandemic. As of December 31, 2020, the unemployment rate was 7.1 percent.

We utilized two community contacts in this AA. The first contact was a local business organization that promotes business development. The second contact was a state agency that provides home ownership counseling, financial access, and neighborhood development. Both organizations indicated there is a strong need for affordable single and multifamily housing, financing for building developers and start-up capital for new businesses.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Denver-Aurora MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	606	8.4	24.3	32.5	33.5	1.3
Population by Geography	2,654,792	8.8	24.3	32.8	33.9	0.1
Housing Units by Geography	1,076,571	8.4	23.7	34.4	33.4	0.0
Owner-Occupied Units by Geography	642,061	4.7	18.8	34.1	42.4	0.0
Occupied Rental Units by Geography	380,075	14.3	31.7	34.8	19.1	0.0
Vacant Units by Geography	54,435	11.7	25.3	34.8	28.2	0.0
Businesses by Geography	410,016	6.8	18.5	32.0	42.3	0.3
Farms by Geography	7,202	8.0	19.3	31.1	41.1	0.4
Family Distribution by Income Level	644,894	21.4	17.5	20.4	40.7	0.0
Household Distribution by Income Level	1,022,136	23.5	16.5	18.2	41.8	0.0
Median Family Income MSA - 19740 Denver-Aurora-Lakewood, CO MSA		\$80,820	Median Housing Value			\$280,632
			Families Below Poverty Level			8.1%
			Median Gross Rent			\$1,072
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

### Pueblo MSA

The Pueblo MSA is comprised of Pueblo County. Strong competition exists for financial services within the Pueblo MSA. According to the June 30, 2020 FDIC Market Share Report, ZB ranked fourth out of the 14 depository financial institutions with \$227.5 million in deposits and an 11.1 percent market share. There are three full-service branches and three deposit taking ATMs in the AA. Competition includes large national banks, large regional banks, and small state banks. The five largest competitors include Wells Fargo Bank, U.S. Bank, The Pueblo Bank and Trust Company, Legacy Bank and Glacier Bank. These competitors have deposits totaling \$1.4 billion, representing 66.9 percent of total deposit market share. ZB's deposits within the Pueblo MSA account for 0.3 percent of bank wide deposits.

The bank's lending focus in the Pueblo MSA is on small business and home mortgage loans. During the evaluation period, ZB originated 200 CRA small business loans totaling \$14.2 million within the AA. This represented 0.3 percent of the total number of bank wide small business loan originations and 0.2 percent of the total bank wide small business loan dollar volume. The bank originated 214 home mortgage loans in the AA during the evaluation period, totaling \$27.7 million. This represented 0.5 percent of the total number of bank wide home mortgage originations and 0.2 percent of the total bank wide home mortgage loan dollar volume.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the poverty level are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above the poverty level. Median rents and the high percentage of families below the poverty level suggest rental housing is also unaffordable for many low-income residents. The 2020 level of AA

families living below the poverty level of 15.1 percent was higher than the 2019 national average of 10.5 percent reported by the US Census Bureau. These levels had an impact on meeting basic financial needs and home mortgage lending.

Pueblo is known for its medical centers, in addition to being the second largest county in Colorado for marijuana cultivation. According to Moody’s Analytics, top employers in the AA include Parkview Medical Center, Walmart Inc, Evraz Rocky Mountain Steel, Vestas, and St. Mary-Corwin Medical Center. Significant exports of the AA include primary metal manufacturing, machinery, and a mix of other products. Based on BLS information, the unemployment rate for the AA was 4.7 percent in January 2018, dropped to a low of 3.4 percent in September 2019, then reached a high of 11.4 percent in June 2020 due to the impact of the COVID-19 pandemic. As of December 31, 2020, the unemployment rate was 9.1 percent.

We utilized one community contact with a local city department that administers federal grants and provides safe and affordable housing for seniors and LMI residents. The contact indicated there is a strong need for affordable housing, as the availability of local housing stock is low, and the condition is generally poor and older. There is a great need for capital investment to assist in developing the downtown area with a mix of residential and retail buildings.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Pueblo MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	55	5.5	29.1	32.7	27.3	5.5
Population by Geography	161,519	5.2	28.8	29.6	34.8	1.6
Housing Units by Geography	69,959	5.7	31.4	30.6	32.3	0.0
Owner-Occupied Units by Geography	40,369	3.5	23.6	30.7	42.2	0.0
Occupied Rental Units by Geography	22,519	9.3	44.0	31.2	15.5	0.0
Vacant Units by Geography	7,071	6.5	35.8	28.4	29.2	0.0
Businesses by Geography	13,032	2.9	26.2	29.8	40.8	0.4
Farms by Geography	489	2.9	13.5	35.6	47.9	0.2
Family Distribution by Income Level	40,660	22.6	17.6	18.7	41.1	0.0
Household Distribution by Income Level	62,888	24.1	16.3	16.9	42.7	0.0
Median Family Income MSA - 39380 Pueblo, CO MSA		\$51,986	Median Housing Value			\$131,090
			Families Below Poverty Level			15.1%
			Median Gross Rent			\$768

*Source: 2015 ACS and 2020 D&B Data  
 Due to rounding, totals may not equal 100.0%  
 (\*) The NA category consists of geographies that have not been assigned an income classification.*

### Scope of Evaluation in Colorado

We are conducting full-scope reviews of the Denver MSA and the Pueblo MSA (refer to appendix A for a list of all AAs). For ZB’s performance in the lending test, the weighing of small business lending and mortgage lending are equally weighted based on the volume of loan originations. In the AAs, small farm

lending was not considered a primary product. Amongst the full-scope areas, we gave more weight to the Denver MSA, due to the statewide proportion of loans, deposits, and branches.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN COLORADO

### LENDING TEST

The bank's performance under the Lending Test in Colorado is rated Outstanding.

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Denver MSA and Pueblo MSA is excellent.

### Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Boulder MSA	750	494	0	4	1,248	10.1	11.9
Colorado Non-MSA	820	819	44	15	1,698	13.8	14.9
Colorado Springs MSA	727	734	3	7	1,471	12.0	5.5
Denver MSA	4,065	2,972	8	27	7,072	57.6	59.8
Grand Junction MSA	136	214	10	6	366	3.0	1.8
Pueblo MSA	214	200	7	9	430	3.5	6.1

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Boulder MSA	\$208,033	\$48,059	\$0	\$1,104	\$257,196	10.2	11.9
Colorado Non-MSA	\$253,007	\$74,582	\$4,253	\$28,361	\$360,203	14.4	14.9
Colorado Springs MSA	\$147,438	\$58,127	\$37	\$67,999	\$273,601	10.9	5.5
Denver MSA	\$1,065,681	\$331,619	\$317	\$117,433	\$1,515,050	60.3	59.8
Grand Junction MSA	\$27,592	\$13,441	\$438	\$7,886	\$49,357	2.0	1.8
Pueblo MSA	\$27,738	\$14,168	\$789	\$11,780	\$54,475	2.2	6.1

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### Denver MSA

Lending levels reflect good responsiveness to AA credit needs.

According to the June 30, 2020 FDIC Deposit Market Share Report, ZB had \$2.2 billion in deposits with a 2.1 percent deposit market share in the Denver MSA. ZB's deposit market share ranked ninth out of 66 and ranked in the top 13.6 percent of all deposit taking institutions in the AA.

According to 2019 peer mortgage data, ZB had a 0.7 percent market share of home mortgage loan originations. ZB's market share of home mortgage loan originations was weaker than their deposit market share. ZB had home mortgage loan origination market share ranked 33<sup>rd</sup> out of 859 home mortgage lenders. ZB's home mortgage loan origination market share ranking was in the top 3.8 percent in the AA. The bank's market share ranking of home mortgage loan originations was stronger than their deposit market share ranking.

According to 2019 peer small business data, ZB had 0.4 percent market share of small business loan originations. ZB's market share of small business loan originations was weaker than their deposit market share. ZB's market share of small business loan originations ranked 20<sup>th</sup> out of 191 lenders in the AA. ZB's market share of small business loan originations ranked in the top 10.5 percent of all lenders in the AA. The bank's market share ranking of small business loan originations was stronger than their deposit market share ranking.

### Pueblo MSA

Lending levels reflect good responsiveness to AA credit needs.

According to the June 30, 2020 FDIC Deposit Market Share Report, ZB had \$227.5 million in deposits with a 11.2 percent deposit market share in the Pueblo MSA. ZB's deposit market share ranked fourth out of 14 and ranked in the top 28.6 percent of all deposit taking institutions in the AA.

According to 2019 peer mortgage data, ZB had a 1.2 percent market share of home mortgage loan originations. ZB's market share of home mortgage loan originations was weaker than their deposit market share. ZB had home mortgage loan origination market share ranked 23<sup>rd</sup> out of 345 home mortgage lenders. ZB's home mortgage loan origination market share ranking was in the top 6.7 percent in the AA. The bank's market share ranking of home mortgage loan originations was stronger than their deposit market share ranking.

According to 2019 peer small business data, ZB had 1.2 percent market share of small business loan originations. ZB's market share of small business loan originations was weaker than their deposit market share. ZB's market share of small business loan originations ranked 14<sup>th</sup> out of 68 lenders in the AA. ZB's market share of small business loan originations ranked in the top 20.6 percent of all lenders in the AA. The bank's market share ranking of small business loan originations was stronger than their deposit market share ranking.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits an excellent geographic distribution of loans in its AAs.

### ***Home Mortgage Loans***

The bank exhibits a good geographical distribution of home mortgage loans.

Refer to Table O in the state of Colorado section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

#### **Denver MSA**

The bank has a good geographical distribution of home mortgage loans. The proportion of bank loans in low-income geographies approximates the percentage of owner-occupied housing and exceeded the aggregate industry distribution of mortgage loans to those geographies. The proportion of bank loans in moderate-income geographies was below the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans in those geographies.

#### **Pueblo MSA**

The bank has an excellent geographical distribution of home mortgage loans. The proportion of bank home mortgage loans in low-income geographies exceeded the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans to those geographies. The proportion of bank home mortgage loans in moderate-income geographies was below the percentage owner-occupied housing and near to the aggregate industry distribution of home mortgage loans to those geographies.

### ***Small Loans to Businesses***

The bank exhibits an excellent geographical distribution of small loans to businesses.

Refer to Table Q in the state of Colorado section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

#### **Denver MSA**

The bank exhibits an excellent geographical distribution of small loans to businesses. The proportion of the bank's small loans to businesses in LMI geographies exceeded the percentage of businesses and the aggregate industry distribution of small loans to those businesses.

#### **Pueblo MSA**

The bank exhibits an excellent geographical distribution of small loans to businesses. The proportion of the bank's small loans to businesses in LMI geographies exceeded the percentage of businesses and the aggregate industry distribution of small loans to those businesses.

### ***Lending Gap Analysis***

We reviewed supervisory data and other summary reports. We did not find any unexplained conspicuous gaps in the bank's lending.

## **Distribution of Loans by Income Level of the Borrower**

The bank exhibits adequate distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

### ***Home Mortgage Loans***

The bank exhibits a poor borrower distribution of home mortgage loans.

Refer to Table P in the state of Colorado section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

#### **Denver MSA**

The bank exhibits poor borrower distribution of home mortgage loans. When determining our rating we considered the relative high housing costs compared to low-income families in this AA. The relative high housing costs in this AA somewhat impacts a low-income borrower's ability to qualify for a home mortgage. The proportion of bank mortgage loans to LMI borrowers was significantly below the percentage of LMI families and the aggregate industry distribution of home mortgage loans to those borrowers.

#### **Pueblo MSA**

The bank exhibits good borrower distribution of home mortgage loans. When determining our rating we considered the relative high levels of poverty in this AA. The high poverty level, relative to the AA median housing value, impacts the bank's ability to lend to low-income families. The proportion of bank mortgage loans to low-income borrowers was significantly below the percentage low-income families and exceeded the aggregate industry distribution of mortgage loans to those borrowers. The proportion of bank loans to moderate-income borrowers was near to the percentage of moderate-income families and below the aggregate industry distribution to those borrowers.

### ***Small Loans to Businesses***

The bank exhibits a good borrower distribution small loans to businesses with revenues less than \$1 million.

Refer to Table R in the state of Colorado section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

#### **Denver MSA**

The bank exhibits a good borrower distribution small loans to businesses with revenues less than \$1 million. The proportion of bank loans to businesses with revenues less than \$1 million was well below the percentage of those businesses and exceeded the aggregate industry distribution of small loans to business with revenues less than \$1 million.

#### **Pueblo MSA**

The bank exhibits a good borrower distribution small loans to businesses with revenues less than \$1 million. The proportion of bank loans to businesses with revenues less than \$1 million was well below the percentage of those businesses and exceeded the aggregate industry distribution of small loans to business with revenues less than \$1 million.

## **Community Development Lending**

The institution is a leader in making CD loans in the state of Colorado.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

### Denver MSA

The volume of CD lending was excellent and had a significantly positive impact on the Lending Test performance in the Denver MSA. During the evaluation period, ZB originated 27 CD loans totaling \$117.4 million or 35.4 percent of allocated tier 1 capital. CD lending was responsive to affordable housing needs. By dollar volume of CD loans, 15.4 percent funded revitalization and stabilization efforts, 33.0 percent funded community services, 4.2 percent funded economic development, and 47.4 percent funded affordable housing.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- The bank originated two loans totaling \$53.4 million to fund the construction of a 205-unit low-income multi-family LIHTC apartment complex with all units renting at less than the HUD Fair Market Rent.
- The bank originated an \$11.3 million loan to fund the redevelopment of an industrial site in a moderate-income CT in the Denver MSA. The loan was made to revitalize the LMI community in which the property was located by attracting or retaining businesses and residents.
- The bank originated a \$7.6 million loan to a public-school district for the construction of the new educational facility in the Denver MSA. The loan serves the LMI youth of the community as the majority of the students in the school district are on the free and reduced school lunch program.
- ZB's participation in the PPP resulted in nine CD loans totaling \$3.9 million. These loans were made for a qualified CD purpose and/or to non-profits providing CD activities and services to LMI people in the Denver MSA.

### Pueblo MSA

The volume of CD lending was excellent and had a significantly positive impact on the Lending Test performance in the Pueblo MSA. During the evaluation period, ZB originated nine CD loans totaling \$11.8 million or 58.5 percent of allocated tier 1 capital. CD lending was responsive to revitalization efforts. By dollar volume, 73.2 percent funded revitalization and stabilization efforts, 23.8 percent funded community services, and 3.0 percent funded economic development.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- The bank originated a \$2.4 million loan to a local government non-profit who will use the funds to finance urban renewal projects in moderate-income census tracts supporting neighborhood revitalization and job creation in the Pueblo MSA.
- The bank originated an \$8.6 million loan to refinance a hotel construction loan. The hotel will become a major new employer for LMI individuals and is located in a moderate-income census tract.
- ZB's participation in the PPP resulted in two CD loans totaling \$352 thousand. These loans were made for a qualified CD purpose and/or to non-profits providing CD activities and services to LMI people in the Pueblo MSA.

### **Product Innovation and Flexibility**

ZB makes extensive use of innovative and/or flexible lending practices in serving its AAs credit needs. ZB's lending provided flexibility for small businesses and affordable housing. In response to the COVID-19 pandemic, ZB made 3,686 PPP loans totaling \$25.8 million in Colorado. ZB's PPP loans in LMI CTs accounted for 25.9 percent of the PPP originations. Additionally, ZB supported affordable housing through participation in numerous flexible home mortgage loan programs including those with down payment assistance, flexible underwriting, and reduced PMI. ZB made 93 innovative or flexible home mortgages totaling \$29.2 million. For a description of these products see the "Innovative and Flexible Product" section of the Overall Description of institution.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Lending Test in the Boulder MSA, Colorado Non-MSA, Colorado Springs MSA, and the Grand Junction MSA was consistent with the bank's overall performance under the Lending test in the full-scope areas. Performance in the limited-scope areas had a neutral impact on the bank's overall Lending Test.

Refer to Tables O through T in the state of Colorado section of appendix D for the facts and data that support these conclusions.

### **INVESTMENT TEST**

The bank's performance under the Investment Test in Colorado is rated High Satisfactory.

### **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank's performance in the Denver MSA is adequate and performance in the Pueblo MSA is excellent.

The institution has a significant level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits good responsiveness to credit and community economic development needs. The institution makes significant use of innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Boulder MSA	0	\$0	5	\$4,845	5	2.8	\$4,845	9.1	0	\$0
Colorado Non-MSA	0	\$0	31	\$3,981	31	17.3	\$3,981	7.5	0	\$0
Colorado Springs MSA	0	\$0	7	\$14,816	7	3.9	\$14,816	27.7	0	\$0
Denver MSA	0	\$0	96	\$14,964	96	53.6	\$14,964	28.0	0	\$0
Grand Junction MSA	0	\$0	14	\$860	14	7.8	\$860	1.6	0	\$0
Pueblo MSA	0	\$0	10	\$2,017	10	5.6	\$2,017	3.8	0	\$0
Statewide	13	\$11,395	3	\$513	16	8.9	\$11,908	22.3	0	\$0

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

### Denver MSA

The bank exhibits adequate responsiveness to community investment needs in the Denver MSA. ZB made 96 investments and grants totaling \$14.8 million during this evaluation period. There were no prior period investments outstanding. Current period investments and grants are equivalent to 4.5 percent of allocated tier 1 capital. Current period investments demonstrated complexity and were responsive to affordable housing needs by providing LIHTC investments. The bank's CD grants mainly support community services targeted at providing health care and financial literacy assistance to LMI individuals, in addition to programs providing food, clothing, education, housing and shelter referrals and job readiness support for homeless individuals. Other grants provided funds for local businesses whose mission is to help vulnerable individuals stabilize their lives through providing housing needs and providing social services to LMI residents.

### Pueblo MSA

The bank exhibits excellent responsiveness to community investment needs in the Pueblo MSA. ZB made 10 current period CD investments and grants totaling \$2.0 million. There were no prior period investments. CD investments and grants are equivalent to 10.0 percent of allocated tier 1 capital. ZB's CD investments in LIHTC were complex and able to respond to affordable housing community needs. Grants and donations supported affordable housing and community service organizations targeted to LMI and promoted economic development.

### Statewide

The bank had 13 prior period CD investments within the state of Colorado that could not be allocated to specific AAs. These statewide CD investments total \$11.4 million, the majority of which support affordable housing through mortgage-backed securities and SBICs providing small businesses with needed financing. There were three current period investments, totaling \$513 thousand, for a loan pool with a CDFI for small businesses and funds promoting financial literacy and education for first time home buyers that could not be allocated to specific AAs within the state. Statewide CD investments had a positive impact on Investment Test rating.

## Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, ZB's performance under the Investment Test in the Boulder MSA, Colorado Springs MSA, and Grand Junction MSA were stronger than the state of Colorado's overall High Satisfactory Investment Test performance due to excellent levels of current period investments. Performance in the Colorado Non-MSA was consistent with the bank's overall performance under the Investment Test in Colorado. Performance in the limited-scope areas had a positive impact on the Investment Test rating in Colorado.

## SERVICE TEST

The bank's performance under the Service Test in Colorado is rated High Satisfactory.

## Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Denver MSA is good and performance in the Pueblo MSA is adequate.

## Retail Banking Services

Service delivery systems are accessible to geographies and individuals of different income levels in the institution's AAs.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)**				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Boulder MSA	11.9	3	8.8	0.0	100.0	0.0	0.0	6.7	22.3	43.1	27.9
Colorado Non-MSA	14.9	8	23.5	0.0	0.0	62.5	37.5	0.0	7.6	40.3	52.1
Colorado Springs MSA*	5.5	3	8.8	33.3	0.0	66.7	0.0	4.6	26.0	39.7	28.3
Denver MSA*	59.8	15	44.1	0.0	33.3	33.3	33.3	8.8	24.3	32.8	33.9
Grand Junction MSA	1.8	2	5.9	0.0	0.0	100.0	0.0	0.0	24.5	56.4	19.1
Pueblo MSA*	6.1	3	8.8	0.0	33.3	66.7	0.0	5.2	28.8	29.6	34.8

\*May not equal 100.0 percent due to NA CTs

\*\*May not equal 100.0 percent due to rounding.

### Denver MSA

ZB has 15 branches in the AA with five located in moderate-income CTs. There are no branches in low-income geographies. The percentage of branches in low-income CTs was significantly below the percentage of the population in these geographies. The percentage of branches in moderate-income CTs

exceeded the percentage of the population in these geographies. Three branches located in middle- and upper-income geographies are near to LMI CTs. When determining the significance of near to branches, we considered bank data that supported significant use of those branches by people living in nearby LMI CTs. When considering these near to branches, performance improved in the AA. In addition, as a result of CT changes due to the 2015 ACS Census, one branch moved from a moderate-income CT to a middle-income CT.

The bank complements its traditional service delivery methods with alternative retail delivery systems, such as deposit-taking ATMs, online banking, and mobile banking. Deposit-taking ATMs are located at each branch facility. No significant weight was placed on these services, as no data was available to determine the impact on, or usage by, LMI individuals.

Pueblo MSA

ZB has three branches in the AA with one located in a moderate-income CT. There are no branches in low-income geographies. The percentage of branches in low-income CTs was significantly below the percentage of the population in these geographies. The percentage of branches in moderate-income CTs exceeded the percentage of the population in these geographies. One branch located in a middle-income geography was near to a moderate-income CTs. This branch provides services to a large percentage of LMI individuals. When considering this near to branch, performance improved in the AA.

The bank complements its traditional service delivery methods with alternative retail delivery systems, such as deposit-taking ATMs, online banking, and mobile banking. Deposit-taking ATMs are located at each branch facility. No significant weight was placed on these services, as no data was available to determine the impact on, or usage by, LMI individuals.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Boulder MSA	0	0				
Colorado Non-MSA	0	1			-1	
Colorado Springs MSA	0	0				
Denver MSA	0	0				
Grand Junction MSA	0	0				
Pueblo MSA	0	2		-1		-1

To the extent changes have been made, the institution’s opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals.

Denver MSA

During the evaluation period, there were no branch openings or closings in the Denver MSA.

Services, including where appropriate, business hours, do not vary in a way that inconveniences, its AAs, particularly LMI geographies and/or individuals. Lobby hours at all branches are the same Monday-Friday. In the Denver MSA AA, five branches have lobby hours on Saturday; three are in moderate-income CTs. Branches with drive-up facilities have similar hours Monday-Friday. Seven branches have drive-up hours on Saturday, which includes all branches in moderate-income CTs.

### Pueblo MSA

During the evaluation period, there were two branch closings. ZB closed one branch in a moderate-income CT in February 2020 due to the low number of account holder transactions. Another ZB branch is located two miles away. The impact to LMI geographies and individuals is limited since this branch was a drive-up facility only and did not offer full services. ZB also closed one branch in an upper-income CT.

Services, including where appropriate, business hours, do not vary in a way that inconveniences, its AAs, particularly LMI geographies and/or individuals. Drive-up hours are the same at all branches on Monday-Friday. Lobby hours on Saturday are available in one branch located in a middle-income CT and drive-up hours on Saturday are offered only in the middle-income trace branches. The branch in the moderate-income CT does not offer services on Saturday since it is located in a financial district with surrounding businesses closed on weekends. The other two branch locations, approximately four miles away, can accommodate customers on Saturday.

## **Community Development Services**

The institution provides a relatively high level of CD services.

### Denver MSA

ZB provided a good level of CD services. Fifty employees provided their financial expertise to 26 different organizations totaling 1,577 hours during the evaluation period. Included in these services are 786 hours where bank employees served in leadership roles. Activities focused on community services to LMI individuals. ZB also provided services to organizations that help provide affordable housing and services to small businesses.

Examples of CD Services:

- Employees supported a national financial literacy program by providing over 378 hours of instruction to LMI students. The program focuses on the importance of saving money, job skills for specific careers, problem solving, and the value of science, technology, engineering, and math skills.
- Employees provided over 150 hours of financial services to an organization that provides grants to various nonprofit agencies that primarily serve low- to moderate-income individuals. These grants help meet basic needs such as housing, food, home care services, and work programs.

- Employees supported a local financial literacy program by providing 99 hours of education to students. The program primarily benefits LMI students and provides a hand-on approach to teaching personal finance, economics, and business strategies.

### Pueblo MSA

ZB provided an adequate level of CD services. Four out of 22 employees provided a total of 163 hours of CD services to four different organizations during the evaluation period. Included in these services are 135 hours where bank employees served in leadership roles. Activities focused on community services to low- and moderate-income individuals. ZB also provided services to organizations that help provide services to small businesses. One employee provided over 70 hours of service as a Board member for an organization that represents child abuse victims and primarily benefits LMI individuals. Employees also supported financial literacy by providing 60 hours of instruction to youth that were primarily from LMI families.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Boulder MSA and Colorado non-MSA is stronger than the bank's overall performance under the Service Test in the full-scope areas due to stronger branch distribution. Performance in the Colorado Springs MSA and Grand Junction MSA is consistent with the bank's overall performance under the Service Test. Performance in the limited-scope AAs had a neutral impact on the overall rating for Colorado.

## State Rating

### State of Idaho

**CRA rating for the State of Idaho:** Satisfactory

**The Lending Test is rated:** High Satisfactory

**The Investment Test is rated:** Low Satisfactory

**The Service Test is rated:** Outstanding

The major factors that support this rating include:

- Lending levels reflect good responsiveness to community credit needs.
- Good geographic distribution of loans.
- Borrower distribution of loans is adequate.
- ZB is a leader in making CD loans. CD lending had a significantly positive impact on the Lending Test rating.
- CD investments exhibit adequate responsiveness to community needs.
- Branch delivery systems are readily accessible to geographies and individuals of different income levels.

### Description of Institution's Operations in Idaho

ZB operates under the local brand name Zions First National Bank in the state of Idaho. As of December 31, 2020, the bank had six AAs within the state of Idaho. These AAs include the counties of Ada, Boise, Canyon, Gem, and Owyhee in the Boise MSA; Bonneville, Butte, and Jefferson in the Idaho Falls MSA; Bear Lake, Bingham, Blaine, Cassia, Gooding, Latah, Madison, Payette, and Washington in the Idaho Non-MSA; Nez Perce in the Lewiston MSA; Bannock in the Pocatello MSA; and Jerome and Twin Falls in the Twin Falls MSA. Franklin County is part of the Logan Utah-Idaho MSA and since ZB does not have branches in Franklin County the Logan MSA is evaluated with the state of Utah. All the AAs meet the requirements of the regulation and do not arbitrarily exclude any LMI CTs. ZB offers a full range of loan and deposit products and services through the 25 full-service branches and 33 deposit taking ATMs located in Idaho. According to the June 30, 2020 FDIC Market Share Report, ZB held \$1.9 billion in statewide deposits, ranking 4th, and representing a 5.8 percent deposit market share. During the evaluation period, 2.9 percent of total bank deposits and 5.8 percent of total bank loans were in Idaho.

#### Boise MSA

The Boise City MSA (Boise MSA) is comprised of Ada, Boise, Canyon, Gem, and Owyhee counties. Strong competition exists for financial services within the Boise MSA. According to the June 30, 2020 FDIC Market Share Report, ZB ranked 11th out of the 22 depository financial institutions with \$458.9 million in deposits and a 3.1 percent market share. There are 7 full-service branches and 10 deposit taking ATMs in the AA. Competition includes large national banks, large regional banks, and small state

banks. The five largest competitors include Wells Fargo Bank, U.S. Bank, KeyBank, First Interstate Bank, and JPMorgan Chase Bank. These competitors have deposits totaling \$10.4 billion, representing 70.1 percent of total deposit market share. ZB's deposits within the Boise MSA account for 0.7 percent of bank wide deposits.

The bank's lending focus in the Boise MSA is on small business and home mortgage loans. During the evaluation period, ZB originated 1,304 CRA small business loans totaling \$124.1 million within the AA. This represented 1.9 percent of the total number of bank wide small business loan originations and 1.5 percent of the total bank wide small business loan dollar volume. The bank originated 991 home mortgage loans in the AA during the evaluation period, totaling \$219.9 million. This represented 2.2 percent of the total number of bank wide home mortgage originations and 1.5 percent of the total bank wide home mortgage loan dollar volume.

The Boise MSA has a high cost of housing relative to low-income borrowers. Based on the information in Table A, low-income families earned up to \$30,861 in the AA. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30.0 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment was \$772 for low-income borrowers. Assuming a 30-year mortgage with a 4.0 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be \$827. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the poverty level are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above the poverty level. Median rents and the high percentage of families below the poverty level suggest rental housing is also unaffordable for many low-income residents. The 2020 portion of AA families below the poverty level was 10.3 percent and slightly lower than the 2019 national average of 10.5 percent reported by the US Census Bureau. These levels had an impact on meeting basic financial needs and home mortgage lending.

Boise is the state capital of Idaho and known for its high tech and manufacturing industries, as well as being a retiree haven. According to Moody's Analytics, top employers in the AA include St. Luke's Health System, Micron Technology Inc, St. Alphonsus Regional Medical Center, Boise State University, and Walmart Inc. Significant exports of the AA include computer and electronic products, a mix of other products, and food and kindred products. The population of the Boise AA has continued to grow, with a 2019 net migration gain of 16,684 residents. Based on BLS information, the unemployment rate for the AA was 3.7 percent in January 2018, dropped to a low of 2.2 percent in September 2019, then reached a high of 12.2 percent in April 2020 due to the impact of the COVID-19 pandemic. As of December 31, 2020, the unemployment rate was 4.0 percent.

We utilized one community contact with a local county housing authority that provides affordable housing-related assistance to individuals and families in the city and county. The contact stated there is a lack of affordable housing and gap financing, and a need for construction financing or tax credits for projects including mobile home parks and supportive housing building rehabilitation.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Boise MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	95	6.3	31.6	36.8	25.3	0.0
Population by Geography	651,402	3.4	28.7	44.1	23.8	0.0
Housing Units by Geography	252,922	3.9	28.8	43.6	23.6	0.0
Owner-Occupied Units by Geography	160,579	1.4	24.4	46.0	28.1	0.0
Occupied Rental Units by Geography	75,724	8.5	37.6	38.6	15.3	0.0
Vacant Units by Geography	16,619	7.2	31.6	43.6	17.6	0.0
Businesses by Geography	75,537	8.9	23.6	38.3	29.2	0.0
Farms by Geography	2,835	3.9	29.0	44.1	23.0	0.0
Family Distribution by Income Level	161,047	19.5	18.8	21.7	40.1	0.0
Household Distribution by Income Level	236,303	23.1	16.6	18.9	41.3	0.0
Median Family Income MSA - 14260 Boise City, ID MSA		\$61,722	Median Housing Value			\$173,230
			Median Gross Rent			\$836
			Families Below Poverty Level			10.3%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

### Idaho Falls MSA

The Idaho Falls MSA is comprised of Bonneville, Butte, and Jefferson counties. Strong competition exists for financial services within the Idaho Falls MSA. According to the June 30, 2020 FDIC Market Share Report, ZB ranked second out of 10 depository financial institutions with \$478.2 million in deposits and a 19.3 percent market share. There are three full-service branches and three deposit taking ATMs in the AA. Competition includes large national banks, large regional banks, and small state banks. The five largest competitors include The Bank of Commerce, Wells Fargo Bank, Bank of Idaho, U.S. Bank, and Glacier Bank. These competitors have deposits totaling \$1.6 billion, representing 65.4 percent of total deposit market share. ZB's deposits within the Idaho Falls MSA account for 0.7 percent of bank wide deposits.

The bank's lending focus in the Idaho Falls MSA is on small business and home mortgage loans. During the evaluation period, ZB originated 945 CRA small business loans totaling \$110.1 million within the AA. This represented 1.4 percent of the total number of bank wide small business loan originations and 1.4 percent of the total bank wide small business loan dollar volume. The bank originated 420 home mortgage loans in the AA during the evaluation period, totaling \$81.9 million. This represented 0.9 percent of the total number of bank wide home mortgage originations and 0.6 percent of the total bank wide home mortgage loan dollar volume.

The Idaho Falls MSA has a high cost of housing relative to low-income borrowers. Based on the information in Table A, low-income families earned up to \$28,802 in the AA. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30.0 percent of the applicant's income. The calculated maximum affordable monthly mortgage

payment was \$720 for low-income borrowers. Assuming a 30-year mortgage with a 4.0 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be \$749. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the poverty level are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above the poverty level. Median rents and the percentage of families below the poverty level suggest rental housing is also unaffordable for many low-income residents. The 2020 portion of AA families living below the poverty level was 10.0 percent and slightly below the 2019 national average of 10.5 percent reported by the US Census Bureau. These levels had an impact on meeting basic financial needs and home mortgage lending.

Idaho Falls is known for the high tech and logistics companies in the AA, along with agriculture. According to Moody's Analytics, top employers in the AA include Battelle Energy Alliance, CH2M-WG Idaho LLC, Eastern Idaho Regional Medical Center/Hospital, Bechtel Marine Propulsion Corporation, and Melaleuca Incorporated. Significant exports of the AA include food and kindred products, chemicals, and a mix of other products. The population of the Idaho Falls MSA has continued to grow, with a 2019 net migration gain of 1,741 residents. Based on BLS information, the unemployment rate for the AA was 3.4 percent in January 2018, dropped to a low of 1.9 percent in October 2019, then reached a high of 8.0 percent in April 2020 due to the impact of the COVID-19 pandemic. As of December 31, 2020, the unemployment rate was 3.1 percent.

We utilized one community contact with a regional economic development organization that works closely with community partners to promote economic development through expansion of existing business, attraction of new business, and promoting entrepreneurship and talent development in the region. The organization identified a shortage of homes as a result of the recession, as well as a need for special loan programs for individuals who have a higher risk profile.

<b>Assessment Area: Idaho Falls MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	26	0.0	19.2	53.8	26.9	0.0
Population by Geography	137,233	0.0	16.4	59.7	23.9	0.0
Housing Units by Geography	50,578	0.0	20.0	55.0	25.1	0.0
Owner-Occupied Units by Geography	33,715	0.0	12.7	60.0	27.3	0.0
Occupied Rental Units by Geography	12,082	0.0	37.0	46.3	16.7	0.0
Vacant Units by Geography	4,781	0.0	28.0	41.2	30.8	0.0
Businesses by Geography	14,746	0.0	19.2	47.4	33.4	0.0
Farms by Geography	710	0.0	7.5	65.9	26.6	0.0
Family Distribution by Income Level	34,187	18.7	19.0	21.3	41.0	0.0
Household Distribution by Income Level	45,797	21.7	17.9	19.7	40.7	0.0
Median Family Income MSA - 26820 Idaho Falls, ID MSA		\$57,604	Median Housing Value			\$156,949

	Families Below Poverty Level	10.0%
	Median Gross Rent	\$723
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>		

## Scope of Evaluation in Idaho

We are conducting full-scope reviews of the Boise MSA and the Idaho Falls MSA (refer to appendix A for a list of all AAs). For ZB's performance in the lending test, we gave more weight to small business and mortgage lending compared to small farm lending based on the volume of loan originations in the bank's AAs in Idaho. Between the full-scope areas, we gave more weight to the Boise MSA, due to the statewide proportion of loans, deposits, and branches.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN IDAHO

### LENDING TEST

The bank's performance under the Lending Test in Idaho is rated High Satisfactory

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Boise MSA and Idaho Falls MSA is good.

### Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Boise MSA	991	1,304	140	13	2,448	32.5	23.9
Idaho Falls MSA	420	945	119	8	1,492	19.8	24.9
Idaho Non-MSA	1,007	1,266	375	11	2,659	35.4	37.1
Lewiston MSA	68	111	7	6	192	2.6	2.3
Pocatello MSA	140	266	8	1	415	5.5	5.1
Twin Falls MSA	81	176	54	4	315	4.2	6.7

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Boise MSA	\$219,894	\$124,112	\$16,117	\$59,599	\$419,722	31.1	34.0

Idaho Falls MSA	\$81,918	\$110,052	\$13,189	\$45,176	\$250,335	18.5	20.3
Idaho Non-MSA	\$243,144	\$121,974	\$43,390	\$18,367	\$426,875	31.6	34.6
Lewiston MSA	\$12,152	\$10,869	\$512	\$991	\$24,524	1.9	2.0
Pocatello MSA	\$26,816	\$21,513	\$1,725	\$4,615	\$54,669	4.0	4.4
Twin Falls MSA	\$14,462	\$21,365	\$8,786	\$12,177	\$56,790	12.8	4.6

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### Boise MSA

Lending levels reflect good responsiveness to AA credit needs.

According to the June 30, 2020 FDIC Deposit Market Share Report, ZB had \$458.9 million in deposits with a 3.1 percent deposit market share in the Boise MSA. ZB's deposit market share ranked 11<sup>th</sup> out of 22, which ranked in the top 50.0 percent of all deposit taking institutions in the AA.

According to 2019 peer mortgage data, ZB had a 0.7 percent market share of home mortgage loan originations. ZB's market share of home mortgage loan originations was weaker than their deposit market share. ZB had home mortgage loan origination market share ranked 32<sup>nd</sup> out of 338 home mortgage lenders. ZB's home mortgage loan origination market share ranking was in the top 9.5 percent in the AA. The bank's market share ranking of home mortgage loan originations was stronger than their deposit market share ranking.

According to 2019 peer small business data, ZB had 1.7 percent market share of small business loan originations. ZB's market share of small business loan originations was weaker than their deposit market share. ZB's market share of small business loan originations ranked 11<sup>th</sup> out of 105 lenders in the AA. ZB's market share of small business loan originations ranked in the top 10.5 percent of all lenders in the AA. The bank's market share ranking of small business loan originations was stronger than their deposit market share ranking.

According to 2019 peer small farm data, ZB had 6.3 percent market share of small farm loan originations. ZB's market share of small farm loan originations was stronger than their deposit market share. ZB's market share of small farm loan originations ranked sixth out of 21 lenders in the AA. ZB's market share of small farm loan originations ranked in the top 28.6 percent of all lenders in the AA. The bank's market share ranking of small farm loan originations was stronger than their deposit market share ranking.

### Idaho Falls MSA

Lending levels reflect good responsiveness to AA credit needs.

According to the June 30, 2020 FDIC Deposit Market Share Report, ZB had \$478.2 million in deposits with a 19.3 percent deposit market share in the Idaho Falls MSA. ZB's deposit market share ranked second out of 10, which ranked in the top 20.0 percent of all deposit taking institutions in the AA.

According to 2019 peer mortgage data, ZB had a 1.9 percent market share of home mortgage loan originations. ZB's market share of home mortgage loan originations was weaker than their deposit market share. ZB had home mortgage loan origination market share ranked 16<sup>th</sup> out of 219 home mortgage lenders. ZB's home mortgage loan origination market share ranking was in the top 7.3 percent in the AA. The bank's market share ranking of home mortgage loan originations was stronger than their deposit market share ranking.

According to 2019 peer small business data, ZB had 4.9 percent market share of small business loan originations. ZB's market share of small business loan originations was weaker than their deposit market share. ZB's market share of small business loan originations ranked seventh out of 53 lenders in the AA. ZB's market share of small business loan originations ranked in the top 13.2 percent of all lenders in the AA. The bank's market share ranking of small business loan originations was stronger than their deposit market share ranking.

According to 2019 peer small farm data, ZB had 6.4 percent market share of small farm loan originations. ZB's market share of small farm loan originations was stronger than their deposit market share. ZB's market share of small farm loan originations ranked fifth out of 16 lenders in the AA. ZB's market share of small farm loan originations ranked in the top 31.3 percent of all lenders in the AA. The bank's market share ranking of small farm loan originations was weaker than their deposit market share ranking.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits a good geographic distribution of loans in its AAs.

#### ***Home Mortgage Loans***

The bank exhibits an adequate geographical distribution of home mortgage loans.

Refer to Table O in the state of Idaho section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

#### **Boise MSA**

The bank exhibits a good geographical distribution of home mortgage loans. The proportion of bank mortgage loans in low-income geographies exceeded the percentage of owner-occupied housing and the aggregate industry distribution of mortgage loans to those geographies. The proportion of bank mortgage loans in moderate-income geographies was below the percentage of owner-occupied housing and somewhat near to aggregate industry distribution of mortgage loans to those geographies.

#### **Idaho Falls MSA**

The bank exhibits a very poor geographical distribution of home mortgage loans in the Idaho Falls MSA. There were no low-income CTs in this AA. The proportion of bank mortgage loans in moderate-income geographies was significantly below the percentage of owner-occupied housing and the aggregate industry distribution of mortgage loans in those geographies.

***Small Loans to Businesses***

The bank exhibits an excellent geographical distribution of small loans to businesses.

Refer to Table Q in the state of Idaho section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

***Boise MSA***

The bank exhibits an excellent geographical distribution of small loans to businesses. The proportion of bank loans in LMI geographies exceeded the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies.

***Idaho Falls MSA***

The bank exhibits an excellent geographical distribution of small loans to businesses. There are no low-income CTs in the Idaho Falls MSA. The proportion of bank loans in moderate-income geographies approximates the percentage of businesses and exceeded the aggregate industry distribution of small loans to businesses in those geographies.

***Small Loans to Farms***

The bank exhibits an excellent geographical distribution of small loans to farms.

Refer to Table S in the state of Idaho section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to farms.

***Boise MSA***

The bank exhibits an excellent geographical distribution of small loans to farms. When determining our rating we considered the low percentage of farms in low-income CTs. The small percentage of farms in low-income CTs impacted the bank's ability to make loans in those CTs. The bank did not originate any loans in low-income geographies. The proportion of bank loans in moderate-income geographies exceeded the percentage of farms and the aggregate industry distribution of small loans to farms in those geographies.

***Idaho Falls MSA***

The bank exhibits a good geographical distribution of small loans to farms. There are no low-income CTs in the Idaho Falls MSA. The proportion of bank loans in moderate-income geographies was well below the percentage of farms and exceeded the aggregate industry distribution of small loans to farms.

***Lending Gap Analysis***

We reviewed supervisory data and other summary reports. We did not find any unexplained conspicuous gaps in the bank's lending.

## **Distribution of Loans by Income Level of the Borrower**

The bank exhibits an adequate distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

### ***Home Mortgage Loans***

The bank has a poor borrower distribution of home mortgage loans.

Refer to Table P in the state of Idaho section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

#### **Boise MSA**

The bank has a poor borrower distribution of home mortgage loans. When determining our rating we considered the relative high housing costs compared to low-income families in this AA. The relative high housing costs in this AA impacts low-income borrower's ability to qualify for a home mortgage. The proportion of bank mortgage loans to low-income borrowers was significantly below the percentage of low-income families and well below the aggregate industry distribution of mortgage loans to those borrowers. The proportion of bank mortgage loans to moderate-income borrowers was well below the percentage of moderate-income families and the aggregate industry distribution of mortgage loans to those borrowers.

#### **Idaho Falls MSA**

The bank has a poor borrower distribution of home mortgage loans. When determining our rating we considered the relative high housing costs compared to low-income families in this AA. The relative high housing costs in this AA somewhat impacts a low-income borrower's ability to qualify for a home mortgage. The proportion of bank mortgage loans to low-income borrowers was significantly below the percentage of low-income families and aggregate industry distribution of mortgage loans to those borrowers. The percentage of bank mortgage loans to moderate-income borrowers was well below the percentage of moderate-income families and the aggregate industry distribution of mortgage loans to those borrowers.

### ***Small Loans to Businesses***

The bank exhibits a good borrower distribution small loans to businesses with revenues less than \$1 million.

Refer to Table R in the state of Idaho section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

#### **Boise MSA**

The bank exhibits a good borrower distribution small loans to businesses with revenues less than \$1 million. The proportion of bank loans to businesses with revenues less than \$1 million was well below the percentage of those businesses and exceeded the aggregate industry distribution of small loans to business with revenues less than \$1 million.

Idaho Falls MSA

The bank exhibits a good borrower distribution small loans to businesses with revenues less than \$1 million. The proportion of bank loans to businesses with revenues less than \$1 million was well below the percentage of those businesses and exceeded the aggregate industry distribution of small loans to business with revenues less than \$1 million.

***Small Loans to Farms***

The bank exhibits an excellent borrower distribution of small loans to small farms.

Refer to Table T in the state of Idaho section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

Boise MSA

The bank exhibits an excellent borrower distribution of small loans to small farms. The proportion of bank loans was somewhat near to the percentage of small farms and exceeded the aggregate industry distribution of loans to those small farms.

Idaho Falls MSA

The bank exhibits a good borrower distribution of small loans to small farms. The proportion of bank loans was below the percentage of small farms and is near to the aggregate industry distribution of loans to those small farms.

**Community Development Lending**

The institution is a leader in making CD loans in the state of Idaho.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Boise MSA

The volume of CD lending was excellent and had a significantly positive impact on the Lending Test performance in the Boise MSA. During the evaluation period, ZB originated 13 CD loans totaling \$59.6 million or 67.6 percent of allocated tier 1 capital. CD loans were responsive to identified community needs. By dollar volume, 35.4 percent funded revitalization and stabilization efforts, 30.1 percent funded community services, 7.2 percent funded economic development, and 27.3 percent funded affordable housing.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- The bank originated a \$16.3 million loan to fund the development of 134 units of a 5-story apartment building in the Boise MSA. The building qualifies for a LIHTC and 90.0 percent of the units have income restrictions of 60.0 percent and 50.0 percent of the area median income (AMI).

- The bank originated a \$12.4 million loan for the rehabilitation of nine properties in the Boise MSA to a local non-profit that offers affordable housing services to LMI individuals and families.
- The bank originated a \$10.1 million loan to refinance to construction of a public library. The public library serves a primarily LMI community and is located in a low-income CT.

### Idaho Falls MSA

The volume of CD lending was excellent and had a significantly positive impact on the Lending Test performance. During the evaluation period, ZB originated eight CD loans totaling \$45.2 million or 74.7 percent of tier 1 capital allocated to the AA. CD loans were responsive to identified community needs, particularly community services. By dollar volume, 77.3 percent funded community services, 0.1 percent funded economic development, and 22.6 percent funded affordable housing.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- The bank originated two loans totaling \$21.6 million to provide working capital to an organization that provides economic and social well-being services to Native Americans in the Idaho Falls MSA.
- The bank originated two loans totaling \$10.2 million to fund the construction of a 36-unit multi-family LIHTC apartment complex with all units renting at less than the HUD Fair Market Rent.

### **Product Innovation and Flexibility**

ZB makes extensive use of innovative and/or flexible lending practices in serving its AAs credit needs. ZB's lending provided flexibility for small businesses and affordable housing. In response to the COVID-19 pandemic, ZB made 2,370 PPP loans totaling 180.4 million in Idaho. ZB's PPP loans in LMI CTs accounted for 21.2 percent of the PPP originations. Additionally, ZB supported affordable housing through participation in various flexible home mortgage loan programs including those with down payment assistance, flexible underwriting, and reduced PMI. ZB made seven innovative or flexible home mortgages totaling \$1.2 million. For a description of these products see the "Innovative and Flexible Product" section of the Overall Description of institution.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Lending Test in the Idaho Non-MSA, Lewiston MSA, Pocatello MSA, and Twin Falls MSA was consistent with bank's overall performance under the Lending test in the full-scope areas. Performance in the limited-scope areas had a neutral impact on the bank's overall Lending Test.

Refer to Tables O through T in the state of Idaho section of appendix D for the facts and data that support these conclusions.

### **INVESTMENT TEST**

The bank's performance under the Investment Test in Idaho is rated Low Satisfactory

### Conclusions for Areas Receiving Full-Scope Reviews

Based on a full-scope review, the bank's performance in the Boise MSA is adequate and performance in the Idaho Falls MSA is poor.

The institution has an adequate level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits adequate responsiveness to credit and community economic development needs. The institution occasionally uses innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Boise MSA	1	\$40	15	\$3,894	16	22.5	\$3,934	12.5	0	\$0
Idaho Falls MSA	0	\$0	11	\$1,054	11	15.5	\$1,054	3.4	0	\$0
Idaho Non-MSA	0	\$0	13	\$4,576	13	18.3	\$4,576	14.6	0	\$0
Lewiston MSA	0	\$0	6	\$214	6	8.5	\$214	0.7	0	\$0
Pocatello MSA	0	\$0	8	\$343	8	11.3	\$343	1.1	0	\$0
Twin Falls MSA	0	\$0	16	\$1,009	16	22.5	\$1,009	3.2	0	\$0
Statewide	1	\$20,255	0	\$0	1	1.4	\$20,255	64.5	0	\$0

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

#### Boise MSA

The bank exhibits adequate responsiveness to community investment needs in the Boise MSA. ZB made 15 investments and grants totaling \$3.9 million during this evaluation period. There was one prior period investments outstanding of \$40 thousand. Current and prior period investments total \$3.9 million and are equivalent to 4.5 percent of allocated tier 1 capital. Bank CD investments are responsive to affordable housing needs. The bank's investments are mainly mortgage-backed securities comprised of mortgages to LMI borrowers residing in the AA. Grants primarily support affordable housing, community services targeted to LMI and economic development.

#### Idaho Falls MSA

The bank exhibits poor responsiveness to community investment needs in the Idaho Falls MSA. ZB made 11 current period CD investments and grants totaling \$1.1 million. There were no prior period investments or unfunded commitments outstanding. CD investments and grants are equivalent to 1.7 percent of allocated tier 1 capital. ZB was able to respond to community needs by investing in mortgage-backed securities comprised of mortgages to LMI borrowers residing in the AA. Grants primarily support community services to LMI and include an in-kind donation for advertising for a business incubator for small and start-up businesses.

#### Statewide

The bank had one prior period investment within the state of Idaho that could not be allocated to specific AAs. The outstanding balance of this CD investments totals \$20.2 million. This bond investment financed funding for affordable housing opportunities within the state. Statewide CD investments had a neutral impact on the Investment Test rating.

### Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, ZB’s performance under the Investment Test in the Twin Falls MSA is stronger than the state of Idaho’s overall Low Satisfactory Investment Test performance due to an excellent level of current period investments. Performance in the Lewiston MSA and Pocatello MSA were consistent with the bank’s overall performance under the Investment Test in Idaho. Performance in the Idaho Non-MSA was weaker than the bank’s overall performance in the state of Idaho due to a smaller percentage of CD investments and grants compared to allocated tier 1 capital. Limited-scope AA’s had a neutral impact on the Investment Test rating.

### SERVICE TEST

The bank’s performance under the Service Test in Idaho is rated Outstanding.

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank’s performance in the Boise MSA and Idaho Falls MSA is excellent.

### Retail Banking Services

Service delivery systems are readily accessible to geographies and individuals of different income levels in the institution’s AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)*				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Boise MSA	23.9	7	28.0	14.3	42.8	14.3	28.6	3.4	28.7	44.1	23.8
Idaho Falls MSA	24.9	3	12.0	0.0	33.3	33.3	33.3	0.0	16.4	59.7	23.9
Idaho Non-MSA	37.1	11	44.0	9.1	9.1	63.6	18.2	9.5	3.9	67.5	19.1
Lewiston MSA	2.3	1	4.0	0.0	0.0	100.0	0.0	0.0	0.0	77.1	22.9
Pocatello MSA	5.1	1	4.0	0.0	0.0	100.0	0.0	3.1	18.0	52.3	26.6
Twin Falls MSA	6.7	2	8.0	0.0	0.0	100.0	0.0	0.0	3.6	88.6	7.7

\*May not equal 100.0 percent due to rounding

Boise MSA

ZB has seven branches in the AA with one located in a low-income CT and three in moderate-income CTs. The percentage of branches in LMI CTs exceeded the percentage of the population in those geographies.

The bank complements its traditional service delivery methods with alternative retail delivery systems, such as deposit-taking ATMs, online banking, and mobile banking. Deposit-taking ATMs are located at each branch facility. No significant weight was placed on these services, as no data was available to determine the impact on, or usage by, LMI individuals.

Idaho Falls MSA

ZB has three branches in the AA with one located in a moderate-income CT. There are no low-income CTs in the AA. The percentage of branches in moderate-income CTs exceeded the percentage of the population in these geographies.

The bank complements its traditional service delivery methods with alternative retail delivery systems, such as deposit-taking ATMs, online banking, and mobile banking. Deposit-taking ATMs are located at each branch facility. No significant weight was placed on these services, as no data was available to determine the impact on, or usage by, LMI individuals.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Boise MSA	1	0			1	
Idaho Falls MSA	0	0				
Idaho Non-MSA	0	0				
Lewiston MSA	0	0				
Pocatello MSA	0	0				
Twin Falls MSA	1	0			1	

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.

Boise MSA

During the evaluation period, there was one branch opening in October 2019 in a middle-income CT. There were no branch closings.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AAs, particularly LMI geographies and/or individuals. None of the branches have Saturday hours. Lobby hours are 9 a.m. to 6 p.m. Monday-Friday at four branches. The remaining three branches close at 5 p.m., which includes the branch in the low-income CT and two branches in moderate-income CTs. Drive-up hours are the same as lobby hours.

Idaho Falls MSA

During the evaluation period, there were no branch openings or closings.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AAs, particularly LMI geographies and/or individuals. Lobby and drive-up hours are the same for all branches.

**Community Development Services**

The institution provides an adequate level of CD services.

Boise MSA

ZB provided a good level of CD services. Ten employees provided their financial expertise to 18 different organizations totaling over 690 hours during the evaluation period. Included in these services are 522 hours where bank employees served in leadership roles. Activities focused on community services to LMI individuals and services to small business. ZB also provided services to an affordable housing organization.

Examples of CD Services:

- An employee supported a community service event, focused on helping small and start-up businesses grow, by providing 180 hours of financial expertise as Co-Chairman.
- An employee provided 90 hours of service as a Board member of a food bank. The organization is dedicated to providing emergency food aid to those in need.
- An employee provided 80 hours of service as an Advisory Board member of an organization that operates a food pantry and offers parenting classes for low- and moderate-income individuals. The organization also provides grants to help low- and moderate-income families with clothing, housing, and medical needs.

Idaho Falls MSA

ZB provided few if any CD services. The bank did not provide any CD services in the AA.

Statewide

ZB provided three CD Services within the state of Idaho that could not be allocated to their AAs. One employee provided 194 hours of service as a Board member for a financial literacy program that serves the state of Idaho and primarily benefits LMI individuals. Another employee provided 20 hours of service as a Board member for statewide scholarship program for LMI adults to complete their college education. Statewide CD services had a neutral impact on the Service Test rating.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews the bank's performance under the Service Test in the Idaho Non-MSA and Lewiston MSA is consistent with the bank's overall performance under the Service Test in the full-scope areas. Performance in the Pocatello MSA and Twin Falls MSA is weaker than the bank's overall performance under the service test due to weaker branch distribution. Performance in the limited-scope AAs had a neutral impact on the overall Service Test rating in Idaho.

## State Rating

### State of Nevada

**CRA rating for the State of Nevada:** Satisfactory  
**The Lending Test is rated:** High Satisfactory  
**The Investment Test is rated:** High Satisfactory  
**The Service Test is rated:** Outstanding

The major factors that support this rating include:

- Lending levels reflect good responsiveness to community credit needs.
- Adequate geographic distribution of loans.
- Borrower distribution of loans is good.
- ZB is a leader of CD lending and CD lending performance has a significantly positive impact on the Lending Test rating.
- Good level of CD investments that are responsive to community needs. Statewide CD investments had a positive impact on the overall rating.
- Levels of CD services are excellent and delivery systems are accessible to geographies and individuals of different income levels.

### Description of Institution's Operations in Nevada

ZB operates under a local brand name Nevada State Bank in the state of Nevada. As of December 31, 2020, the Bank has three AAs comprised of 17 counties within the state of Nevada. The Las Vegas-Henderson-Paradise MSA consists of Clark County; the Nevada Non-MSA consists Churchill, Douglass, Esmerelda, Elko, Eureka, Humboldt, Lander, Lincoln, Lyon, Mineral, Nye, Pershing, and White Pine Counties; and Reno-Carson City Fernley CSA consists of Carson City, Storey, and Washoe Counties.

Based on FDIC Deposit Market Share data as of June 30, 2020, ZB had \$5.7 billion in deposits in the state of Nevada, which represented 8.7 percent of the bank's total deposits, and ranked sixth with 5.1 percent of deposit market share among 49 FDIC-insured depository institutions. The Bank has 46 office locations and 62 deposit-taking ATMs. Primary competitors include Charles Schwab Bank, Wells Fargo Bank National Association, Bank of America National Association, and U.S. Bank National Association. The top five competitors accounted for 70.0 percent of deposit market share in the state.

In comparison to the percentage of deposits relative to the bank's total deposits in Nevada, ZB originated 13.1 percent and 9.9 percent of the number of its home mortgage loans and small business loans respectively.

Las Vegas MSA

The Las Vegas MSA is comprised of Clark County. According to the June 30, 2020 FDIC Deposit Market Share Report, ZB had \$3.9 billion deposits in the AAs representing 4.1 percent of the total deposits in the AA or 6.0 percent of its total bank wide deposits. With a deposit market share of 4.1 percent, the bank ranked eight out of the 42 FDIC-insured depository financial institutions in the AA. ZB has 27 full-services branches as well as 37 deposit taking ATMs in the AA. The top five banks with a combined deposit market share of 71.3 percent were Charles Schwab Bank Trust Bank, Wells Fargo Bank National Association, Bank of America National Association, Wells Fargo National Bank West, and JPMorgan Chase Bank, National Association.

During the evaluation period, ZB originated 4,556 and 951 home mortgage and small business loans in the Las Vegas MSA, representing 9.9 percent and 1.4 percent of its total bank wide home mortgage and small business loans respectively. Volume of home mortgage and small business loans in this AA accounted for 8.2 percent and 1.3 percent of ZB's total bank wide home mortgage and small business loans respectively.

Low-income borrowers will be challenged with home mortgage affordability in the Las Vegas MSA. We considered a mortgage payment unaffordable if the principle and interest payment would be greater than 30.0 percent of monthly income. Based on the information in Table A, low-income families earned up to \$29,997. Assuming a mortgage for the AAs median housing value, with no down payment, a 4.0 percent interest rate, and amortized for 30 years, the monthly payment is \$808. We determined the monthly mortgage payment would exceed 30.0 percent of monthly income for low-income borrowers.

The Las Vegas MSA is the most populous in the state of Nevada. Being one of the biggest tourist destinations in the world, Las Vegas's economy faced one of the most severe recessions caused by the COVID-19 pandemic as unemployment rate peaked at 33.3 percent in April 2020 based on BLS data. Based on the December 2020 Moody's Analytics report, overall recovery is slow; total payrolls are still 14.0 percent below pre-pandemic levels compared with 6.1 percent for the nation. Although leisure and hospitality jobs have moved sideways in the last quarter of 2020 and retail has recouped pandemic-related job losses, unemployment rate remains high at 9.6 percent relative to the nation's average of 6.7 percent as of December 30, 2020 based on BLS data. The housing market is experiencing escalating home prices. Housing prices are at a 14-year high, and house price appreciation picked up sharply in the second half of 2020. Over the review period, the price of a single-family home increased by 11.7 percent. According to Moody's Analytics, demand for housing in Las Vegas will soften over the near term. Record low mortgage rates caused homebuyers to compete for housing in a market with below-average supply of homes. The top five employers in the AA are Nellis Air Force Base, Mandalay Bay Resort & Casino, Las Vegas Sans Corp., Caesars Entertainment Corp., and MGM Resorts International.

We utilized two community contacts with a government agency and a grassroots community group with the mission to develop local economy by attracting new businesses, and to provide safe and decent housing for individuals and families of LMI in the area. The organizations indicated the needs in the area are loans for start-up businesses and affordable housing.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Las Vegas-Henderson-Paradise MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	487	5.7	26.3	37.2	30.6	0.2
Population by Geography	2,035,572	5.0	25.3	39.2	30.3	0.2
Housing Units by Geography	857,131	5.6	24.9	38.7	30.6	0.2
Owner-Occupied Units by Geography	380,425	1.9	16.9	41.7	39.5	0.0
Occupied Rental Units by Geography	344,021	8.7	33.0	36.9	21.1	0.2
Vacant Units by Geography	132,685	8.1	27.0	34.8	29.5	0.6
Businesses by Geography	131,791	3.6	21.0	38.7	36.1	0.6
Farms by Geography	1,815	2.3	20.1	40.5	37.0	0.1
Family Distribution by Income Level	465,442	20.7	18.4	20.5	40.5	0.0
Household Distribution by Income Level	724,446	22.6	17.0	18.8	41.6	0.0
Median Family Income MSA - 29820 Las Vegas-Henderson-Paradise, NV MSA		\$59,993	Median Housing Value			\$169,213
			Families Below Poverty Level			11.9%
			Median Gross Rent			\$1,032
<i>Source: 2015 ACS and 2020 D&amp;B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

### Reno CSA

The Reno CSA consists of Carson City, Storey, and Washoe counties. The AA is a competitive banking environment consisting of large regional bank branches, state-chartered community banks, and other financial institutions. The FDIC Market Share Report, as of June 30, 2020, indicated ZB ranked fourth among 17 depository institutions in the AA with \$973 million deposits, representing 1.5 percent of the bank's total deposits. ZB maintains six full-service branches and nine deposit-taking ATMs in the AA. The top five competitors of the bank in the AA include Wells Fargo Bank National Association, Bank of America National Association, U.S. Bank National Association, Western Alliance Bank, and Glacier Bank with a combined deposit market share of 79.5 percent.

During the evaluation period, ZB originated 686 and 693 home mortgage and small business loans in the AA totaling \$108.4 million and \$59.0 million, respectively. The numbers accounted for 1.5 percent and 1.0 percent of the bank's home mortgage and small business loans respectively, while the volume represented 1.1 percent and 0.7 percent of the total bank wide loan volume.

Low-income borrowers will be challenged with home mortgage affordability in the Reno CSA AA. We considered a mortgage payment unaffordable if the principle and interest payment would result in a debt to income (DTI) greater than 30.0 percent. Based on the information in Table A, low-income families earned up to \$32,861. Assuming a mortgage based on the AAs median housing value, with no down

payment, a 4.0 percent interest rate, and amortized for 30 years the payment is \$1,028. We determined the monthly mortgage payment would exceed 30.0 percent DTI for low-income borrowers.

### Carson City MSA

Carson City is the capital of the state of Nevada. A large share of jobs in the public sector shielded the area from more severe declines at the peak of the pandemic. The MSA's economy is improving after losing jobs in 2020 due to recession. According to the December 2020 Moody's Analytics report, leisure/hospitality is slowly adding jobs and has recovered more losses than the state and U.S. average. House price appreciation has trended higher over the past year but has been unable to keep up with the state and U.S average. Healthcare, retail, and leisure/hospitality employ more than half of Carson City's private sector workers, 10.0 percentage points higher than the West and U.S. averages. The top five employers in the MSA are Carson Tahoe Hospital, Click Bond Inc., Gold Dust West Carson City, Carson City Nugget, and PCC Structural of Carson City.

Based on the recent BLS data, unemployment improved to 5.0 percent as of December 2020 from its peak of 20.9 percent in April 2020.

### Reno MSA

The Reno MSA as defined by the U.S. Census Bureau is an area consisting of two counties in Western Nevada, anchored by the cities of Reno and Sparks. Tourism is the major industry Reno area. The business climate also has a strong presence in manufacturing and logistics in industries such as computers, electronics, financial services, and communications. This diversity drives the local economy and includes a wide range of restaurants and retail options. The nearby mountains draw many tourists to the highest concentration of ski resorts in America and contribute to the unlimited year-round recreational opportunities. According to the December 2020 Moody's Analytics report, Reno's recovery is accelerating with job growth topping the Nevada state and U.S. average. It has recovered more than 80.1 percent of losses compared with 60.1 percent for the nation. Strong demand for housing has pushed single-family starts to a 15-year high and house price growth is topping the U.S. average. Over the evaluation period, the price of a single-family home has increased by 10.5 percent, while the population grew by 3.2 percent. Top employers in Reno include University of Nevada-Reno, Silver Legacy Resort Casino, Sierra Nevada Healthcare System, Harrah's Reno Casino, St. Mary's Health Network etc.

Based on the recent BLS information, unemployment rate of 4.4 percent as of December 2020 best the nation's average at 6.7 percent. The rate is relatively flat compared with the 4.3 percent level as of January 2018.

We utilized two community contacts with two government agencies with the mission to provide safe and decent housing for individuals and families of LMI, homeless, and at-risk citizens in the area. The organizations indicated the needs in the area are affordable housing, gap funding to cover increased construction and material costs, and financial literacy.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Reno-Carson CSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	127	7.9	18.9	35.4	31.5	6.3
Population by Geography	493,430	7.6	20.6	40.0	30.6	1.2
Housing Units by Geography	211,933	8.6	21.4	37.8	31.2	1.0
Owner-Occupied Units by Geography	108,120	2.4	14.0	42.5	40.9	0.3
Occupied Rental Units by Geography	81,586	16.0	31.1	34.1	17.2	1.6
Vacant Units by Geography	22,227	11.9	21.4	29.0	35.5	2.2
Businesses by Geography	34,472	7.4	24.5	27.4	36.1	4.5
Farms by Geography	754	5.7	18.0	37.8	36.9	1.6
Family Distribution by Income Level	116,738	21.1	17.4	20.6	40.9	0.0
Household Distribution by Income Level	189,706	24.4	15.8	17.5	42.3	0.0
Median Family Income MSA - 16180 Carson City, NV MSA		\$58,947	Median Housing Value			\$215,382
Median Family Income MSA - 39900 Reno, NV MSA		\$65,722	Median Gross Rent			\$931
			Families Below Poverty Level			10.2%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Scope of Evaluation in Nevada

We are conducting full-scope reviews of the Las Vegas MSA and Reno CSA (refer to appendix AA for a list of all AAs). For ZB's performance in the lending test, the weighing of small business lending and mortgage lending are equally weighted based on volume of loan originations in the bank's AAs in Nevada. In the AAs, small farm lending was not considered a primary product. Amongst the full-scope areas, we gave much more weight to the Las Vegas MSA, due to the statewide proportion of loans, deposits, and branches.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEVADA

### LENDING TEST

The bank's performance under the Lending Test in Nevada is rated High Satisfactory.

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Las Vegas MSA and Reno CSA is good.

## Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
Las Vegas MSA	4,556	5,290	11	103	9,960	75.1	68.8
Nevada Non-MSA	792	693	103	25	1,613	12.2	14.1
Reno CSA	686	951	10	35	1,682	12.7	17.1

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State*	% State Deposits
Las Vegas MSA	\$1,172,622	\$518,229	\$512	\$106,847	\$1,798,210	74.3	68.8
Nevada Non-MSA	\$118,926	\$59,018	\$13,277	\$19,323	\$210,544	8.7	14.1
Reno CSA	\$160,019	\$108,472	\$625	\$142,321	\$411,437	17.0	17.1

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### Las Vegas MSA

Lending levels reflect good responsiveness to AA credit needs.

According to the June 30, 2020 FDIC Deposit Market Share Report, ZB had \$3.9 billion in deposits with a 4.1 percent deposit market share in the Las Vegas MSA. ZB's deposit market share ranked eighth out of 42, which ranked in the top 19.0 percent of all deposit taking institutions in the AA.

According to 2019 peer mortgage data, ZB had a 1.4 percent market share of home mortgage loan originations. ZB's market share of home mortgage loan originations was weaker than their deposit market share. ZB had home mortgage loan origination market share ranked 16<sup>th</sup> out of 560 home mortgage lenders. ZB's home mortgage loan origination market share ranking was in the top 2.9 percent in the AA. The bank's market share ranking of home mortgage loan originations was stronger than their deposit market share ranking.

According to 2019 peer small business data, ZB had 1.2 percent market share of small business loan originations. ZB's market share of small business loan originations was weaker than their deposit market share. ZB's market share of small business loan originations ranked 12<sup>th</sup> out of 161 lenders in the AA. ZB's market share of small business loan originations ranked in the top 7.5 percent of all lenders in the AA. The bank's market share ranking of small business loan originations was stronger than their deposit market share ranking.

### Reno MSA

Lending levels reflect good responsiveness to AA credit needs.

According to the June 30, 2020 FDIC Deposit Market Share Report, ZB had \$973.1 million in deposits with a 4.1 percent deposit market share in the Reno MSA. ZB's deposit market share ranked fourth out of 17, which ranked in the top 23.5 percent of all deposit taking institutions in the AA.

According to 2019 peer mortgage data, ZB had a 0.8 percent market share of home mortgage loan originations. ZB's market share of home mortgage loan originations was weaker than their deposit market share. ZB had home mortgage loan origination market share ranked 30<sup>th</sup> out of 348 home mortgage lenders. ZB's home mortgage loan origination market share ranking was in the top 8.6 percent in the AA. The bank's market share ranking of home mortgage loan originations was stronger than their deposit market share ranking.

According to 2019 peer small business data, ZB had 0.7 percent market share of small business loan originations. ZB's market share of small business loan originations was weaker than their deposit market share. ZB's market share of small business loan originations ranked 16<sup>th</sup> out of 99 lenders in the AA. ZB's market share of small business loan originations ranked in the top 16.2 percent of all lenders in the AA. The bank's market share ranking of small business loan originations was stronger than their deposit market share ranking.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits an adequate distribution of loans in its AAs.

#### ***Home Mortgage Loans***

The bank has a poor geographical distribution of home mortgage loans.

Refer to Table O in the state of Nevada section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

#### **Las Vegas MSA**

The bank exhibits a poor geographical distribution of home mortgage loans. The proportion of bank home mortgage loans in low-income geographies was significantly below the percentage of owner-occupied housing and the aggregate industry distribution of mortgage loans to those geographies. The proportion of bank home mortgage loans in moderate-income geographies was significantly below the percentage of owner-occupied housing and well below the aggregate industry distribution of mortgage loans to those geographies.

#### **Reno CSA**

The bank exhibits a poor geographical distribution of home mortgage loans. The proportion of bank home mortgage loans in low-income geographies was significantly below the percentage of owner-occupied housing and well below the aggregate industry distribution of mortgage loans to those geographies. The proportion of bank home mortgage loans in moderate-income geographies was significantly below the percentage of owner-occupied housing and the aggregate industry distribution of mortgage loans in those geographies.

***Small Loans to Businesses***

The bank exhibits an excellent geographical distribution of small loans to businesses.

Refer to Table Q in the state of Nevada section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

***Las Vegas MSA***

The bank exhibits an excellent geographical distribution of small loan to businesses. The proportion of bank loans to low-income geographies was somewhat near to the percentage of businesses and approximates the aggregate industry distribution of small loans to businesses in those geographies. The proportion of bank loans in moderate-income geographies was near to the percentage of businesses and exceeded the aggregate industry distribution of small loans to businesses in those geographies.

***Reno CSA***

The bank exhibits an excellent geographical distribution of small loans to businesses. The proportion of bank loans to LMI geographies exceeded the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies.

***Lending Gap Analysis***

We reviewed supervisory data and other summary reports. We did not find any unexplained conspicuous gaps in the bank's lending.

**Distribution of Loans by Income Level of the Borrower**

The bank exhibits a good distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

***Home Mortgage Loans***

The bank exhibits a good distribution of home mortgage loans.

Refer to Table P in the state of Nevada section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

***Las Vegas MSA***

The bank exhibits a good borrower distribution of home mortgage loans. When determining our rating we considered the fact that low-income borrowers would be challenged the afford a home at the median housing value in this AA. The proportion of bank home mortgage loans to low-income borrowers is significantly below the percentage of low-income families and substantially meets the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of bank loans to moderate-income borrowers is below the percentage of moderate-income families and near to the aggregate industry distribution of mortgage loans to those borrowers.

***Reno CSA***

The bank exhibits a good borrower distribution of home mortgage loans. When determining our rating we considered the fact that low-income borrowers would be challenged the afford a home at the median housing value in this AA. The proportion of bank mortgage loans to low-income borrowers is significantly less than the percentage of low-income families and substantially meets the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of bank loans to moderate-income borrowers is below the percentage of moderate-income families and near to the aggregate industry distribution of mortgage loans to those borrowers.

### ***Small Loans to Businesses***

The bank exhibits a good borrow distribution of small loans to small businesses.

Refer to Table R in the state of Nevada section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

### **Las Vegas MSA**

The bank exhibits a good borrower distribution of small loans to small businesses. The proportion of bank loans to businesses with revenues less than \$1 million was well below the percentage of businesses and exceeded the aggregate industry distribution of loans to those businesses.

### **Reno CSA**

The bank exhibits a good borrower distribution of small loans to small businesses. The proportion of bank loans to businesses with revenues less than \$1 million was well below the percentage of businesses and exceeded the aggregate industry distribution of loans to those businesses.

## **Community Development Lending**

The institution is a leader in making CD loans in the state of Nevada.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

### **Las Vegas MSA**

The volume of CD lending was excellent and had a significantly positive impact on the Lending Test performance in the Las Vegas MSA. During the evaluation period, ZB originated 103 CD loans totaling \$106.8 million or 22.6 percent of allocated tier 1 capital. CD loans were responsive to identified community needs. By dollar volume, 35.4 percent funded revitalization and stabilization efforts, 30.1 percent funded community services, 7.2 percent funded economic development, and 27.3 percent funded affordable housing.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- The bank originated a \$12.0 million loan to fund the redevelopment of an industrial site in a low-income CT in the Las Vegas MSA. The loan was made to revitalize the LMI community in which the property was located by attracting or retaining businesses and residents.
- The bank originated a \$11.3 million loan to fund the renovations of a charter school in the Las Vegas MSA. The loan serves the LMI youth of the community as the majority of the students at the school are on the free and reduced school lunch program. The school is located in a moderate-income census tract.
- The bank originated a \$9.4 million loan to refinance existing construction debt for a charter school in the Las Vegas MSA. The loan serves the LMI youth of the community as the majority of the students at the school are on the free and reduced school lunch program.
- ZB's participation in the PPP resulted in 34 CD loans totaling \$24.4 million. These loans were made for a qualified CD purpose and/or to non-profits providing CD activities and services to LMI people in the Las Vegas MSA.

### Reno CSA

The volume of CD lending was excellent and had a significantly positive impact on the Lending Test performance in the Boise MSA. CD loans were responsive to identified community needs. During the evaluation period, ZB originated 35 CD loans totaling \$142.3 million or 158.6 percent of tier 1 capital allocated to the AA. By dollar volume, 92.1 percent funded community services and 7.9 percent funded economic development.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- The bank originated two loans totaling \$116.2 million to support the bond funding initiative of a housing authority. The housing authority provides affordable housing opportunities for LMI families.
- The bank originated a \$670 thousand loan to fund the purchase of equipment used in the ambulances of a non-profit charitable organization providing emergency medical transport and dispatch services. More than 55.0 percent of the care provided by the organization is uncompensated.
- The bank originated a \$500 thousand loan to provide working capital to a non-profit organization providing community services to LMI youth in the Reno CSA. The loan serves the LMI youth of the community as the majority of the members qualify for free or reduced school lunches.
- ZB's participation in the PPP resulted in eight CD loans totaling \$6.5 million. These loans were made for a qualified CD purpose and/or to non-profits providing CD activities and services to LMI people in the Reno MSA.

### **Product Innovation and Flexibility**

ZB makes extensive use of innovative and/or flexible lending practices in serving its AAs credit needs. ZB's lending provided flexibility for small businesses and affordable housing. In response to the

COVID-19 pandemic, ZB made 5,093 PPP loans totaling \$402.7 million in Nevada. ZB's PPP loans in LMI CTs accounted for 24.2 percent of the PPP originations. Additionally, ZB supported affordable housing through participation in various flexible home mortgage loan programs including those with down payment assistance, flexible underwriting, and reduced PMI. ZB made 74 innovative or flexible home mortgages totaling \$13.6 million. For a description of these products see the "Innovative and Flexible Product" section of the Overall Description of institution.

## Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Lending Test in the Nevada Non-MSA is stronger than the bank's overall performance under the Lending Test in the full-scope areas. The bank exhibits excellent geographical and borrower distribution of home mortgage and small loans to businesses. ZB also exhibited excellent borrower distribution of small loans to farms in the Nevada Non-MSA. Performance in the limited-scope AA had a neutral impact on the overall rating in Nevada.

Refer to Tables O through T in the state of Nevada section of appendix D for the facts and data that support these conclusions.

## INVESTMENT TEST

The bank's performance under the Investment Test in Nevada is rated High Satisfactory.

## Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Las Vegas MSA is good and performance in the Reno CSA is adequate.

The institution has a good level of qualified CD investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits good responsiveness to credit and community economic development needs. The institution makes extensive use of innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Las Vegas MSA	1	\$250	94	\$30,526	95	61.3	\$30,776	60.3	0	\$0
Nevada Non-MSA	1	\$625	5	\$1,713	6	3.9	\$2,338	4.6	1	\$250
Reno CSA	0	\$0	40	\$3,936	40	25.8	\$3,936	7.7	0	\$0
Statewide	13	\$13,516	1	\$500	14	9.0	\$14,016	27.4	0	\$0

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

### Las Vegas MSA

The bank exhibits good responsiveness to community investment needs in the Las Vegas MSA. ZB made 94 investments and grants totaling \$30.5 million during this evaluation period. There was one prior period investments outstanding of \$250 thousand. Current and prior period investments total \$30.8 million and are equivalent to 6.5 percent of allocated tier 1 capital. The bank's CD investments are responsive to affordable housing needs in the AA. The bank's investments included complex investments in LIHTC's and mortgage-backed securities comprised of mortgages to LMI borrowers. Grants primarily supported affordable housing, community services targeted to LMI and economic development and include an in-kind donation for reduced rental space for a financial literacy organization supporting LMI youth.

### Reno CSA

The bank exhibits adequate responsiveness to community investment needs in the Reno CSA. ZB made 40 current period investments and grants totaling \$3.9 million. There were no prior period investments. CD investments and grants were equivalent to 4.3 percent of allocated tier 1 capital. ZB was able to respond to community needs by investing in mortgage-backed securities comprised of mortgages to LMI borrowers residing in the AA. Grants primarily support community services to LMI providing services for shelter, youth development, scholarship programs and financial literacy.

### Statewide

The bank had one current period investment and 13 prior period investments within the state of Nevada that could not be allocated to specific AAs. The current period investment of \$500 thousand was to a CDFI for a small business loan pool. Prior period investments totaled \$13.5 million and consist of mortgage-backed securities for affordable housing and equity investments in CDFIs. Statewide performance had a neutral impact on the Investment Test rating.

## **Conclusions for Area Receiving a Limited-Scope Review**

Based on a limited-scope review, ZB's performance under the Investment Test in the Nevada Non-MSA is weaker than the state of Nevada's overall Outstanding Investment Test performance due to a poor level of prior and current period investments when compared to allocated tier 1 capital. Performance in the limited-scope AA had a neutral impact on the Investment Test rating.

## **SERVICE TEST**

The bank's performance under the Service Test in Nevada is rated Outstanding.

## **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank's performance in the Las Vegas MSA and Reno CSA is excellent. The excellent level of community development services in the Las Vegas MSA had a positive impact on its performance under the Service Test.

## **Retail Banking Services**

Service delivery systems are accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)*				% of Population within Each Geography*			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Las Vegas MSA	68.8	27	58.7	3.7	14.8	40.1	37.0	5.0	25.3	39.2	30.3
Nevada Non-MSA	14.1	13	28.3	0.0	23.1	53.8	23.1	0.0	23.2	48.4	28.3
Reno CSA	17.1	6	13.0	16.7	33.3	16.7	33.3	7.6	20.6	40.0	30.6

\*May not equal 100.0 percent due to NA CTs

### Las Vegas MSA

ZB has 27 branches in the AA with one located in a low-income CT and four located in moderate-income CTs. The percentage of branches in both low-income and moderate-income CTs was below the percentage of population in these geographies. Five branches located in middle- and upper-income geographies are near to LMI CTs. When determining the significance of near to branches, we considered bank data that supported significant use of those branches by people living in nearby LMI CTs. When considering these near to branches, performance improved in the AA. In addition, as a result of the 2015 ACS Census CT changes, one branch moved from a low-income CT to a geography with unknown income.

The bank complements its traditional service delivery methods with alternative retail delivery systems, such as deposit-taking ATMs, online banking, and mobile banking. Deposit-taking ATMs are located at each branch facility. No significant weight was placed on these services, as no data was available to determine the impact on, or usage by, LMI individuals.

### Reno CSA

ZB has six branches in the AA with one located in a low-income CT and two located in moderate-income CTs. The percentage of branches in both LMI CTs exceeded the percentage of population in these geographies.

The bank complements its traditional service delivery methods with alternative retail delivery systems, such as deposit-taking ATMs, online banking, and mobile banking. Deposit-taking ATMs are located at each branch facility. No significant weight was placed on these services, as no data was available to determine the impact on, or usage by, LMI individuals.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Las Vegas MSA	1	4		-1	-2	
Nevada Non-MSA	0	0				
Reno CSA	0	1			-1	

To the extent changes have been made, the institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals.

#### Las Vegas MSA

During the evaluation period, there were four branch closures and one branch opening. ZB closed one branch in a moderate-income CT in February of 2020 due to low levels of deposits and loans, and few business customers. This did not adversely impact branch penetration in moderate-income CTs. There are four other financial institutions with branches within two miles of the closed facility. Accounts were transferred to the closest ZB branch, which was 4.9 miles away. Additional closures included two branches in middle-income CTs and one in an upper-income CT, also due to the low number of transactions. There was one branch opening in an upper-income CT.

Services, including where appropriate, business hours, do not vary in a way the inconveniences its AAs, particularly LMI geographies and/or individuals.

#### Reno CSA

During the evaluation period, there was one branch closing in a middle-income CT in February 2020. The branch did not meet performance expectations.

#### Las Vegas MSA

Services, including where appropriate, business hours, do not vary in a way that inconveniences AA, particularly LMI geographies and/or individuals.

All branches have the same lobby and drive-up hours Monday-Friday. On Saturday, 14 branches have lobby hours and 12 drive-up facilities are open, including one branch and drive-up located in a moderate-income CT.

#### Reno CSA

Services, including where appropriate, business hours, do not vary in a way the inconveniences its AAs, particularly LMI geographies and/or individuals.

All branches have the same lobby hours Monday-Thursday and the same drive-up hours Monday-Friday. On Friday, the lobby closes at 6 p.m. at three branches, including one branch in a low-income CT and one branch in a moderate-income CT. Lobby hours at the other three branches close at 5 p.m. on Friday. Four branches are open on Saturday and have the same lobby and drive-up hours, including one branch in a low-income CT and one branch in a moderate-income CT.

## **Community Development Services**

The institution is a leader in providing CD services.

### Las Vegas MSA

CD services were effective and responsive in helping the bank address community needs. ZB conducted or supported an excellent level of CD services, consistent with its capacity and expertise. Over 250 employees provided their financial expertise to 41 different organizations totaling 4,422 hours during the evaluation period. Included in these services are 903 hours where bank employees served in leadership roles. Activities focused on community services to LMI individuals. ZB provided services to organizations that help provide affordable housing.

Examples of CD Services:

- Employees supported a national financial literacy program by providing over 2,100 hours of instruction to LMI youth and young adults. Employees also participated in fundraising activities. The program focuses on the importance of saving money, job skills for specific careers, problem solving, and the value of science, technology, engineering, and math skills.
- Employees worked with a local magnet high school to teach financial literacy classes and provided over 220 hours of instruction. The classes primarily benefit LMI students.
- Employees provided over 131 hours of financial education through an organization that focuses on assisting homeless and LMI individuals between the ages of 18-24. The goal of the program is to provide life skill classes and other critical needs.

### Reno CSA

ZB provided a good level of CD services. In total, 61 employees provided their financial expertise to 14 different organizations totaling 873 hours during the evaluation period. Included in these services are 372 hours where bank employees served in leadership roles. Activities focused on community services to low- and moderate-income individuals. ZB also provided services to small businesses.

Examples of CD Services:

- Employees supported a national financial literacy program by providing 365 hours of instruction to low- and moderate-income youth and young adults. Employees also participated in fundraising activities. The program focuses on the importance of saving money, job skills for specific careers, problem solving, and the value of science, technology, engineering, and math skills.

- Employees provided 113 hours of service to a nonprofit foundation that provides college scholarships to low- and moderate-income high school graduates. Services included serving on the Board and participating in fundraising events.
- Employees provided 83 hours of financial literacy classes through a local health organization to low- and moderate-income individuals. Topics included credit basics, the definition of credit, and how to use credit wisely.

### **Conclusions for Area Receiving a Limited-Scope Review**

Based on a limited-scope review, the bank's performance under the Service Test in the Nevada Non-MSA AA is consistent with, the bank's overall performance under the Service Test in the full-scope areas.

## State Rating

### State of New Mexico

**CRA rating for the State of New Mexico:** Satisfactory

**The Lending Test is rated:** High Satisfactory

**The Investment Test is rated:** Outstanding

**The Service Test is rated:** High Satisfactory

The major factors that support this rating include:

- Lending levels reflect good responsiveness to community credit needs.
- The geographic and borrower distribution of loans is adequate.
- ZB is a leader in CD lending and CD lending performance has a significantly positive impact on the Lending Test rating.
- CD investments are excellent and responsive to community needs.
- Levels of CD services are adequate and delivery systems are accessible to geographies and individuals of different income levels.

### Description of Institution's Operations in New Mexico

Zions Bancorporation, National Association operates under a local brand name Vectra Bank of Colorado in the state of New Mexico. As of December 31, 2020, the bank has one AA comprised of one county (San Juan) within the Farmington MSA in the state of New Mexico. This AA meets the requirements of the regulation and does not arbitrarily exclude any LMI Census Tracts (CT). ZB is a full-service bank and offers a wide variety of commercial and consumer products and services with its primary focus on lending to businesses of all types and sizes.

Based on FDIC Deposit Market Share data as of June 30, 2020, ZB had \$62.4 million in deposits, which represented 0.1 percent of the bank's total deposits. Within the state of New Mexico, the bank ranked 50th with 0.2 percent of deposit market share among 56 FDIC-insured depository institutions. The Bank has one office location and one deposit-taking ATM. Primary competitors include Wells Fargo Bank National Association, Bank of America National Association, Bank of the West, Bofk National Association and U.S. Bank National Association. These five competitors accounted for 54.0 percent of the deposit market share in the state. In comparison to the percentage of deposits relative to the bank's total deposits in New Mexico, ZB originated 0.2 percent and 0.3 percent of the number of its home mortgage loans and small business loans respectively.

The Farmington MSA is comprised of San Juan County. Based on the June 30, 2020 FDIC Deposit Market Share Report, ZB had \$62.4 million deposits in the AA representing 3.7 percent of the total deposits in the AA and 0.1 percent of its total bank wide deposits. With a deposit market share of 3.7 percent, the bank ranked fifth out of the eight FDIC-insured depository financial institutions in the AA. ZB has one office location and one deposit-taking ATM in the AA. Competition is moderate in the AA

with The Citizen Bank, Wells Fargo Bank National Association, and Four Corners Community Bank as the primary competitors with combined deposit market share of 91.1 percent.

During the evaluation period, ZB originated 86 and 200 home mortgage and small business loans in the Farmington MSA, representing 0.2 percent and 0.3 percent of its total bank wide home mortgage and small business loans respectively. Volume of home mortgage and small business loans in the MSA accounted for 0.1 percent and 0.3 percent of the bank's total bank wide home mortgage and small business loans respectively.

According to the December 2020 Moody's Analytics report, Farmington's economy is improving, but challenges remain. Employment growth has fallen well behind the state average, having recovered less than a quarter of the jobs lost in the spring of 2020. Goods-producing industries have been hit the hardest driven by instability in the energy sector. Unemployment spiked to start 2021, bringing the area jobless rate to the 13th highest nationally. Top employers in the AA include San Juan Regional Medical Center, San Juan College, Basin Home Health, ConocoPhillips, and BHP Minerals. Based on the BLS data, unemployment rate was 9.7 percent as of December 2020. Although the rate has improved from its peak at 15.5 percent in July 2020, it remains above the national average of 6.7 percent.

According to the US Census ACS, the AA witnessed population increase of 1.5 percent while the cost of a single-family home increased by 8.3 percent throughout the evaluation period. The median household income remains relatively flat, increasing by 0.9 percent. Much of the AA is situated on Native American land. This results in a very limited supply of available land to develop real estate.

We utilized one community contact with a local small business development organization that provides various services to new and start-up businesses in the AA. The organization identified access to credit for new and small businesses and affordable housing as needs in the area.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Farmington MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	33	3.0	24.2	42.4	30.3	0.0
Population by Geography	125,133	3.5	26.0	42.0	28.4	0.0
Housing Units by Geography	49,562	4.6	25.2	41.4	28.8	0.0
Owner-Occupied Units by Geography	29,820	3.8	20.2	44.0	32.0	0.0
Occupied Rental Units by Geography	10,823	2.0	31.9	38.7	27.4	0.0
Vacant Units by Geography	8,919	10.6	33.8	35.7	19.9	0.0
Businesses by Geography	6,281	0.3	25.6	41.9	32.2	0.0
Farms by Geography	133	0.0	12.0	44.4	43.6	0.0
Family Distribution by Income Level	29,352	24.5	16.3	17.5	41.8	0.0
Household Distribution by Income Level	40,643	25.8	15.1	16.1	43.0	0.0
Median Family Income MSA - 22140 Farmington, NM MSA		\$58,777	Median Housing Value			\$137,090
			Median Gross Rent			\$765
			Families Below Poverty Level			15.7%

Source: 2015 ACS and 2020 D&B Data

Due to rounding, totals may not equal 100.0%

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

## Scope of Evaluation in New Mexico

We are conducting a full-scope review of the bank's single AA, the Farmington MSA. For ZB's performance in the lending test, we gave more weight to small business lending compared to mortgage lending. We gave more weight to small business lending due to the volume of loan originations in the bank's AA in New Mexico. In the AA, small farm lending was not considered a primary product.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW MEXICO

### LENDING TEST

The bank's performance under the Lending Test in New Mexico is rated High Satisfactory.

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Farmington MSA is good.

### Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Farmington MSA	86	200	1	7	294	100.0	100.0

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Farmington MSA	\$13,688	\$23,445	\$30	\$9,508	\$46,671	100.0	100.0

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

According to the June 30, 2020 FDIC Deposit Market Share Report, ZB had \$62.4 million in deposits with a 3.7 percent deposit market share in the Farmington MSA. ZB's deposit market share ranked fifth out of eight, which ranked in the top 62.5 percent of all deposit taking institutions in the AA.

According to 2019 peer mortgage data, ZB had a 1.6 percent market share of home mortgage loan originations. ZB's market share of home mortgage loan originations was weaker than their deposit market share. ZB had home mortgage loan origination market share ranked 18<sup>th</sup> out of 153 home mortgage lenders. ZB's home mortgage loan origination market share ranking was in the top 11.8

percent in the AA. The bank's market share ranking of home mortgage loan originations was stronger than their deposit market share ranking.

According to 2019 peer small business data, ZB had 1.9 percent market share of small business loan originations. ZB's market share of small business loan originations was weaker than their deposit market share. ZB's market share of small business loan originations ranked 11<sup>th</sup> out of 60 lenders in the AA. ZB's market share of small business loan originations ranked in the top 18.3 percent of all lenders in the AA. The bank's market share ranking of small business loan originations was stronger than their deposit market share ranking.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits an adequate geographic distribution of loans in its AA.

#### ***Home Mortgage Loans***

Refer to Table O in the state of New Mexico section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The bank exhibits a very poor geographical distribution of home mortgage loans. The proportion of bank mortgage loans to LMI geographies was significantly below the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans to those geographies.

#### ***Small Loans to Businesses***

Refer to Table Q in the state of New Mexico section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses was good. When determining our rating we considered the relatively low percentage of businesses in low-income CTs. The bank did not make a loan in a low-income geography. The proportion of bank loans in moderate-income geographies approximates the percentage businesses and the aggregate industry distribution of loans to those businesses.

#### ***Lending Gap Analysis***

We reviewed supervisory data and other summary reports. We did not find any unexplained conspicuous gaps in the bank's lending.

### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits an adequate distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the institution.

#### ***Home Mortgage Loans***

Refer to Table P in the state of New Mexico section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The bank exhibits a very poor borrower distribution of home mortgage loans. The proportion of bank loans to LMI borrowers is significantly below the percentage of LMI families and the aggregate industry distribution of mortgage loans to those borrowers.

### ***Small Loans to Businesses***

Refer to Table R in the state of New Mexico section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The bank has a good borrower distribution of small loans to small business. The proportion of bank loans to businesses with revenues less than \$1 million was below the percentage of businesses and exceeded the aggregate industry distribution of loans to those businesses.

### **Community Development Lending**

The institution is a leader in making CD loans in the state of New Mexico.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The volume of CD lending was excellent and had a significantly positive impact on the Lending Test performance in the Farmington MSA. During the evaluation period, ZB originated seven CD loans totaling \$9.5 million or 86.8 percent of tier 1 capital allocated to the AA. CD loans were responsive to affordable housing needs in the AA. By dollar volume, 2.1 percent funded community services, 11.2 percent funded economic development, and 86.7 percent funded affordable housing.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- The bank originated a \$3.0 million loan to refinance an existing loan used to fund capital improvements on a 72-unit affordable housing apartment complex with all rents falling within the HUD 50<sup>th</sup> percentile of affordable rents.
- The bank originated a \$2.2 million loan to refinance the purchase of a 60-unit affordable housing apartment complex with all rents falling within the HUD 50<sup>th</sup> percentile of affordable rents.
- The bank originated a \$1.1 million loan to fund the purchase of a commercial building under the SBA 504 Certified Development Company program that created jobs providing economic development for the Farmington MSA.

### **Product Innovation and Flexibility**

ZB makes limited use of innovative and/or flexible lending practices in serving its AAs credit needs. ZB's lending provided flexibility for small businesses. In response to the COVID-19 pandemic, ZB made 115 PPP loans totaling \$14.6 million in New Mexico. ZB's PPP loans in LMI CTs accounted for 33.9 percent of the PPP originations.

## INVESTMENT TEST

The bank’s performance under the Investment Test in New Mexico is rated Outstanding.

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Farmington MSA is excellent.

The institution has an excellent level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits excellent responsiveness to credit and community economic development needs. The institution occasionally uses innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Farmington MSA	1	\$19	6	\$1,012	7	77.8	\$1,031	98.1	0	\$0
Statewide	0	\$0	2	\$20	2	22.2	\$20	1.9	0	0

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

### Farmington MSA

The bank exhibits excellent responsiveness to community investment needs in the Farmington MSA. ZB made six investments and grants totaling \$1.0 million during the evaluation period. There was one prior period investment outstanding of \$19 thousand. Current and prior period investments are equivalent to 9.5 percent of allocated tier 1 capital. CD investments exhibited complexity and were responsive to affordable housing needs in the AA. The bank invested in a LIHTC that generated 69-units for LMI people. Grants primarily supported community services targeted to LMI youth education and economic development for start-up and small business development.

### Statewide

The bank had two current period CD grants within the state of New Mexico that could not be allocated to specific AAs. These grants totaled \$20 thousand and supported lending to start-up and small businesses. Statewide investments had a neutral impact on the Investment Test rating.

## SERVICE TEST

The bank’s performance under the Service Test in New Mexico is rated High Satisfactory.

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Farmington MSA is good.

## Retail Banking Services

Service delivery systems are accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits % of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Branches				Population			
				Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Farmington MSA	100.0	1	100.0	0.0	100.0	0.0	0.0	3.5	26.0	42.0	28.4

ZB has one branch in the AA, which is located in a moderate-income CT. The percentage of branches in low-income CTs was below the percentage of population in these geographies. The percentage of branches in moderate-income CTs exceeded the percentage of population in these geographies.

The bank complements its traditional service delivery methods in the Farmington MSA with alternative retail delivery systems, such as deposit-taking ATMs, online banking, and mobile banking. Deposit-taking ATMs are located at each branch facility. No significant weight was placed on these services, as no data was available to determine the impact on, or usage by, LMI individuals.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Farmington MSA	0	0				

To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. The bank did not open or close any branches in the AA.

Services, including where appropriate, business hours do not vary in a way that inconveniences its AA, particularly geographies and/or individuals. Lobby hours are 8:00 a.m. – 4:30 p.m. on Monday-Friday. Drive-up hours are 8:00 a.m. – 5:30 p.m. Monday-Friday. The bank does have Saturday business hours.

## Community Development Services

The institution provides an adequate level of CD services.

ZB provided an adequate level of CD services. Three out of nine employees provided their financial expertise to five different organizations totaling 166 hours during the evaluation period. Included in these services are 50 hours where bank employees served in leadership roles. Activities focused on community services to LMI individuals. ZB also provided services to small businesses. One employee provided 50 hours of service as a Board member for an organization that provides programs for LMI youth, including financial literacy and healthy habits. Another employee provided 40 hours of service as a member of the loan committee for an organization that provides loans to small businesses and business support services.

## State Rating

### State of Oregon

**CRA rating for the State of Oregon:** Satisfactory

**The Lending Test is rated:** High Satisfactory

**The Investment Test is rated:** Outstanding

**The Service Test is rated:** Low Satisfactory

The major factors that support this rating include:

- Lending levels reflect good responsiveness to community credit needs.
- The geographic distribution of loans is excellent.
- The borrower distribution of loans is very poor.
- ZB is a leader in making CD loans. CD lending had a significantly positive impact on the Lending Test rating.
- CD investments are excellent and responsive to community needs.
- Levels of CD services are adequate and delivery systems are reasonably accessible to geographies and individuals of different income levels.

### Description of Institution's Operations in Oregon

ZB operates under the local brand name The Commerce Bank of Oregon in the state of Oregon and reports up through The Commerce Bank of Washington. As of December 31, 2020, the bank had one AA comprised of one city within the state of Oregon. The AA meets the requirements of the regulation and does not arbitrarily exclude any LMI CTs. ZB has one office location in the city of Portland and no deposit taking ATMs located in Oregon. According to the June 30, 2020 FDIC Market Share Report, ZB held \$162.3 million in statewide deposits, ranking 34th, and representing a 0.2 percent deposit market share. During the evaluation period, 0.2 percent of total bank deposits and 0.3 percent of total bank loans were in Oregon.

The Portland-Vancouver-Hillsboro MSA (Portland MSA) is comprised of the counties of Clackamas, Multnomah, and Washington. More specifically, ZB has designated the city of Portland and adjacent industrial areas in Multnomah County as well as surrounding CTs in Clackamas and Washington Counties as its AA. Strong competition exists for financial services within the Portland MSA. According to the June 30, 2020 FDIC Market Share Report, ZB ranked 23rd out of the 32 depository financial institutions with \$162.3 thousand in deposits and a 0.2 percent market share. Competition includes large national banks, large regional banks, and small state banks. The five largest competitors include U.S. Bank, Bank of America, Wells Fargo Bank, JPMorgan Chase Bank, and Umpqua Bank. These competitors have deposits totaling \$50.0 billion, representing 75.3 percent of total deposit market share. ZB's deposits within the Portland MSA account for 0.2 percent of bank wide deposits.

The bank's lending focus in the Portland MSA is on small business. ZB no longer originates mortgages in house due to the lack of a branch system in Oregon. During the evaluation period, ZB originated 301

CRA small business loans totaling \$101.7 million within the AA. This represented 0.4 percent of the total number of bank wide small business loan originations and 1.2 percent of the total bank wide small business loan dollar volume. The bank originated 59 home mortgage loans in the AA during the evaluation period, totaling \$47.1 million. This represented 0.1 percent of the total number of bank wide home mortgage originations and 0.3 percent of the total bank wide home mortgage loan dollar volume.

The Portland MSA has a high cost of housing relative to low-income borrowers. Based on the information in Table A, low-income families earned up to \$36,545 in the AA. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30.0 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment was \$914 for low-income borrowers. Assuming a 30-year mortgage with a 4.0 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be \$1,444. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the poverty level are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial wherewithal to qualify for a home loan than those with income above the poverty level. Median rents and the percentage of families below the poverty level suggest rental housing is also unaffordable for many low-income residents. The 2020 portion of families living below the poverty level was 9.5 percent, less than the 2019 national average of 10.5 percent reported by the US Census Bureau. These levels had an impact on meeting basic financial needs and home mortgage lending.

Portland is the largest and most populous city in Oregon and is best known for its high tech, logistics, and manufacturing companies. According to Moody's Analytics, top employers in the AA include Intel Corporation, Providence Health Systems, Oregon Health & Science University, Nike, and Kaiser Foundation Health Plan of the NW. Significant exports of the AA include computer and electronic products, machinery, and transportation equipment. The population of the Portland MSA has fluctuated in recent years, with a 2019 net migration gain of 11,334 residents. Based on BLS data, the unemployment rate for the AA was 3.9 percent in January 2018, dropped to a low of 2.8 percent in November 2019, then reached a high of 13.1 percent in April 2020 due to the impact of the COVID-19 pandemic. As of December 31, 2020, the unemployment rate was 6.2 percent.

We utilized two community contacts in this AA. The first contact was a local community development financial institution that assists homebuyers and provides down payment assistance to homeowners. The other contact was a local small business development center that assists small business owners. The organizations indicated there is a need for down payment assistance and the protracted economic environment due to COVID-19 and business shutdowns has increased the demand for small business lending.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Portland- MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	355	2.5	22.8	40.8	33.0	0.8
Population by Geography	1,714,066	2.2	24.9	41.0	31.7	0.2
Housing Units by Geography	706,343	2.1	23.7	41.3	32.6	0.3
Owner-Occupied Units by Geography	393,840	0.9	18.9	42.6	37.6	0.0
Occupied Rental Units by Geography	272,777	3.8	30.6	39.3	25.6	0.7
Vacant Units by Geography	39,726	2.3	25.1	42.3	29.9	0.4
Businesses by Geography	210,419	2.9	20.1	37.0	37.3	2.7
Farms by Geography	5,366	1.6	14.9	49.7	33.1	0.7
Family Distribution by Income Level	411,935	21.2	16.7	20.0	42.1	0.0
Household Distribution by Income Level	666,617	24.4	15.9	17.7	42.1	0.0
Median Family Income MSA - 38900 Portland-Vancouver-Hillsboro, OR-WA MSA		\$73,089	Median Housing Value			\$302,370
			Median Gross Rent			\$1,028
			Families Below Poverty Level			9.5%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Scope of Evaluation in Oregon

We are conducting a full-scope review of the bank’s single AA, the Portland MSA. For ZB’s performance in the lending test, we gave more weight to small business lending compared to mortgage lending. We gave more weight to small business lending due to the volume of loan originations in the bank’s AA in Oregon. In the AA, small farm lending was not considered a primary product.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN OREGON

### LENDING TEST

The bank’s performance under the Lending Test in Oregon is rated High Satisfactory.

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Portland MSA is High Satisfactory.

## Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
Portland MSA	59	301	0	26	386	100.0	100.0

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State*	% State Deposits
Portland MSA	\$47,078	\$101,731	\$0	\$33,350	\$182,159	100.0	100.0

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

According to the June 30, 2020 FDIC Deposit Market Share Report, ZB had \$162.3 million in deposits with a 0.3 percent deposit market share in the Portland MSA. ZB's deposit market share ranked 21<sup>st</sup> out of 30, which ranked in the top 70.0 percent of all deposit taking institutions in the AA.

According to 2019 peer mortgage data, ZB had a 0.02 percent market share of home mortgage loan originations. ZB's market share of home mortgage loan originations was weaker than their deposit market share. ZB had home mortgage loan origination market share ranked 243<sup>rd</sup> out of 549 home mortgage lenders. ZB's home mortgage loan origination market share ranking was in the top 44.3 percent in the AA. The bank's market share ranking of home mortgage loan originations was stronger than their deposit market share ranking.

According to 2019 peer small business data, ZB had 0.1 percent market share of small business loan originations. ZB's market share of small business loan originations was weaker than their deposit market share. ZB's market share of small business loan originations ranked 30<sup>th</sup> out of 119 lenders in the AA. ZB's market share of small business loan originations ranked in the top 25.2 percent of all lenders in the AA. The bank's market share ranking of small business loan originations was stronger than their deposit market share ranking.

## Distribution of Loans by Income Level of the Geography

The bank exhibits an excellent geographic distribution of loans in its AA.

### *Home Mortgage Loans*

Refer to Table O in the state of Oregon section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The bank exhibits an excellent geographical distribution of home mortgage loans. The proportion of bank loans in LMI geographies exceeded the percentage of owner-occupied housing and the aggregate industry distribution of mortgage loans in those geographies.

***Small Loans to Businesses***

Refer to Table Q in the state of Oregon section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The bank exhibited an excellent geographical distribution of small loans to business. The proportion of bank loans in low-income geographies exceeded the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies. The proportion of bank loans in moderate-income geographies was near to the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies.

***Lending Gap Analysis***

We reviewed supervisory data and other summary reports. We did not find any unexplained conspicuous gaps in the bank's lending.

**Distribution of Loans by Income Level of the Borrower**

The bank exhibits a very poor distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the institution.

***Home Mortgage Loans***

Refer to Table P in the state of Oregon section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The borrower distribution of home mortgage loans was poor. When determining our rating we considered the relatively high cost of housing compared to a low-income borrower's ability to afford a mortgage. The proportion of bank loans to low-income borrowers was significantly below the percentage of low-income families and somewhat near to the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of bank loans to moderate-income borrowers was significantly below the percentage of moderate-income families and well below the aggregate industry distribution of mortgage loans to those borrowers.

***Small Loans to Businesses***

Refer to Table R in the state of Oregon section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The borrower distribution of small loans to businesses is very poor. The proportion of bank loans to businesses with revenues less than \$1 million was significantly below the percentage of businesses and exceeded the aggregate industry distribution of small loans to those businesses.

**Community Development Lending**

The institution is a leader in making CD loans in the state of Oregon.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The volume of CD lending was excellent and had a significantly positive impact on the Lending Test performance in the Portland MSA. During the evaluation period, ZB originated 26 CD loans totaling \$33.4 million or 120.9 percent of tier 1 capital allocated to the AA. CD loans were responsive to community needs, particularly affordable housing. By dollar volume, 39.5 percent funded revitalization and stabilization efforts, 2.8 percent funded community services, 7.2 percent funded economic development, and 50.5 percent funded affordable housing.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- The bank originated a \$13.2 million loan for the construction of an industrial site in a low-income CT in the Portland MSA. The loan was made to revitalize the LMI community in which the property was located by attracting or retaining businesses and residents.
- The bank originated a \$7.1 million loan to fund the renovation of a 95-unit multi-family apartment complex that was awarded LIHTC, Federal Historic Rehabilitation Tax Credits, and Solar Tax Credits. The property is located in a moderate-income census tract and all units are below HUD Fair Market Rate.
- The bank originated a \$3.6 million loan to fund renovations of a 108-unit multi-family apartment complex that was awarded LIHTC, Federal Historic Rehabilitation Tax Credits, and Solar Tax Credits. The property is located in a moderate-income census tract and all units rent at below HUD Fair Market Rate.
- ZB's participation in the PPP resulted in four CD loans totaling \$420 thousand. These loans were made for a qualified CD purpose and/or to non-profits providing CD activities and services to LMI people in the Portland MSA.

## **Product Innovation and Flexibility**

ZB makes limited use of innovative and/or flexible lending practices in serving its AAs credit needs. ZB's lending provided flexibility for small businesses. In response to the COVID-19 pandemic, ZB made 163 PPP loans totaling \$46.7 million in Oregon. ZB's PPP loans in LMI CTs accounted for 27.0 percent of the PPP originations.

## **INVESTMENT TEST**

The bank's performance under the Investment Test in Oregon is rated Outstanding

## **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank's performance in the Portland MSA is excellent.

The institution has an excellent level of qualified CD investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors

The institution exhibits excellent responsiveness to credit and community economic development needs. The institution makes extensive use of innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Portland MSA	0	\$0	13	\$2,050	13	100.0	\$2,050	100.0	0	\$0

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.  
 \*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

The bank exhibits excellent responsiveness to community investment needs in the Portland MSA. ZB made 13 investments and grants totaling \$2.1 million during this evaluation period. There were no prior period investments. Current period investments are equivalent to 7.4 percent of allocated tier 1 capital. ZB is responsive to affordable housing needs in the AA. The bank made a \$1.0 million investment in a LIHTC project for the development of 95 low-income housing units. Other investments included mortgage-based securities providing affordable housing for LMI people in the AA. Grants supported community services targeted to LMI people providing needed medical care, food, and housing essentials for families in need.

**SERVICE TEST**

The bank’s performance under the Service Test in Oregon is rated Low Satisfactory.

**Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank’s performance in the Portland MSA is adequate.

**Retail Banking Services**

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the institution’s AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	# of BANK Branches	% of Rated Area Branches in AA	Branches				Population			
				Location of Branches by Income of Geographies (%)				% of Population within Each Geography**			
	Low			Mod	Mid	Upp	Low	Mod	Mid	Upp	
Portland MSA*	100.0	1	100.0	0.0	0.0	0.0	0.0	2.2	24.9	41.0	31.7

\*Branch is located in NA CT  
 \*\*Does not equal 100.0 percent due to NA CTs

ZB has one branch in the AA, which is located in a CT with no income designation. The percentage of branches in low-income CTs was below the population in these geographies. The percentage of branches in moderate-income CTs was significantly below the population in these geographies.

The bank complements its traditional service delivery methods in the Portland MSA with alternative retail delivery systems, such as online banking, and mobile banking. There are no deposit-taking ATMs in the AA. No significant weight was placed on these services, as no data was available to determine the impact on, or usage by, LMI individuals.

Distribution of Branch Openings/Closings						
		Branch Openings/Closings				
Assessment Area	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Portland MSA	0	0				

To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. ZB did not open or close any branches in this AA throughout the evaluation period.

Services, including where appropriate, business hours do not vary in a way that inconveniences its AA, particularly LMI geographies and/or individuals. Lobby hours are 8:00 a.m. – 5:00 p.m. on Monday-Friday. There is no drive-up facility or Saturday business hours.

### **Community Development Services**

The institution provides an adequate level of CD services.

ZB provided an adequate level of CD services. Three out of five employees provided their financial expertise to three different organizations totaling 188 hours during the evaluation period. Included in these services are 171 hours where bank employees served in leadership roles. Activities focused on affordable housing and community services to LMI individuals. One employee provided 171 hours of service to two organizations that help an organization that helps develop, preserve, and sustain affordable housing for LMI individuals.

## State Rating

### State of Texas

**CRA rating for the State of Texas:** Outstanding

**The Lending Test is rated:** Outstanding

**The Investment Test is rated:** Outstanding

**The Service Test is rated:** High Satisfactory

The major factors that support this rating include:

- Lending levels reflect good responsiveness to community credit needs.
- The geographic distribution of loans is good.
- The borrower distribution of loans is adequate.
- ZB is a leader in making CD loans. CD lending has a significantly positive impact on the Lending Test rating. ZB makes extensive use of flexible loan products.
- ZB has an excellent level of qualified CD investments and grants.
- Levels of CD services are good and delivery systems are accessible to geographies and individuals of different income levels.

### Description of Institution's Operations in Texas

ZB operates under a local brand name Amegy Bank of Texas in the state of Texas. As of December 31, 2020, the bank has five AAs comprised of 15 counties within the state of Texas. These AAs include the Austin-Round Rock MSA made up of Travis County (new AA as of 8/5/2019); Dallas-Fort Worth-Arlington MSA made up of Collin, Dallas, Denton, and Tarrant counties; Houston MSA made up of Brazoria, Chambers, Fort Bend, Galveston, Harries, Montgomery, and Waller counties; San Antonio-New Braunfels MSA made up of Bexar and Comal counties; and Texas Non-MSA made up of Wharton County. All the AAs meet the requirements of the regulation and do not arbitrarily exclude any LMI CTs. ZB is a full-service bank and offers a wide variety of commercial and consumer products and services with its primary focus on lending to businesses of all types and sizes. The bank has 78 full-service branches and 91 deposits taking ATMs in the state of Texas.

ZB faces strong competition in Texas with Charles Schwab Bank, JP Morgan Chase Bank National Association, Bank of America National Association, USAA Federal Savings Bank, and Wells Fargo Bank National Association representing the top five competitors. The top five competitors accounted for 62.0 percent of market share of the deposits in the state. Based on the June 30, 2020 FDIC Deposit Market Share Report, ZB held \$13.0 billion in statewide deposits and ranked 12th in the state. The \$13.0 billion deposits represented approximately 1.0 percent of market share among 498 FDIC insured depository institutions in Texas and accounted for 19.8 percent of the bank's total deposits. In comparison to the percentage of deposits relative to the bank's total domestic deposits, ZB originated 18.0 percent and 17.2 percent of the number of its home mortgage loans and small business loans respectively in Texas.

Dallas MSA

The Dallas MSA is comprised of Collin, Dallas, Denton, and Tarrant counties. According to the June 30, 2020 FDIC Deposit Market Share Report, ZB had \$924.7 million deposits representing 0.1 percent of the total deposits in the AA or 1.4 percent of bank wide deposits. With a deposit market share of 0.1 percent, the bank ranked 36th out of the 167 FDIC-insured depository financial institutions in the AA. ZB has 10 full-services branches as well as 10 deposit taking ATMs in the AA. The top three banks with a combined deposit market share of 70.1 percent were Charles Schwab Bank, Bank of America, and JPMorgan Chase Bank, N.A.

During the evaluation period, ZB originated 928 and 1,488 home mortgage and small business loans in the Dallas-Fort Worth-Arlington MSA, representing 2.0 percent and 2.1 percent of its total bank wide home mortgage and small business loans respectively. Volume of home mortgage and small business loans in this MSA accounted for 2.3 percent and 2.4 percent of the bank's total bank wide home mortgage and small business loans respectively.

The Dallas MSA is one of the economic hubs in the state of Texas. According to the December 2020 Moody's Analytics report, the Dallas MSA economy benefitted from stable demand for professional services due to many corporate headquarters, favorable migration trends, and well-positioned distribution center for Southwest as international trade grows. Housing market conditions have been very strong. The residential construction industry is booming and will contribute significantly to overall growth in 2021. The Dallas MSA has recovered at a much faster than average pace and is nearing expansion mode. Just about all industries have outperformed their national counterparts. Some are up year over year including core professional services, finance, construction, retail, and distribution. Top employers include major retailers, airline industry, and healthcare services. Based on BLS data, the unemployment rate in the MSA witnessed a sharp increase to 12.5 percent in April 2020 due to the economic hardship caused by the COVID-19 pandemic. While the rate is down to 6.0 percent as of December 30, 2020, it's still 2.1 percentage points above the rate as of January 2018.

We utilized four community contacts with grassroots community development groups with the mission to provide affordable housing, empower and support communities, provide training and workforce development, and fight poverty. These organizations identified affordable housing and financial literacy as major needs for LMI individuals in the AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Dallas-Fort Worth-Arlington MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,175	13.8	26.4	25.7	33.5	0.6
Population by Geography	5,993,595	11.7	26.1	27.3	34.8	0.1
Housing Units by Geography	2,291,892	12.2	24.8	27.9	35.0	0.2
Owner-Occupied Units by Geography	1,230,948	5.5	20.2	28.7	45.5	0.1
Occupied Rental Units by Geography	887,170	19.5	30.4	27.4	22.3	0.4
Vacant Units by Geography	173,774	21.5	28.6	24.4	25.2	0.3
Businesses by Geography	664,194	7.0	18.4	25.9	48.0	0.7
Farms by Geography	10,816	5.2	17.2	28.5	48.6	0.5
Family Distribution by Income Level	1,452,003	23.8	16.4	17.9	42.0	0.0
Household Distribution by Income Level	2,118,118	24.0	16.5	17.7	41.8	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX		\$71,149	Median Housing Value			\$180,162
Median Family Income MSA - 23104 Fort Worth-Arlington-Grapevine, TX		\$69,339	Median Gross Rent			\$982
			Families Below Poverty Level			11.7%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

### Houston MSA

The Houston MSA is comprised of Brazoria, Chambers, Fort Bend, Galveston, Harris, Montgomery, and Waller counties. According to the June 30, 2020 FDIC Deposit Market Share Report, ZB ranked fifth among the depository financial institutions in the AA with \$11.5 billion in deposits, representing 3.8 percent deposit market share or 17.6 percent of the bank's total deposits. ZB has 60 full-service branches and 73 deposit taking ATMs in the MSA. Competitors include large national banks, large regional banks, and small state banks namely: Wells Fargo Bank National Association, BBVA USA, JPMorgan Chase Bank National Association, Bank of America National Association, and Frost Bank. These top 5 competitors accounted for 71.2 percent of the deposit market share in the AA.

During the evaluation period, ZB originated 6,595 and 9,400 home mortgage and small business loans in the Houston MSA totaling \$2.2 billion and \$1.1 billion respectively. This accounts for 14.3 and 13.5 percent of total lending dollars and 15.8 and 13.9 percent of total volume, for home mortgage and small business loans, respectively.

The Houston MSA is a major economic center for the state of Texas. Major economic drivers include oil and gas, engineering and construction, schools, and hospitality and entertaining. According to Moody's Analytics, top area employers include ExxonMobil Corp, Landry's Inc, Shell Oil Co., Fort Bend ISD, and Schlumberger Ltd. The Houston MSA economy is also driven by significant trade and export transactions due to location on the Gulf coast of Texas. Payroll employment in Houston-The Woodlands-Sugar Land has recovered steadily in recent months, and a little over half the jobs lost in the spring have returned, in line with the U.S. as a whole. Although BLS data indicates the unemployment rate has fallen 6.4 percentage points from its peak in April to 7.6 percent as of December 30, 2020, it has

been flat at best since August and is still 2.6 percentage points above the rate in January of 2018. Housing market indicators are strong.

We utilized one community contact with a local development corporation that promotes economic development and job creation in 13 Texas counties. The organization indicated affordable housing, small dollar loans, as well as credit counseling are needed in the area.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Houston MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	1,052	15.0	29.1	24.8	29.9	1.1
Population by Geography	6,240,281	11.8	25.9	27.2	34.7	0.4
Housing Units by Geography	2,360,166	12.4	25.3	26.5	35.6	0.3
Owner-Occupied Units by Geography	1,287,394	5.3	21.2	28.6	44.9	0.1
Occupied Rental Units by Geography	844,891	21.1	30.3	24.1	23.9	0.6
Vacant Units by Geography	227,881	20.0	29.6	23.0	27.2	0.3
Businesses by Geography	606,910	9.3	17.9	22.6	50.0	0.2
Farms by Geography	9,106	5.1	16.5	29.1	49.2	0.1
Family Distribution by Income Level	1,503,833	24.4	16.0	17.0	42.6	0.0
Household Distribution by Income Level	2,132,285	24.8	15.9	16.7	42.5	0.0
Median Family Income MSA - 26420 Houston-The Woodlands-Sugar Land, TX MSA		\$69,373	Median Housing Value			\$174,047
			Families Below Poverty Level			12.8%
			Median Gross Rent			\$974

*Source: 2015 ACS and 2020 D&B Data  
Due to rounding, totals may not equal 100.0%  
(\* The NA category consists of geographies that have not been assigned an income classification.*

## Scope of Evaluation in Texas

We are conducting full-scope reviews of the Dallas MSA and the Houston MSA (refer to appendix A for a list of all AAs). For ZB’s performance in the lending test we gave more weight to small business lending as compared to mortgage lending. We gave more weight to small business lending due to the volume of loan originations in the bank’s AA’s in Texas. Small farm lending is considered a primary loan product in the Houston MSA. Small farm lending was given significantly less weight in Lending Test performance ratings due to the smaller volume of loans, as compared to small business and home mortgage. Between the full-scope areas, we gave much more weight to the Houston MSA, due to the statewide proportion of loans, deposits, and branches.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

### LENDING TEST

The bank's performance under the Lending Test in Texas is rated Outstanding.

## Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Houston MSA is excellent and performance in the Dallas MSA is good.

### Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Austin MSA	321	181	1	11	514	2.5	0.1
Dallas MSA	928	1,488	2	15	2,433	11.9	7.1
Houston MSA	6,595	9,400	32	164	16,191	78.8	88.7
San Antonio MSA	401	932	1	13	1,347	6.6	3.7
Texas Non-MSA	25	11	0	1	37	0.2	0.3

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Austin MSA	\$295,971	\$29,260	\$100	\$49,517	\$374,848	7.3	0.1
Dallas MSA	\$324,884	\$195,296	\$228	\$72,100	\$592,508	11.5	7.1
Houston MSA	\$2,268,803	\$1,130,384	\$1,667	\$411,940	\$3,812,794	73.7	88.7
San Antonio MSA	\$145,124	\$146,248	\$28	\$89,273	\$380,673	7.3	3.7
Texas Non-MSA	\$5,706	\$550	\$0	\$1,555	\$7,811	0.2	0.3

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### Dallas MSA

Lending levels reflect good responsiveness to AA credit needs.

According to the June 30, 2020 FDIC Deposit Market Share Report, ZB had \$924.7 million in deposits with a 0.1 percent deposit market share in the Dallas MSA. ZB's deposit market share ranked 36<sup>th</sup> out of 167, which ranked in the top 21.6 percent of all deposit taking institutions in the AA.

According to 2019 peer mortgage data, ZB had a 0.2 percent market share of home mortgage loan originations. ZB's market share of home mortgage loan originations was stronger than their deposit market share. ZB had home mortgage loan origination market share ranked 141<sup>st</sup> out of 987 home mortgage lenders. ZB's home mortgage loan origination market share ranking was in the top 14.3

percent in the AA. The bank's market share ranking of home mortgage loan originations was stronger than their deposit market share ranking.

According to 2019 peer small business data, ZB had 0.1 percent market share of small business loan originations. ZB's market share of small business loan originations approximates their deposit market share. ZB's market share of small business loan originations ranked 56<sup>th</sup> out of 253 lenders in the AA. ZB's market share of small business loan originations ranked in the top 22.1 percent of all lenders in the AA. The bank's market share ranking of small business loan originations was near to their deposit market share ranking.

### Houston MSA

Lending levels reflect good responsiveness to AA credit needs.

According to the June 30, 2020 FDIC Deposit Market Share Report, ZB had \$11.5 billion in deposits with a 3.8 percent deposit market share in the Houston MSA. ZB's deposit market share ranked fifth out of 90, which ranked in the top 5.6 percent of all deposit taking institutions in the AA.

According to 2019 peer mortgage data, ZB had a 1.2 percent market share of home mortgage loan originations. ZB's market share of home mortgage loan originations was weaker than their deposit market share. ZB's home mortgage loan origination market share ranked 19<sup>th</sup> out of 914 home mortgage lenders. ZB's home mortgage loan origination market share ranking was in the top 2.1 percent in the AA. The bank's market share ranking of home mortgage loan originations was stronger than their deposit market share ranking.

According to 2019 peer small business data, ZB had 0.7 percent market share of small business loan originations. ZB's market share of small business loan originations was weaker than their deposit market share. ZB's market share of small business loan originations ranked 17<sup>th</sup> out of 243 small business lenders in the AA. ZB's market share of small business loan originations ranked in the top 7.0 percent of all small business lenders in the AA. The bank's market share ranking of small business loan originations was stronger than their deposit market share ranking.

## **Distribution of Loans by Income Level of the Geography**

The bank exhibits a good geographic distribution of loans in its AAs.

### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans is adequate.

Refer to Table O in the state of Texas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

### Dallas MSA

The geographic distribution of home mortgage loans is poor. The proportion of bank home mortgage loans in low-income geographies is significantly below the percentage of owner-occupied housing and somewhat near to the aggregate industry distribution of home mortgage loans to those geographies. The proportion of bank loans in moderate-income geographies is significantly below the percentage of

owner-occupied housing and well below the aggregate industry distribution of mortgage loans to those geographies.

#### Houston MSA

The geographic distribution of home mortgage loans is adequate. The proportion of bank home mortgage loans in low-income geographies is significantly below the percentage of owner-occupied housing and somewhat near to the aggregate industry distribution of home mortgage loans to those geographies. The proportion of bank loans in moderate-income geographies is significantly below the percentage of owner-occupied housing and below the aggregate industry distribution of mortgage loans to those geographies.

#### ***Small Loans to Businesses***

The geographic distribution of small loans to business is excellent

Refer to Table Q in the state of Texas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

#### Dallas MSA

The geographic distribution of small loans to business is excellent. The proportion of bank loans in LMI geographies exceeded the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies.

#### Houston MSA

The geographic distribution of small loans to business is excellent. The proportion of bank loans in low-income geographies approximates the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies. The proportion of bank loans in moderate-income geographies exceeded the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies.

#### ***Small Loans to Farms***

Refer to Table S in the state of Texas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to farms.

#### Houston MSA

The bank exhibits a good geographical distribution of small loans to farms. The proportion of bank small farm loans to low-income geographies exceeded the percentage of farms and the aggregate industry distribution of loans to those geographies. The proportion of bank small farm loans to moderate-income geographies was somewhat near to the percentage of farms and well below the aggregate industry distribution of loans to those geographies.

#### ***Lending Gap Analysis***

We reviewed supervisory data and other summary reports. We did not find any unexplained conspicuous gaps in the bank's lending.

### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits an adequate distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

#### ***Home Mortgage Loans***

The bank exhibits a poor borrower distribution of home mortgage loans.

Refer to Table P in the state of Texas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

#### **Dallas MSA**

The borrower distribution of home mortgage loans is very poor. The proportion of bank mortgage loans to LMI borrowers was significantly below the percentage of LMI families and the aggregate industry distribution of mortgage loans to those borrowers.

#### **Houston MSA**

The borrower distribution of home mortgage loans is adequate. The proportion of bank mortgage loans to low-income borrowers was significantly below the percentage of low-income families and exceeded the aggregate industry distribution of mortgage loans to those borrowers. The proportion of bank mortgage loans to moderate-income borrowers was well below the percentage of moderate-income families and the aggregate industry distribution of mortgage loans to those borrowers.

#### ***Small Loans to Businesses***

The bank exhibits a good borrower distribution of small loans to small businesses.

Refer to Table R in the state of Texas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

#### **Dallas MSA**

The bank exhibits a good borrower distribution of small loans to small businesses. The proportion of bank loans to businesses with revenues less than \$1 million was well below the percentage of businesses and exceeded the aggregate industry distribution of small loans to small businesses.

#### **Houston MSA**

The bank exhibits a good borrower distribution of small loans to small businesses. The proportion of bank loans to businesses with revenues less than \$1 million was well below the percentage of businesses and exceeded the aggregate industry distribution of small loans to small businesses.

***Small Loans to Farms***

The bank exhibits an excellent borrower distribution of small loans to small farms.

Refer to Table T in the state of Texas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

**Houston MSA**

The bank exhibits an excellent borrower distribution of small loans to small farms. The proportion of bank loans was below the percentage of farms and exceeded the aggregate industry distribution of small loans to small farms.

**Community Development Lending**

The institution is a leader in making CD loans in the state of Texas.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

**Dallas MSA**

The volume of CD lending was excellent and had a significantly positive impact on the Lending Test performance in the Dallas MSA. During the evaluation period, ZB originated 15 CD loans totaling \$72.1 million or 58.1 percent of allocated tier 1 capital. CD loans were responsive to identified community needs, particularly affordable housing. By dollar volume, 23.5 percent funded revitalization and stabilization efforts, 1.5 percent funded community services, 8.7 percent funded economic development, and 66.3 percent funded affordable housing.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- The bank originated a \$17.3 million loan for the redevelopment of industrial site in a moderate-income CT in the Dallas MSA. The loan was made to revitalize the LMI community in which the property was located by attracting or retaining businesses and residents.
- The bank originated a \$9.8 million loan for the construction of a charter school in the Dallas MSA. The loan serves the LMI youth of the community as the majority of the students at the school are on the free and reduced school lunch program. The school is located on a low-income census tract.
- The bank originated a \$2.1 million loan to fund the purchase of an industrial building under the SBA 504 Certified Development Company program that created jobs providing economic development for the Dallas MSA.
- ZB's participation in the PPP resulted in two CD loans totaling \$179 thousand. These loans were made for a qualified CD purpose and/or to non-profits providing CD activities and services to LMI people in the Dallas MSA.

Houston MSA

The volume of CD lending was excellent and had a significantly positive impact on the Lending Test performance in the Houston MSA. During the evaluation period, ZB originated 164 CD loans totaling \$411.9 million or 40.0 percent of allocated tier 1 capital. CD loans were responsive to identified community needs, particularly affordable housing. By dollar volume, 8.2 percent funded revitalization and stabilization efforts, 16.6 percent funded community services, 12.7 percent funded economic development, and 62.5 percent funded affordable housing.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- The bank made an \$18.0 million loan to fund the construction of a 123-unit senior living LIHTC affordable housing project.
- The bank made a \$17.8 million loan for the redevelopment of an industrial site in a moderate-income CT in the Houston MSA. The loan was made to revitalize the LMI community in which the property was located by attracting or retaining businesses and residents.
- The bank made a \$16.6 million loan to fund the construction of a 116-unit affordable multi-family LIHTC apartment complex.
- ZB's participation in the PPP resulted in 48 CD loans totaling \$22.6 million. These loans were made for a qualified CD purpose and/or to non-profits providing CD activities and services to LMI people in the Houston MSA.

**Product Innovation and Flexibility**

ZB makes extensive use of innovative and/or flexible lending practices in serving its AAs credit needs. ZB's lending provided flexibility for small businesses and affordable housing. In response to the COVID-19 pandemic, ZB made 8,327 PPP loans totaling \$402.7 million in Texas. ZB's PPP loans in LMI CTs accounted for 24.8 percent of the PPP originations. Additionally, ZB supported affordable housing through participation in various flexible home mortgage loan programs including those with down payment assistance, flexible underwriting, and reduced PMI. ZB made 189 innovative or flexible home mortgages totaling \$28.5 million. For a description of these products see the "Innovative and Flexible Product" section of the Overall Description of institution.

**Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Lending Test in the Austin MSA, San Antonio MSA and Texas Non-MSA was consistent with the bank's overall performance under the Lending Test in the full-scope areas. Performance in the limited-scope areas had a neutral impact on the bank's overall Lending Test.

Refer to Tables O through T in the state of Texas section of appendix D for the facts and data that support these conclusions.

**INVESTMENT TEST**

The bank's performance under the Investment Test in Texas is rated Outstanding.

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Dallas MSA and Houston MSA is excellent.

The institution has an excellent level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits excellent responsiveness to credit and community economic development needs. The institution makes significant use of innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Austin MSA	0	\$0	2	\$3,267	2	0.7	\$3,267	2.6	0	\$0
Dallas MSA	1	\$392	32	\$10,816	33	11.3	\$11,208	8.9	1	\$599
Houston MSA	10	\$35,267	194	\$35,598	204	70.1	\$70,865	56.4	5	\$2,541
San Antonio MSA	1	\$10,625	15	\$1,052	16	5.5	\$11,677	9.3	2	\$1,400
Texas Non-MSA	0	\$0	1	\$1	1	0.3	\$1	0.1	0	\$0
Statewide	35	\$28,540	0	\$0	35	12.0	\$28,540	22.7	0	\$0

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

#### Dallas MSA

The bank exhibits excellent responsiveness to community investment needs in the Dallas MSA. ZB made 32 investments and grants totaling \$10.8 million during this evaluation period. There was one prior period investment outstanding of \$392 thousand. Current and prior period investments are equivalent to 9.0 percent of allocated tier 1 capital. In addition, the bank has one unfunded commitment from the prior period of \$392 thousand for an investment in a small business investment company that supplies businesses with financing. The bank's investments are mainly mortgage-backed securities comprised of mortgages to LMI borrowers residing in the AA. Grants primarily supported community service organizations assisting LMI with financial literacy education and job skills training.

#### Houston MSA

The bank exhibits excellent responsiveness to community investment needs in the Houston MSA. ZB made 194 current period CD investments and grants totaling \$35.6 million. There or were 10 prior period investments totaling \$35.3 million. CD investments and grants are equivalent to 6.9 percent of allocated tier 1 capital. In addition, ZB has unfunded commitments of \$2.5 million of SBIC investments promoting economic development. ZB CD investments were responsive to affordable housing needs in the AA. ZB was able to respond to affordable housing community needs by investing in mortgage-backed securities comprised of mortgages to LMI borrowers and more complex investments in LIHTCs.

Grants primarily support community services to LMI by providing funds to organizations assisting with housing, food, education, job services, and other basic family needs.

### Statewide

The bank has 35 outstanding prior period investments, totaling \$28.5 million, within the state of Texas that could not be allocated to specific AAs. The outstanding balances of these investments are for mortgage backed securities providing affordable housing opportunities within the state. Statewide CD investments had a neutral impact on the Investment Test Rating.

## Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, ZB's performance under the Investment Test in the Austin MSA and San Antonio MSA is consistent than the state of Texas' overall Outstanding Investment Test. Performance in the Texas Non-MSA was weaker than the bank's overall performance in the state of Texas and considered very poor due a low level of CD investments compared to allocated tier 1 capital. Limited-scope performance had a neutral impact on the overall Investment Test rating.

## SERVICE TEST

The bank's performance under the Service Test in Texas is rated High Satisfactory.

## Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Dallas MSA was adequate. Performance in the Houston MSA was excellent. We gave more weight to performance in the Houston MSA as ZB has more branches and CD Service opportunities in this AA.

## Retail Banking Services

Service delivery systems are accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)*				% of Population within Each Geography**			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Austin MSA	0.1	1	1.3	0.0	0.0	0.0	100.0	15.4	22.0	28.5	32.3
Dallas MSA	7.1	10	12.8	10.0	10.0	20.0	60.0	11.7	26.1	27.3	34.8
Houston MSA	88.7	60	76.9	5.0	21.7	26.7	46.7	11.8	25.9	27.2	34.7
San Antonio MSA	3.7	6	7.7	16.7	16.7	16.7	50.0	6.9	32.6	28.0	32.5

Texas Non-MSA	0.3	1	1.3	0.0	0.0	0.0	100.0	0.0	25.7	37.7	36.5
---------------	-----	---	-----	-----	-----	-----	-------	-----	------	------	------

\*May not equal 100.0 percent due to rounding  
 \*\*May not equal 100.0 percent due to NA CTs

Dallas MSA

ZB has 10 branches in the AA with one located in a low-income CT and one located in a moderate-income CT. The percentage of branches in low-income CTs was near to the percentage of the population in these geographies. The percentage of branches in moderate-income CTs was significantly below the percentage of the population in these geographies. As a result of the 2015 ACS Census changes, one branch moved from a moderate- to an upper-income CT.

The bank complements its traditional service delivery methods MSAs, with alternative retail delivery systems, such as deposit-taking ATMs, online banking, and mobile banking. Deposit-taking ATMs are located at each branch facility. No significant weight was placed on these services, as no data was available to determine the impact on, or usage by, LMI individuals.

Houston MSA

ZB has 60 branches in the AA with three located in low-income CTs and 14 located in moderate-income CTs. The percentage of branches in low-income CTs was significantly below the percentage of the population in these geographies. The percentage of branches in moderate-income CTs was near to the percentage of the population in these geographies. Eight branches located in middle- and upper-income geographies are near to LMI CTs. When determining the significance of near to branches, we considered bank data that supported significant use of those branches by people living in nearby LMI CTs. When considering near to branches, performance improved in the AA. In addition, as a result of the 2015 ACS Census changes, two branches moved from moderate- to middle-income CTs.

The bank complements its traditional service delivery methods with alternative retail delivery systems, such as deposit-taking ATMs, online banking, and mobile banking. Deposit-taking ATMs are located at each branch facility. No significant weight was placed on these services, as no data was available to determine the impact on, or usage by, LMI individuals.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Austin MSA	1	0				1
Dallas MSA	2	0	1			1
Houston MSA	1	3		1		-3
San Antonio MSA	1	0		1		

Texas Non-MSA	0	0				
---------------	---	---	--	--	--	--

To the extent changes have been made, the institution’s opening and closing of branches has improved the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals.

Dallas MSA

During the evaluation there were two branch openings. ZB opened one branch in November 2018 in an upper-income CT and another branch in February 2020 in a low-income CT. These branch openings improved the accessibility of the bank’s delivery systems, particularly in low-income geographies and/or to LMI individuals. There were no branch closings during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AAs, particularly LMI geographies and/or individuals. In the Dallas MSA, eight branches have lobby hours from 9:00 a.m. – 4:00 p.m. on Monday-Thursday and two branches are open until 5:00 p.m., including one in a moderate-income CT. On Friday, nine branches are open until 5:00 p.m. and one branch in a low-income CT is open until 6:00 p.m. Branches in LMI CTs are the only ones with lobby hours on Saturday. Branches with drive-up facilities have the same hours on Monday-Saturday. Two branches do not offer drive-up services, including one in a low-income CT.

Houston MSA

During the evaluation period, there was one branch opening and three branch closings. In October 2018, ZB opened a branch in a moderate-income CT, which improved the accessibility of its delivery systems, particularly in moderate-income geographies and/or to LMI individuals. ZB closed three branches in upper-income CTs for various reasons, including the low number of customers, to save expenses, and major renovations in the area.

In the Houston MSA, most branches have the same lobby hours from 9:00 a.m. – 5:00 p.m. on Monday-Thursday with two branches opening at 8:00 a.m., including one in a moderate-income CT. On Friday, the lobby closes at 6:00 p.m. with three branches closing at 5:00 p.m. and two branches opening at 8:00 a.m. In moderate-income CTs, two branches close at 5:00 p.m. and one branch opens at 8:00 a.m. on Friday. Branches open on Saturday have the same lobby hours. Five branches, including one in a moderate-income CT, do not have Saturday lobby hours. Branches with drive-up facilities have the same hours on Monday-Saturday. Five branches do not offer drive-up services, including two in moderate-income CTs.

**Community Development Services**

The institution provides a relatively high level of CD services.

Dallas MSA

ZB provided an adequate level of CD services. Eight employees provided a total of 333 hours of CD services to eight different organizations during the evaluation period. Included in these services are 80 hours in leadership roles. Activities focused on community services to LMI individuals. One employee provided 200 hours of service to an affordable housing organization by teaching financial literacy classes.

### Houston MSA

CD services were effective and responsive in helping the bank address community needs. ZB conducted or supported an excellent level of CD services, consistent with its capacity and expertise. Ninety-four employees provided their financial expertise to 55 different organizations totaling 2,818 hours during the evaluation period. Included in these services are 1,464 hours where bank employees served in leadership roles. Activities focused on community services to LMI individuals. ZB also provided services to organizations focused on affordable housing and economic development activities.

#### Examples of CD Services:

- Employees provided over 1,200 hours financial education targeted to LMI individuals and/or small businesses. These organizations provide services to promote self-sufficiency and educate students on the importance of saving money, job skills for specific careers, problem solving, and the value of science, technology, engineering, and math skills. Employees also taught several first-time homebuyer classes.
- An employee provided 294 hours of service as a Board member for an organization that provides various services to survivors of violence. Services include safe shelter, counseling, and legal.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the San Antonio MSA is consistent with the bank's overall performance under the Service Test in the full-scope areas. Performance in the Austin MSA and Texas Non-MSA is weaker than the bank's overall performance under the Service Test primary due to no bank branches in LMI areas. Performance in limited-scope AAs had a neutral impact on the Service Test rating.

## State Rating

### State of Utah

**CRA rating for the State of Utah:** Outstanding

**The Lending Test is rated:** Outstanding

**The Investment Test is rated:** Outstanding

**The Service Test is rated:** Outstanding

The major factors that support this rating include:

- Lending levels reflect excellent responsiveness to community credit needs.
- The geographic distribution of loans is excellent.
- The borrower distribution of loans is adequate.
- ZB is a leader in making CD loans. CD lending has a significantly positive impact on the Lending Test rating. The bank makes extensive use of innovative and flexible loans products, which had a positive impact on the overall Lending Test rating.
- CD investments are excellent and responsive to community needs.
- Branch and delivery systems are readily accessible to geographies and individuals of different income levels. Excellent level of CD services.

### Description of Institution's Operations in Utah

ZB operates under a local brand name Zions First National Bank in the state of Utah. As of December 31, 2020, the bank has four AAs comprised of 29 counties within the state of Utah. These AAs include the Logan UT-ID MSA (Logan MSA) made up of Cache County, the bank does not have branches in the Idaho portion of the Logan MSA, therefore it was included solely in the state of Utah for this performance evaluation; Salt Lake City-Provo-Orem CSA made up of Box Elder, Davis, Juab, Morgan, Salt Lake, Toole, Utah, and Weber counties; Saint George MSA made up of Washington County; and Utah Non-MSA made up of Beaver, Carbon, Daggett, Duchesne, Emery, Garfield, Grand, Iron, Kane, Millard, Piute, Rich, San Juan, Sanpete, Sevier, Summit, Uintah, Wasatch, and Wayne counties. All the AAs meet the requirements of the regulation and do not arbitrarily exclude any LMI CTs. ZB is a full-service bank and offers a wide variety of commercial and consumer products and services with its primary focus on lending to businesses of all types and sizes.

Based on FDIC Deposit Market Share data as of June 30, 2020, ZB had \$19.7 billion in deposits, which represented 30.0 percent of the bank's total deposits. Within the state of Utah, the bank ranked ninth with 2.8 percent of market share among 53 FDIC insured depository institutions. The Bank has 95 office locations and 127 deposit-taking ATMs in the state of Utah. Ally Bank, Morgan Stanley Bank National Association, American Express National Bank, Synchrony Bank, and UBS Bank USA are the bank's top five primary competitors. In comparison to the percentage of deposits relative to the bank's total deposits in Utah, ZB originated 23.5 percent and 24.9 percent of the number of its home mortgage loans and small business loans respectively.

Salt Lake City CSA

The Salt Lake City CSA consists of Box Elder, Davis, Juab, Morgan, Salt Lake, Toole, Utah, and Weber counties. The AA is a competitive banking environment consisting of large regional bank branches, state-chartered community banks, and other financial institutions. The FDIC Market Share Report, as of June 30, 2020, indicated ZB ranked ninth among 49 depository institutions in the AA with \$16.3 million deposits, representing 24.8 percent of the bank's total deposits. ZB maintains 59 full-service branches and 83 deposit-taking ATMs in the AA. The top five competitors of the bank in the AA include Morgan Stanley Bank National Association, Ally Bank, American Express National Bank, UBS Bank USA, and Synchrony Bank with a combined deposit market share of 71.1 percent.

During the evaluation period, ZB originated 6,315 and 12,049 home mortgage and small business loans in the AA totaling \$2.0 billion and \$1.2 billion respectively. The numbers accounted for 13.7 percent and 17.2 percent of the bank's home mortgage and small business loans respectively, and the volume represented 13.7 percent and 15.0 percent of the total bank wide loan volume.

Low-income borrowers will be challenged with home mortgage affordability in the Salt Lake City CSA. We considered a mortgage payment unaffordable if the principle and interest payment would result in a DTI greater than 30.0 percent. Based on the information in Table A, low-income families earned between \$21,084 and \$35,140. Assuming the AAs median housing value, with no down payment, a 4.0 percent interest rate, and amortized for 30 years a mortgage based on the median housing value would require a monthly payment of \$1,094. We determined the monthly mortgage payment would exceed 30.0 percent DTI for low-income borrowers.

Ogden-Clearfield MSA

The Ogden MSA is situated north of Salt Lake City and a gateway to ski resorts. According to the December 2020 Moody's Analytics report, the MSA's recovery from the economic downturn caused by COVID-19 pandemic is among the strongest in the nation. Ogden MSA is one of only a few metro areas nationally where nonfarm employment is above its pre-pandemic levels. Construction and professional/business services have accounted for the majority of recent job gains. Gains in the large public sector have been uneven but are close to pre-pandemic levels. Based on BLS data, at 2.8 percent as of December 2020, the unemployment rate is among the lowest in the nation, improving from its peak at 9.7 percent in April 2020. The rate compares favorably to its position as of January 2018 at 3.4 percent. While unemployment rate has improved, the MSA is known for high employment volatility. House price appreciation is outpacing the rest of the state and nation, while new-home construction remains near record highs. Economy drivers include defense related investments, healthcare, public sector, and professional/business services, while top employers in the MSA are Hill Air Force Base, Department of Treasury, McKay-Dee Hospital Center, Weber State University, and Autoliv ASP Inc.

Provo-Orem MSA

The Provo-Orem MSA is an area consisting of two counties in Utah, anchored by the cities of Provo and Orem. According to Moody's Analytics Reports, Provo-Orem's economy is recovering well. The household and establishment surveys of employment suggest a tight labor market as payrolls are more than 3 percent higher than pre-pandemic levels, while job growth for 2021 bests the national average. Based on BLS data, the unemployment rate has declined rapidly from its peak at 7.7 percent in April

2020 to 2.5 percent as of December 2020, which is 0.3 percentage point below its January 2018 position. The MSA's economy is driven by large and dynamic high-tech industry, universities, big retailers, and healthcare industry, and has benefited from highly trained and well-educated labor force, robust population growth, low-cost destination for businesses relocating from Silicon Valley, stable employment, and research spillovers from universities. According to Moody's Analytics, the cost of buying a single-family home has increased by 6.8 percent in 2020, the combination of lower affordability, higher inventory of for-sale homes, and rising mortgage rates will drag on house price in the short term.

### Salt Lake City MSA

The Salt Lake City MSA consists of Salt Lake and Tooele counties. Based on Moody's Analytics Report, Salt Lake City is recovering at an elevated pace. The MSA is Utah's only metro area that has not fully recovered from the pandemic but has nearly done so and is much further along than the nation. Many industries are expanding, but leisure/hospitality, personal services, manufacturing, and the public sector still have ground to recover. House prices are appreciating at a rapid clip due to strong demand and population gains, while low mortgage rates and thin supply provide additional upward pressure. The cost of a single-family home has increased by 15.0 percent over the review period. The strength of the economy is centered on high concentration of high-wage jobs in tech and knowledge-based industries, attractive low-cost destination for businesses relocating from Silicon Valley, stable employment and research spillovers from universities, and favorable age structure. Top employers in the AA include universities, healthcare services, big retailers, financial services, and airlines. According to BLS data, unemployment fell to 3.1 percent in December 2020 from its peak of 10.9 percent in April of 2020. Unemployment rate was 3.1 percent as of January 2018.

We utilized two community contacts with an economic development agency and a government corporative that seek to attract businesses in the AA and strengthen the quality of municipal government and administration of Utah cities and towns. These organizations identified multi-family and affordable housing, and business loans as needs in the AA.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Salt Lake City CSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	470	4.9	21.3	43.4	29.4	1.1
Population by Geography	2,325,531	3.7	20.0	46.2	29.6	0.4
Housing Units by Geography	762,482	3.8	22.3	45.7	27.8	0.3
Owner-Occupied Units by Geography	497,342	1.2	16.1	48.7	33.7	0.2
Occupied Rental Units by Geography	222,226	9.3	35.4	39.9	14.8	0.6
Vacant Units by Geography	42,914	4.7	27.2	40.7	27.3	0.1
Businesses by Geography	234,944	3.7	17.7	42.8	35.4	0.5
Farms by Geography	4,662	2.3	15.3	49.2	33.0	0.2
Family Distribution by Income Level	541,358	19.1	18.3	22.8	39.9	0.0
Household Distribution by Income Level	719,568	21.7	16.9	21.2	40.2	0.0
Median Family Income MSA - 36260 Ogden-Clearfield, UT MSA		\$71,742	Median Housing Value			\$229,107

Median Family Income MSA - 39340 Provo-Orem, UT MSA	\$67,248	Median Gross Rent	\$932
Median Family Income MSA - 41620 Salt Lake City, UT MSA	\$71,849	Families Below Poverty Level	8.8%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>			

### Utah Non-MSA

The Utah Non-MSA is comprised of Beaver, Carbon, Daggett, Duchesne, Emery, Garfield, Grand, Iron, Kane, Millard, Piute, Rich, San Juan, Sanpete, Sevier, Summit, Uintah, Wasatch, and Wayne counties. According to the June 30, 2020 FDIC Deposit Market Share Report, ZB ranked 1st among the depository financial institutions in the AA with \$2.0 billion in deposits, representing 37.0 percent deposit market share or 3.1 percent of the bank's total deposits. ZB has 24 full-service branches and 28 deposit taking ATMs in the MSA. The top five competitors include Wells Fargo Bank National Association, State Bank of Southern Utah, JPMorgan Chase Bank National Association, Cache Valley Bank, and U.S Bank National Association with a combined deposit market share of 52.6 percent.

During the evaluation period, ZB originated 2,522 and 3,516 home mortgage and small business loans in the AA totaling \$823.7 million and \$332.7 million respectively. The numbers accounted for 5.5 percent and 5.0 percent of the bank's home mortgage and small business loans respectively, and the volume represented 5.8 percent and 4.1 percent of the total bank wide loan volume.

Low-income borrowers will be challenged with home mortgage affordability in the AA. We considered a mortgage payment unaffordable if the principle and interest payment would result in a DTI greater than 30.0 percent. Based on the information in Table A, low-income families earned up to \$32,386. Assuming the AAs median housing value, with no down payment, a 4.0 percent interest rate, and amortized for 30 years a mortgage based on the median housing value requires a monthly payment of \$1,168. We determined the monthly mortgage payment would exceed 30.0 percent DTI for low-income borrowers.

The counties that make up the Utah Non-MSA are spread across the southwestern, southern, southeastern, and eastern part of Utah, apart from Rich County, which is located in the northern region of the state. Although the majority of these counties share borders, they have unique and distinct economic features and drivers.

Beaver County is located southwest of Salt Lake City and borders Garfield, Iron, Millard, Piute, and Sevier Counties in the state of Utah. According to Moody's Analytics, the largest industries in Beaver County are agriculture, forestry, fishing, and hunting, retail trade, and manufacturing, while the highest paying industries are wholesale trade, utilities, and transportation & warehousing. Based on BLS data, the unemployment rate increased to 6.5 percent in April 2020 due to COVID-19 pandemic but has improved to 3.4 percent as of December of 2020. Average unemployment rate in 2018 was 3.3 percent.

Carbon County is located east of Salt Lake City. According to Moody's Analytics, the largest industries in the county are healthcare & social assistance, educational services, and retail trade, while the highest paying industries are utilities, mining, quarrying, oil and gas extraction, and agriculture, forestry, fishing & hunting. According to BLS data, the unemployment rate in the county peaked at 9.7 percent in April 2020 due to COVID-19 pandemic but has declined to 4.5 percent in December 2020 and compares

favorably to the national rate of 6.7 percent. According to the BLS, the unemployment rate in February 2018 was 4.1 percent. Cost of housing and utilities is way below U.S. Average, while cost of groceries, transportation, healthcare, and miscellaneous is comparable to the U.S. Average.

Daggett County is the third smallest county in the state of Utah, with a land area of 698 square miles. Of this land area, 88 percent is owned and managed by the federal and state governments. According to Moody's Analytics, the economy is dominated by government services associated with the operation of the dam and management of the National Recreation Area and Ashley National Forest. Service-based employment also has become a major contributor to economic vitality because of the growth of tourism and recreational activities. Government services, primarily associated with the operation of Flaming Gorge and Ashley National Forest, provide majority of Daggett County jobs. According to the most recent Daggett County Utah demographics data available from the U.S. Census Bureau released in the December of 2020 ACS, the county has the smallest population among other counties in the metro area with a population of 613 as of 2019. From 2010 to 2019 the county population declined by 42 percent. According to BLS data, average unemployment rate of 4.3 percent in 2018 is comparable to the 4.5 percent average rate in 2020.

Duchesne County is in the northeastern part of the state of Utah. Based on the 2010 United States Census, the population was 18,607. Its county seat is Duchesne, and the largest city is Roosevelt. According to Moody's Analytics, the largest industries in the county are construction, transportation & warehousing, and retail trade, while the highest paying industries are professional, scientific & management, administrative & waste management services, mining, quarrying, and Oil & Gas extraction. Employment was noticeably impacted in the county due to COVID-19 pandemic as BLS data indicates the unemployment rate peaked at 12.2 percent in April 2020. While the rate has improved to 7.6 percent as of December 2020 it remains above U.S average by 0.9 percentage point.

Emery County is in east-central Utah. As of the 2010 United States Census, the population was 10,976. Its county seat is Castle Dale, and the largest city is Huntington. According to Moody's Analytics, the dominant employment sectors in the county are retail trade, healthcare & social assistance, and educational services. According to BLS data, the unemployment rate peaked at 8.2 percent in April 2020 due to economic hardship caused by pandemic, but the rate has improved to 3.8 percent as of December 2020 and is 2.7 percentage points below its February 2018 state.

Garfield County is a large county in southern Utah, with the fifth lowest population among Utah counties, and the lowest population density. Leisure/hospitality is the leading economic sector, though worker wages are generally low and employment mainly seasonal. Bryce Canyon National Park is the mainstay of the tourism economy and Ruby's Inn is the county's number one employer. Local government (primarily schools), federal government, and health care/social services are the next major employers. Unemployment rates fluctuate due to the seasonality in the major industry, and the county's economy was significantly impacted by COVID-19 pandemic with BLS data indicating an unemployment rate as high as 26.3 percent in April 2020; 11.5 percentage points above national average. Unemployment rate was down to 10.8 percent as of December 2020 and remains significantly higher than the national average of 6.5 percent.

Grand County is on the east central edge of Utah. As of the 2010 United States Census, the population was 9,225. Its county seat and largest city is Moab. As of June 2020, leisure/hospitality industry accounts for 38 percent of the county's employment followed by government agencies which provides 18 percent of the employments in the county. Other major industries in the county include trade/transportation, healthcare and social services, and construction. Using the most recent economic

analysis from the 2020 Census Bureau, median household income in the county was \$51,557, significantly lower than the Utah median household income of \$71,621. Due to the dependency of the county's economy on leisure and hospitality industry, the impact of COVID-19 pandemic was significant with BLS data indicating an unemployment rate at its peak of 29.9 percent in April 2020 more than double the national average of 14.8 percent. Although the unemployment rate in the county is down to 7.9 percent as of December 2020, it remains above the national average by 1.4 percentage points.

Iron County is in southwestern Utah. As of the 2010 United States Census, the population was 46,163. Its county seat is Parowan, and the largest city is Cedar City. The top five industries in the county are education, healthcare, retail, hospitality, and construction, with the top three employers being Southern Utah University, Iron County School District, and Intermountain Healthcare. The county's economy has recovered faster than the national average. Based on BLS data, the unemployment rate peaked at 8.9 percent in April 2020 compared to the U.S average of 14.8 percent. As of December 2020, unemployment rate was down to 3.2 percent comparable to the rate of 3.4 percent at January 2018.

Kane County is located in southern Utah. Its county seat and largest city is Kanab. As of the 2019 United States Census, the population was 7,125. According to Moody's Analytics, the top three leading industries and economy drivers are leisure/hospitality, government, and trade/transport/utility. The county's economy is vastly improved from the early days of the pandemic. By year end 2020, Kane County had climbed out of the pandemic recession with overall positive employment expansion. However, the leisure/hospitality and other services industry continued to shed jobs. As of November 2020, based on BLS data the unemployment rate was 4.8 percent compared to the U.S average of 6.7 percent. Historically, the unemployment rate is volatile in this county due to the seasonality in its leisure/hospitality industry. Unemployment rate as of January 2018 was 12.5 percent, 2 percentage points higher than its peak during pandemic.

Millard County is located in southwestern Utah. It has a population of 12,854 as of 2019 and its county seat is Filmore, and the largest city is Delta. According to Moody's Analytics, the largest industries in Millard County are agriculture, forestry, fishing & hunting, utilities, and retail trade, and the highest paying industries are utilities, transportation & warehousing, and professional, scientific, & technical. While the county's economy was slightly impacted by COVID-19 pandemic, it has fully recovered with BLS data indicating an unemployment rate of 2.4 percent as of December 2020 somewhat comparable to its pre-pandemic unemployment rate of 2.2 percent. As of December 2020, the county's median household income of \$62,242 is about 15.1 percent smaller than the state of Utah's median household income.

Piute County is located in southern Utah. According to Moody's Analytics, the largest industries and economy drivers in Piute County, UT are retail trade, healthcare & social assistance, and construction. Although the county's economy shows signs of recovery from the recession, BLS data indicates an unemployment rate of 5.8 percent as of December 2020 is still above its pre-pandemic position at 4.8 percent in December 2019. According to the economic analysis from the 2020 Census Bureau, Piute County's median household income of \$42,813 is the smallest of all the other counties in the metro area and is approximately three-fourths the size of the national average. The top 5 employers are Piute County School District, Morgan Ranches, Storm Ridge, Piute County, and Jessop Brothers Steel.

Rich County is the only county among the Utah Non-MSA AA that is located in northern Utah. According to Moody's Analytics, the county's top five employers are Rich County School District, Rich County, Trendwest Resorts, JHH Holding (restaurant), and Res America Construction a solar electric

power generation company. The county's economy has recovered from the recession caused by COVID-19 pandemic. Based on BLS unemployment data, the county had a 2.9 percent unemployment rate as of December 2020 compared with the national average rate of 6.7 percent. Rich County has a median household income of \$57,902 which is less than most other counties in the surrounding region.

San Juan County is in the southeastern portion of the state of Utah. Its county seat is Monticello, while its most populous city is Blanding. The top five employers in the county are San Juan School District, Utah Navajo Health System, Utah State University, San Juan County, and the State of Utah. Main industries are livestock, agriculture, mining, and tourism. The county's economy suffered materially from the downturn caused by COVID-19 pandemic. BLS data indicates an unemployment rate of 17.3 percent in April 2020 that surpassed the national average of 14.8 percent. The rate is down to 8.6 percent as of December 2020 but still above the national average by 1.9 percentage point. Unemployment rate as of February 2018 was 8.8 percent. According to the economic analysis from the 2020 Census Bureau, San Juan County's median household income of \$45,394 is less than the Utah median household income by 57.8 percent.

Sanpete County is located south of Utah County in the state of Utah. The largest industries in Sanpete County, UT are educational services, retail trade, and healthcare & social assistance. Insulated by its economy's low dependency on tourism. According to the Utah Department of Workforce Services recent economic snapshot, Sanpete County started experiencing job growth as early as third quarter 2020. In tandem, its unemployment rate has continued to fall as first-time claims for unemployment insurance contracted. Based on the BLS data, as of December 2020, unemployment rate of 2.9 percent compared favorably to national average of 6.7 percent and was below the February 2018 rate by 1.2 percentage points. As elsewhere, stimulus funds have continued to pump Sanpete County's sales. The county has maintained one of the healthier economies in the state. The top five employers in the county includes Snow College, State of Utah, South Sanpete School District, North Sanpete School District, and Pitman Farms.

Sevier County is in the state of Utah with Richfield as its county seat and largest city. The county's economy is driven by the following industries: education, mining, government, healthcare, transportation, and retails. The top five major employers are Sevier School District, Canyon Fuel Company, State of Utah, Intermountain Healthcare, Barney Trucking. Based on the Utah Department of Workforce Services recent economic snapshot, Sevier County shook off the effects of the pandemic recession by year end. While not all industries improved, the overall job growth by year end 2020 is indicative of a stronger economy. Based on the analysis of the 2020 Census Bureau data, April 2020 proved to be Sevier County's worst month as the unemployment rate peaked at 7.8 percent. As of December 2020, the unemployment rate is down to 3.4 percent comparable to the pre-pandemic period.

Summit County is located 20 miles east of the Salt Lake City metropolitan area. Its proximity to the Salt Lake City area provides commuting options for workers. Although the Summit County area provides other employment opportunities, the leisure and hospitality industry continue to drive the economy with Park City Mountain Resort and Deer Valley Resort as the major employers. Based on BLS data, average unemployment rate per year rose from 2.8 percent in 2018 to 7.2 percent in 2020 due to COVID-19 pandemic. Unemployment rate is down to 3.4 percent as of December 2020.

Uintah County is located in the eastern part of the state of Utah. Based on the Utah Department of Workforce Services recent economic snapshot, Uintah County's unemployment rate peaked in April 2020 at 15.9 percent, then fell at a lower rate than much of the state. The county has been relatively slower to recover from the impact of the pandemic. While the county's unemployment rate is down to

6.8 percent as of December 2020, it remains above its January 2018 unemployment rate of 5.3 percent. Two of the largest industries in Uintah County (Mining and Government) account for nearly all of the jobs lost in 2020, while other industries in the county remained relatively flat. According to Moody's Analytics, the top five employers in Uintah County are Uintah School District, Ute Indian Tribe, Wal-Mart, Uintah County, and United States Government.

Wasatch County is located to the east of Salt Lake City. Its county seat and largest city is Heber City. Based on the Utah Department of Workforce Services recent economic snapshot, the year 2020 was challenging for the county due to the impact of COVID-19 pandemic, but its economy has rebounded to grow in the fourth quarter of 2020. While the leisure/hospitality and professional/business services suffered job losses, trade/transportation/utilities, education/health/social services, and construction industries made compensatory gains to offset the job losses. According to Moody's Analytics, the major industries in the county include government, mining, construction, and trade/transportation/utilities, and the top five largest employers are Wasatch County School District, Summit Line Construction, Probst Electric, Wasatch County, and Heber Valley Medica Center. Based on the analysis of the 2020 Census Bureau data, unemployment rate in the county peaked at 13.3 percent in May 2020 but down to 3.5 percent by January 2021. The rate remains slightly higher than its 3.0 percent in January 2018.

Wayne County is in southeastern Utah. Its county seat is Loa. According to Moody's Analytics, the county's economy is heavily dependent on tourism. Other major industries include government, education, healthcare, trade/transport/utilities, and construction. The top five major employers are Wayne School District, United States Government, Wayne Community Health Centers, Royal's Market, and Wayne County. Historically, unemployment is volatile in Wayne County due to the seasonality in leisure industry. Despite the county's dependence on leisure/hospitality services, it experienced job growth in the final quarter of 2020. Based on the 2020 Census Bureau data, unemployment rate was 4.8 percent in November 2020, which is a major improvement compared to its 12.5 percent rate as of January 2018.

We utilized one community contact with an economic development agency that primarily focuses on four things: business retention, business formation, new business attraction, and capacity building. The organization indicated affordable housing is needed in the AA.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Utah Non-MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	71	1.4	16.9	63.4	16.9	1.4
Population by Geography	312,155	1.1	16.4	65.5	17.0	0.1
Housing Units by Geography	148,876	0.6	16.6	60.2	21.3	1.3
Owner-Occupied Units by Geography	75,306	0.7	15.4	65.9	18.0	0.1
Occupied Rental Units by Geography	26,813	0.2	22.6	59.2	17.8	0.1
Vacant Units by Geography	46,757	0.7	15.0	51.5	28.8	4.0
Businesses by Geography	32,087	0.0	15.5	52.3	32.2	0.0
Farms by Geography	1,478	0.0	13.5	68.6	17.9	0.0
Family Distribution by Income Level	74,924	20.4	17.8	22.1	39.6	0.0
Household Distribution by Income Level	102,119	24.0	15.8	18.6	41.6	0.0

Median Family Income Non-MSAs - UT	\$64,772	Median Housing Value	\$244,553
		Families Below Poverty Level	10.3%
		Median Gross Rent	\$839
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>			

## Scope of Evaluation in Utah

We are conducting full-scope reviews of the Salt Lake CSA and the Utah Non-MSA (refer to appendix A for a list of all AAs). For ZB's performance in the lending test we gave much more weight to small business lending as compared to mortgage and small farm lending. More weight was given to small business lending as it comprises a majority of ZB's loan originations in the bank's AA's in Utah. Between the full-scope areas, we gave more weight to the Salt Lake CSA, due to the statewide proportion of loans, deposits, and branches.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN UTAH

### LENDING TEST

The bank's performance under the Lending Test in Utah is rated Outstanding

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Salt Lake City CSA and Utah Non-MSA is excellent.

### Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
Logan MSA	595	639	31	9	1,274	4.4	0.0
Saint George MSA	1,402	1,180	18	5	2,605	8.9	4.5
Salt Lake MSA	6,315	12,049	170	171	18,705	64.1	84.9
Utah Non-MSA	2,522	3,516	504	44	6,586	22.6	10.7

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State* Loans	% State Deposits
Logan MSA	\$115,797	\$54,253	\$2,880	\$19,200	\$192,130	3.4	2.9

Saint George MSA	\$458,727	\$127,917	\$1,200	\$20,078	\$607,922	10.8	4.4
Salt Lake City CSA	\$1,956,013	\$1,223,626	\$13,708	\$378,642	\$3,571,989	63.2	82.4
Utah Non-MSA	\$823,688	\$332,711	\$39,697	\$78,122	\$1,274,218	22.6	10.3

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### Salt Lake City CSA

Lending levels reflect excellent responsiveness to AA credit needs.

According to the June 30, 2020 FDIC Deposit Market Share Report, ZB had \$16.3 billion in deposits with a 2.3 percent deposit market share in the Salt Lake City CSA. ZB's deposit market share ranked ninth out of 49, which ranked in the top 18.4 percent of all deposit taking institutions in the AA.

According to 2019 peer mortgage data, ZB had a 1.3 percent market share of home mortgage loan originations. ZB's market share of home mortgage loan originations was weaker than their deposit market share. ZB's home mortgage loan origination market share ranked 22<sup>nd</sup> out of 484 home mortgage lenders. ZB's home mortgage loan origination market share ranking was in the top 4.5 percent in the AA. The bank's market share ranking of home mortgage loan originations was stronger than their deposit market share ranking.

According to 2019 peer small business data, ZB had a 3.1 percent market share of small business loan originations. ZB's market share of small business loan originations was stronger than their deposit market share. ZB's market share of small business loan originations ranked seventh out of 128 small business lenders in the AA. ZB's market share of small business loan originations ranked in the top 5.5 percent of all small business lenders in the AA. The bank's market share ranking of small business loan originations was stronger than their deposit market share ranking.

### Utah Non-MSA

Lending levels reflect good responsiveness to AA credit needs.

According to the June 30, 2020 FDIC Deposit Market Share Report, ZB had \$2.0 billion in deposits with a 37.0 percent deposit market share in the Utah Non-MSA. ZB's deposit market share first out of 14, which ranked in the top 7.1 percent of all deposit taking institutions in the AA.

According to 2019 peer mortgage data, ZB had a 4.9 percent market share of home mortgage loan originations. ZB's market share of home mortgage loan originations was weaker than their deposit market share. ZB's home mortgage loan origination market share ranked fourth out of 363 home mortgage lenders. ZB's home mortgage loan origination market share ranking was in the top 1.1 percent in the AA. The bank's market share ranking of home mortgage loan originations was stronger than their deposit market share ranking.

According to 2019 peer small business data, ZB had a 7.1 percent market share of small business loan originations. ZB's market share of small business loan originations was weaker than their deposit market share. ZB's market share of small business loan originations ranked fifth out of 93 small business lenders in the AA. ZB's market share of small business loan originations ranked in the top 5.4 percent of

all small business lenders in the AA. The bank's market share ranking of small business loan originations was stronger than their deposit market share ranking.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits an excellent geographic distribution of loans in its AAs.

#### ***Home Mortgage Loans***

The geographical distribution of home mortgage loans is good.

Refer to Table O in the state of Utah section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

#### **Salt Lake City CSA**

The geographical distribution of home mortgages is adequate. The proportion of bank mortgage loans in low-income geographies is below the percentage of owner-occupied housing and somewhat near to the aggregate industry distribution of mortgage loans to those geographies. The proportion of bank mortgage loans in moderate-income geographies is significantly below the percentage of owner-occupied housing and well below the aggregate industry distribution of mortgage loans to those geographies.

#### **Utah Non-MSA**

The geographical distribution of home mortgages is excellent. When determining our rating we considered the low percentage of owner-occupied housing in low-income CTs. The proportion of bank mortgage loans in low-income geographies is significantly below the percentage of owner-occupied housing and approximates the aggregate industry distribution of mortgage loans to those geographies. The proportion of bank mortgage loans in moderate-income geographies is somewhat near to the percentage of owner-occupied housing and exceeded the aggregate industry distribution of mortgage loans to those geographies.

#### ***Small Loans to Businesses***

The geographic distribution of small loans to business is excellent

Refer to Table Q in the state of Utah section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

#### **Salt Lake City CSA**

The bank exhibits excellent geographical distribution of small loans to business. The proportion of bank loans in LMI geographies exceeded both, the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies.

#### **Utah Non-MSA**

The bank exhibits excellent geographical distribution of small loans to business. There are very few businesses in low-income CTs in this AA. The proportion of bank loans in moderate-income geographies was near to the percentage of businesses and exceeded the aggregate industry distribution of small loans to businesses in those geographies.

### *Small Loans to Farms*

The bank exhibits excellent geographical distribution of small loans to farms.

Refer to Table S in the state of Utah section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to farms.

### *Salt Lake City CSA*

The bank exhibits excellent geographical distribution of small loans to farms. When determining our rating we considered the low percentage of farms in low-income CTs. The proportion of bank loans in low-income geographies was well below the percentage of farms and exceeded the aggregate industry distribution of loans to those geographies. The proportion of bank loans in moderate-income geographies was below the percentage farms and exceeded the aggregate industry distribution of small loans to farms.

### *Utah Non-MSA*

The bank exhibits excellent geographical distribution of small loans to farms. There are no farms located in low-income geographies. The bank did not originate any loans in low-income geographies. The proportion of bank loans in moderate-income geographies approximates the percentage farms and exceeded the aggregate industry distribution of small loans to farms.

### *Lending Gap Analysis*

We reviewed supervisory data and other summary reports. We did not find any unexplained conspicuous gaps in the bank's lending.

### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits an adequate distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

### *Home Mortgage Loans*

The borrower distribution of home mortgage loans is poor.

Refer to Table P in the state of Utah section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

### *Salt Lake City CSA*

The borrower distribution of home mortgage loans is poor. When determining our rating we considered the fact that a low-income borrower would be challenged to qualify for a home at median housing value

in the AA. The proportion of bank mortgage loans in low-income geographies was significantly below the percentage of low-income families and below the aggregate industry distribution of mortgage loans to those borrowers. The proportion of bank mortgage loans in moderate-income geographies was well below the percentage of low-income families and significantly below the aggregate industry distribution of mortgage loans to those borrowers.

Utah Non-MSA

The borrower distribution of home mortgage loans is adequate. When determining our rating we considered the fact that a low-income borrower would be challenged to qualify for a home at median housing value in the AA. The proportion of bank mortgage loans in low-income geographies was significantly below the percentage of low-income families and approximates the aggregate industry distribution of mortgage loans to those borrowers. The proportion of bank mortgage loans in moderate-income geographies was well below the percentage of moderate-income families and below the aggregate industry distribution of mortgage loans to those borrowers.

***Small Loans to Businesses***

The bank exhibits a good borrower distribution of small loans to small businesses.

Refer to Table R in the state of Utah section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

Salt Lake City CSA

The bank exhibits a good borrower distribution of small loans to small businesses. The proportion of bank loans to businesses with revenues less than \$1 million was well below the percentage of businesses and exceeded the aggregate industry distribution of small loans to small businesses.

Utah Non-MSA

The bank exhibits an excellent borrower distribution of small loans to small businesses. The proportion of bank loans to businesses with revenues less than \$1 million was below the percentage of businesses and exceeded the aggregate industry distribution of small loans to small businesses.

***Small Loans to Farms***

The borrower distribution of small loans to small farms is excellent.

Refer to Table T in the state of Utah section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

Salt Lake City CSA

The borrower distribution of small loans to small farms is excellent. The proportion of bank loans to small farms was below the percentage of farms and the exceeded the aggregate industry distribution of small loans to small farms.

Utah Non-MSA

The borrower distribution of small loans to small farms is excellent. The proportion of bank loans to small farms was below the percentage of farms and the exceeded the aggregate industry distribution of small loans to small farms.

## **Community Development Lending**

The institution is a leader in making CD loans in the state of Utah.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

### Salt Lake CSA

The volume of CD lending was excellent and had a significantly positive impact on the Lending Test performance in the Salt Lake CSA. During the evaluation period, ZB originated 171 CD loans totaling \$378.6 million or 30.5 percent of allocated tier 1 capital. CD loans were responsive to identified community needs. By dollar volume, 6.1 percent funded revitalization and stabilization efforts, 32.3 percent funded community services, 25.1 percent funded economic development, and 36.5 percent funded affordable housing.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- The bank originated a \$23.9 million loan to fund the construction of a 206-unit low-income multi-family LIHTC apartment complex with all units renting at less than the HUD Fair Market Rent.
- The bank originated a \$20.0 million loan to a Community Development Financial Institution (CDFI) that serves LMI individuals, families, and underserved communities. Proceeds of the loan will be used to fund Section 8 Housing Assistance Programs, USDA Rural Development Section 515 programs, and Section 42 Low Income Housing Tax Credit programs.
- The bank originated a \$14.0 million loan to fund the purchase of 46 units of affordable housing for seniors with all units renting at less than the HUD Fair Market Rent.
- ZB's participation in the PPP resulted in 36 CD loans totaling \$19.9 million. These loans were for a qualified CD purpose and/or to non-profits providing CD activities and services to LMI people in the Salt Lake CSA.

### Utah Non-MSA

The volume of CD lending was excellent and had a significantly positive impact on the Lending Test performance in the Utah Non-MSA. During the evaluation period, ZB originated 44 CD loans totaling \$78.1 million or 27.6 percent of allocated tier 1 capital. CD loans were responsive to community needs for affordable housing. By dollar volume, 4.3 percent funded revitalization and stabilization efforts, 24.9 percent funded community services, 32.5 percent funded economic development, and 38.3 percent funded affordable housing.

The following examples demonstrate the bank’s use of complex and responsive CD loans:

- The bank originated a \$5.6 million loan to fund the construction of a car wash facility under the SBA 504 Certified Development Company program that created jobs providing economic development for the Utah Non-MSA.
- The bank originated a \$5.0 million loan to a public-school district for the construction of a new elementary school in the Utah Non-MSA. The loan serves the LMI youth of the community as the majority of the students in the school district are on the free and reduced school lunch program.
- ZB’s participation in the PPP resulted in 12 CD loans totaling \$14.4 million. These loans were made for a qualified CD purpose and/or to non-profits providing CD activities and services to LMI people in the Utah Non-MSA.

### **Product Innovation and Flexibility**

ZB makes extensive use of innovative and/or flexible lending practices in serving its AAs credit needs. ZB’s lending provided flexibility for small businesses and affordable housing. In response to the COVID-19 pandemic, ZB made 11,019 PPP loans totaling \$1.0 billion in Utah. ZB’s PPP loans in LMI CTs accounted for 20.3 percent of the PPP originations. Additionally, ZB supported affordable housing through participation in numerous flexible home mortgage loan programs including those with down payment assistance, flexible underwriting, and reduced PMI. ZB made 42 innovative or flexible home mortgages totaling \$9.7 million. For a description of these products see the “Innovative and Flexible Product” section of the Overall Description of institution.

### **Conclusions for Area Receiving a Limited-Scope Review**

Based on limited-scope reviews, the bank’s performance under the Lending Test in the Logan MSA was consistent with the bank’s overall performance under the Lending Test in the full-scope areas. Performance in the Saint George MSA was weaker due to poor geographical and borrower distribution of home mortgage loans. Performance in the limited-scope areas had a neutral impact on the bank’s overall Lending Test.

Refer to Tables O through T in the state of Utah section of appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

The bank’s performance under the Investment Test in Utah is rated Outstanding.

### **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank’s performance in the Salt Lake City CSA and Utah Non-MSA is excellent.

The institution has an excellent level of qualified CD investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits excellent responsiveness to credit and community economic development needs. The institution makes extensive use of innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Logan MSA	0	\$0	7	\$869	7	3.2	\$869	0.3	0	\$0
Saint George MSA	0	\$0	11	\$6,022	11	5.0	\$6,022	2.1	0	\$0
Salt Lake MSA	6	\$26,778	152	\$121,782	158	72.5	\$148,560	52.3	0	\$0
Utah Non-MSA	8	\$29,953	31	\$1,738	39	17.9	\$31,691	11.2	1	\$250
Statewide	3	\$96,744	0	\$0	3	1.4	\$96,744	34.1	1	\$986

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

### Salt Lake City CSA

The bank exhibits excellent responsiveness to community investment needs in the Salt Lake City CSA. ZB made 152 investments and grants totaling \$121.8 million during this evaluation period. There were six prior period investments outstanding for \$26.8 million. Current and prior period investments total \$148.6 million and are equivalent to 12.0 percent of allocated tier 1 capital. Bank CD investments were responsive to affordable housing needs in the AA. The bank's investments are mainly mortgage-backed securities comprised of mortgages to LMI borrowers residing in the AA. CD investments that demonstrated complexity included an investment in LIHTCs supporting 64 affordable housing units. Grants primarily support affordable housing, community service organizations assisting LMI with financial literacy education and job skills training and economic development.

### Utah Non-MSA

The bank exhibits excellent responsiveness to community investment needs in the Utah Non-MSA. ZB made 31 current period CD investments and grants totaling \$1.7 million. There were eight prior period investments totaling \$30.0 million. Total CD investments and grants equaled \$31.7 million and are equivalent to 11.2 percent of allocated tier 1 capital. Bank CD investments were responsive to community service needs in the AA. ZB was able to respond to community needs by investing in bonds financing construction of schools providing education to majority LMI students. Grants primarily support community services to LMI by providing funds to organizations assisting with housing, food, education, job services, and other basic family needs.

### Statewide

The bank has three outstanding prior period investments within the state of Utah that could not be allocated to specific AAs. Statewide CD investments consist of three prior period investments that total \$96.7 million. Statewide CD investments provided funds to promote economic development. The outstanding balances of these investments are for SBICs within the state. Statewide CD investments had a neutral impact on the Investment Test rating.

## Conclusions for Area Receiving a Limited-Scope Review

Based on limited-scope reviews, ZB's performance under the Investment Test in the Logan MSA and the St. George MSA are weaker than the state of Utah's overall Outstanding Investment Test performance due to a smaller percentage of CD investments and grants compared to allocated tier 1 capital. Weaker performance had a neutral impact on the bank's overall Investment Test rating for the state of Utah.

## SERVICE TEST

The bank's performance under the Service Test in Utah is rated Outstanding.

## Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Salt Lake City CSA is excellent and Utah-Non-MSA was good.

## Retail Banking Services

Service delivery systems are readily accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits % of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Branches				Population			
				Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Logan MSA	2.9	4	4.2	25.0	0.0	75.0	0.0	6.8	22.2	40.2	30.8
Saint George MSA	4.4	8	8.4	0.0	12.5	87.5	0.0	0.0	7.6	81.0	11.3
Salt Lake MSA	82.4	59	62.1	6.8	25.4	47.5	20.3	3.7	20.0	46.2	29.6
Utah Non-MSA	10.3	24	25.3	0.0	12.5	79.2	8.3	1.1	16.4	65.5	17.0

### Salt Lake City CSA

ZB has 59 branches in the AA with four located in low-income CTs and 15 located in moderate-income CTs. The percentage of branches in LMI CTs exceeded the percentage of the population in these geographies. Four branches in middle- and upper-income CTs are near to LMI CTs. When determining the significance of near to branches, we considered bank data that supported significant use of those branches by people living in nearby LMI CTs. In addition, as a result of the 2015 ACS Census changes, four branches went from moderate-income CTs to middle-income CTs.

The bank complements its traditional service delivery methods with alternative retail delivery systems, such as deposit-taking ATMs, online banking, and mobile banking. Deposit-taking ATMs are located at

each branch facility and throughout the AAs. No significant weight was placed on these services, as no data was available to determine the impact on, or usage by, LMI individuals.

#### Utah Non-MSA

ZB has 24 branches in the AA with four located in moderate-income CTs. The percentage of branches in low-income CTs is below the percentage of the population in these geographies. The percentage of branches in moderate-income CTs was near to the percentage of the population in these geographies. Based on the 2015 ACS Census changes, one branch went from a moderate-income CT to a middle-income CT. More weight is placed on performance in moderate-income CTs since the population in low-income CTs is 1.1 percent.

The bank complements its traditional service delivery methods with alternative retail delivery systems, such as deposit-taking ATMs, online banking, and mobile banking. Deposit-taking ATMs are located at each branch facility and throughout the AAs. No significant weight was placed on these services, as no data was available to determine the impact on, or usage by, LMI individuals.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Logan MSA	0	1	-1			
Saint George MSA	0	0				
Salt Lake MSA	2	2				
Utah Non-MSA	0	0				

#### Salt Lake City CSA

To the extent changes have been made, the institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and to LMI individuals.

During the evaluation period, there were two branch openings and two branch closings. ZB simultaneously closed one branch and opened another branch in April 2018. Both branches were in moderate-income census tracts and approximately one mile apart. In January 2020, the bank closed a branch in a middle-income CT after deciding not to renew the lease and considering there are two other ZB branches within three miles. In February 2020, ZB opened a new branch in a middle-income CT. There were also two branch relocations within a 1,000-foot radius during the evaluation period within the same CTs.

#### Utah Non-MSA

To the extent changes have been made, the institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and to LMI individuals.

During the evaluation period, there were no branch openings or closings.

### Salt Lake City CSA

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AAs, particularly LMI geographies and/or individuals.

The Salt Lake City CSA includes the Salt Lake City MSA, Provo-Orem MSA, and Ogden-Clearfield MSA. For the Salt Lake City MSA, most branches have the same lobby hours from 9:00 a.m. – 6:00 p.m. on Monday-Friday. Three branches in middle-income CTs have earlier closing times. Seven branches have lobby hours on Saturday; six are open from 9:00 a.m. to 2:00 p.m., including one in a moderate-income CT. One branch in a moderate-income CT opens from 10:00 a.m. to 2:00 p.m. on Saturday. Drive-up facilities have the same business hours on Monday-Friday. Seven branches have drive-up hours on Saturday with no difference in opening and closing times, including two in moderate-income CTs.

In the Provo-Orem MSA, lobby and drive-up hours are the same for most locations from 9:00 a.m. – 6:00 p.m. Monday-Friday. One branch and drive-up facility in a moderate-income CT close at 5:00 p.m. Three branches are open on Saturday, including one in a low-income CT and one in a moderate-income CT, with no difference in business hours.

In the Ogden-Clearfield MSA, lobby and drive-up hours are the same for most locations from 9:00 a.m. – 6:00 p.m. Monday-Friday. One branch in a moderate-income CT closes at 5:00 p.m. Three branches are open on Saturday, including one in a moderate-income CT, with no difference in business hours.

### Utah Non-MSA

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AAs, particularly LMI geographies and/or individuals.

Most branches in the AA have lobby and drive-up hours from 9:00 – 5:00 p.m. on Monday-Friday, including three in moderate-income CTs. Three branches close at 6:00 p.m., including one in a moderate-income CT, and lobby hours for three branches in middle-income CTs have earlier closing times. Two branches have Saturday lobby and drive-up hours, including one in a moderate-income CT, with no difference in opening and closing times.

## **Community Development Services**

The institution is a leader in providing CD services.

### Salt Lake City CSA

CD services were effective and responsive in helping the bank address community needs. ZB conducted or supported an excellent level of CD services, consistent with its capacity and expertise. Seventy employees provided their financial expertise to 47 different organizations totaling 6,343 hours during the

evaluation period. Included in these services are 4,351 hours where bank employees served in leadership roles. Activities focused on community services to LMI individuals and affordable housing. ZB also provided services to organizations that help services to small businesses.

Examples of CD Services:

- Employees provided 749 hours of Board and Committee service to an organization that helps meet essential needs in the community, including affordable housing, child-care, and nutrition programs for LMI, adult education, and self-sufficiency classes. Employee involvement included oversight of financial operations, developing budgets, and executing fundraisers.
- Employees provided over 596 hours of service to an organization that provides shelter to the homeless population by sharing their financial expertise as a Board member.
- Employees provided 549 hours of service to an organization that builds and rehabilitates affordable housing, provided educational and mentoring opportunities, and other programs to local residents in LMI CTs. Service hours included Board and Committee membership, and preparing youth for job interviews,

Utah Non-MSA

ZB provided a good level of CD services. Thirty-two employees provided a total of 1,480 hours of CD services to 19 different organizations during the evaluation period. Included in these services are 744 hours where bank employees served in leadership roles. Activities focused on affordable housing and community services to LMI individuals. ZB also provided services to organizations that promote economic development for small businesses.

Examples of CD Services:

- Employees provided 500 hours of Board and Committee service to an organization that builds affordable housing and provides financial education for low- and moderate-income homebuyers. Activities included participation on the finance, homeowner selection, and family selection committees. Employees also taught first-time homebuyer classes.
- Employees provided 240 hours of service to a non-profit organization that assists homeless and LMI individuals become stable and self-sufficient. Activities included service on the Board and as Treasurer.

Statewide

ZB provided CD Services totaling 316 hours to six different organizations within the state of Utah that could not be allocated to their AAs. Employees provided 100 hours of service, serving as a member of the Board and loan committee, to a non-profit organization that administers the Small Business Administration's 504 Development Company loan program in Utah. Employees served on the Board and Business Development Committee for a total of 96 hours to a non-profit organization that aids independently owned small businesses throughout the state. Other CD service activities included service on Boards and committees for organizations that provide employment opportunities, scholarships, and affordable housing to LMI individuals. Statewide CD services had a neutral impact on the Service Test rating.

### **Conclusions for Area Receiving a Limited-Scope Review**

Based on limited-scope reviews, the bank's performance under the Service Test in the Saint George MSA is consistent with the bank's overall performance under the Service Test in the full-scope areas. Performance in the Logan MSA is weaker than the bank's overall performance under the Service Test primarily due to weaker branch distribution. Performance in limited-scope AA's had a neutral impact on the Service Test Rating.

## State Rating

### State of Washington

#### **CRA rating for the State of Washington: Needs to Improve**

**The Lending Test is rated:** Needs to Improve

**The Investment Test is rated:** Outstanding

**The Service Test is rated:** Low Satisfactory

The major factors that support this rating include:

- Lending levels reflect good responsiveness to community credit needs.
- The geographic distribution of loans is poor, and the borrower distribution of loans is very poor.
- CD lending is excellent and has a significantly positive impact on the Lending Test rating.
- Excellent level of CD investments that are responsive to community needs.
- Levels of CD services are good and delivery systems are reasonably accessible to geographies and individuals of different income levels.

### Description of Institution's Operations in Washington

ZB operates under a local brand name The Commerce Bank of Washington in the state of Washington. As of December 31, 2020, the bank has one AA comprised of part of King County within the Seattle-Tacoma-Bellevue MSA in the state of Washington. The AA meets the requirements of the regulation and does not arbitrarily exclude any LMI CTs. ZB is a full-service bank and offers a wide variety of commercial and consumer products and services with its primary focus on lending to businesses of all types and sizes. The bank has two full-service branches and no deposit taking ATMs in the state of Washington.

ZB faces strong competition in Washington with Bank of America National Association, JP Morgan Chase Bank National Association, Wells Fargo Bank National Association, U.S. Bank National Association, and KeyBank National Association representing the top five competitors. The top five competitors accounted for 61.7 percent of market share of the deposits in the state. Based on the June 30, 2020 FDIC Deposit Market Share Report, ZB held \$1.2 billion in statewide deposits and ranked 24th in the state. The \$1.2 billion deposits represented approximately 0.6 percent of market share among 76 FDIC insured depository institutions in the state of Washington and accounted for 1.8 percent of the bank's total deposits. In comparison to the percentage of deposits relative to the bank's total domestic deposits, ZB originated 0.3 percent and 0.9 percent of the number of its home mortgage loans and small business loans respectively in the state of Washington.

#### Seattle MSA

The Seattle-Tacoma-Bellevue MSA is comprised of part of King County. According to the June 30, 2020 FDIC Deposit Market Share Report, ZB had \$1.2 billion deposits in the AA representing 1.1

percent of the total deposits in the AA or 1.8 percent of its total bank wide deposits. With a deposit market share of 1.1 percent, the bank ranked 15<sup>th</sup> out of the 44 FDIC-insured depository financial institutions in the AA. ZB has two full-services branches with no deposit taking ATMs in the AA. The top 5 leading competitors in the AA are Bank of America National Association, JP Morgan Chase Bank National Association, Wells Fargo Bank National Association, U.S. Bank National Association, and KeyBank National Association. They accounted for 75.5 percent of the total deposits in the AA as of June 30, 2020.

During the evaluation period, ZB originated 118 and 642 home mortgage and small business loans in the Seattle MSA, representing 0.3 percent and 0.9 percent of its total bank wide home mortgage and small business loans respectively. Volume of home mortgage and small business loans in this MSA accounted for 0.8 percent and 2.4 percent of the bank's total bank wide home mortgage and small business loans respectively.

LMI borrowers will be challenged with home mortgage affordability in the Seattle MSA AA. We considered a mortgage payment unaffordable if the principle and interest payment would result in a DTI greater than 30.0 percent. Based on the information in Table A, low-income families earned up to \$46,188 and moderate-income families earned a maximum of \$73,854. Assuming a mortgage based on the AAs median housing value, with no down payment, a 4.0 percent interest rate, and amortized for 30 years, the monthly payment would be \$2,333. We determined the monthly mortgage payment would exceed 30.0 percent of income for LMI borrowers.

While the Seattle MSA's economy benefits from the presence of giant tech companies; a highly trained and well-educated labor force; large port with connections to emerging Asian markets; and relatively high per capital income, its recovery from COVID-19 pandemic recession is uncharacteristically meek. Based on the December 2020 Moody's Analytics report, the MSA has recovered fewer jobs relative to its pre-pandemic peak than most large U.S. metropolitan areas. The driver of its underperformance is centered in layoffs at Boeing and local suppliers which have subtracted from overall job gains, forestalling a broader recovery in jobs and incomes. Based on BLS information, while the unemployment rate stood at 6.2 percent as of December 2020, labor force participation remains depressed and underemployment is prevalent. The unemployment rate is above the January 2018 level by 1.9 percentage points. The top five employers contributing to the MSA's economy are Amazon, Boeing Co., Microsoft Corp., University of Washington, and Providence Health & Services.

We utilized two community contacts with a government agency and a grassroots community group who aim to ensure the economic prosperity within the region, fight poverty and racism through helping low-income families or individuals obtain housing, achieve better health and nutrition, and garner access to some sort of transportation. The organizations indicated the needs in the area are financial literacy for small business owners, small business loans, transportation, affordable housing, and information on affordable banking products and services.

<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	171	2.9	16.4	31.6	47.4	1.8
Population by Geography	847,999	2.8	16.5	32.6	47.2	0.9
Housing Units by Geography	401,715	2.4	15.6	33.3	48.2	0.5

Owner-Occupied Units by Geography	183,115	1.7	11.9	31.1	55.3	0.0
Occupied Rental Units by Geography	193,261	3.0	19.0	35.8	41.3	0.9
Vacant Units by Geography	25,339	2.5	17.0	29.9	50.1	0.5
Businesses by Geography	144,934	1.8	11.4	29.9	55.9	1.0
Farms by Geography	1,560	2.1	11.4	34.2	52.0	0.4
Family Distribution by Income Level	184,454	19.1	14.5	18.0	48.3	0.0
Household Distribution by Income Level	376,376	25.4	15.1	15.9	43.5	0.0
Median Family Income MSA – 42644 Seattle-Bellevue-Kent, WA		\$92,317	Median Housing Value			\$488,747
			Median Gross Rent			\$1,260
			Families Below Poverty Level			6.6%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Scope of Evaluation in Washington

We are conducting a full-scope review of the bank’s single assessment area, the Seattle MSA. For ZB’s performance in the lending test, we gave more weight to small business lending compared to mortgage lending. We gave more weight to small business lending due to the volume of loan originations in the bank’s AA in Washington. In the AA, small farm lending was not considered a primary product.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WASHINGTON

### LENDING TEST

The bank’s performance under the Lending Test in Washington is rated Needs to Improve.

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Seattle MSA is Poor.

### Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Seattle MSA	118	642	1	23	784	100.0	100.0

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State* Loans	% State Deposits
Seattle MSA	\$116,497	\$195,889	\$250	\$60,984	\$373,620	100.0	100.0

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Lending levels reflect good responsiveness to AA credit needs.

According to the June 30, 2020 FDIC Deposit Market Share Report, ZB had \$1.2 billion in deposits with a 1.1 percent deposit market share in the Seattle MSA. ZB's deposit market share ranked 15<sup>th</sup> out of 44, which ranked in the top 34.1 percent of all deposit taking institutions in the AA.

According to 2019 peer mortgage data, ZB had a 0.1 percent market share of home mortgage loan originations. ZB's market share of home mortgage loan originations was weaker than their deposit market share. ZB's home mortgage loan origination market share ranked 109<sup>th</sup> out of 461 home mortgage lenders. ZB's home mortgage loan origination market share ranking was in the top 23.6 percent in the AA. The bank's market share ranking of home mortgage loan originations was stronger than their deposit market share ranking.

According to 2019 peer small business data, ZB had 0.2 percent market share of small business loan originations. ZB's market share of small business loan originations was weaker than their deposit market share. ZB's market share of small business loan originations ranked 25<sup>th</sup> out of 125 small business lenders in the AA. ZB's market share of small business loan originations ranked in the top 20.0 percent of all small business lenders in the AA. The bank's market share ranking of small business loan originations was stronger than their deposit market share ranking.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits a poor geographic distribution of loans in its AA.

#### ***Home Mortgage Loans***

Refer to Table O in the state of Washington section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The bank exhibits a good geographical distribution of home mortgage loans. When determining our rating we considered the low percentage of owner-occupied housing units in low-income CTs. The proportion of bank loans in low-income geographies is significantly below the percentage of owner-occupied housing and aggregate industry distribution of mortgage loans to those geographies. The proportion of bank loans in moderate-income geographies is near to the percentage of owner-occupied housing and the aggregate industry distribution of mortgage loans to those geographies.

#### ***Small Loans to Businesses***

Refer to Table Q in the state of Washington section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The bank exhibits a very poor geographical distribution of small loans to businesses. The proportion of bank loans in LMI geographies was significantly below the percentage of businesses and the aggregate industry distribution of loans of small business loans to those geographies.

### ***Lending Gap Analysis***

We reviewed supervisory data and other summary reports. We did not find any unexplained conspicuous gaps in the bank's lending.

### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits a very poor distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

### ***Home Mortgage Loans***

Refer to Table P in the state of Washington section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The borrower distribution of home mortgage loans is very poor. When determining our rating we considered the high cost of housing and the impact it will have on LMI borrowers' ability to purchase a home. The proportion of bank loans to LMI borrowers was significantly below the percentage of LMI families and the aggregate distribution of mortgage loans to those borrowers.

### ***Small Loans to Businesses***

Refer to Table R in the state of Washington section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The borrower distribution of small loans to small businesses is very poor. The proportion of bank loans to businesses with revenues less than \$1 million is significantly below the percentage of businesses the aggregate industry distribution of small loans to small businesses.

### **Community Development Lending**

The institution is a leader in making CD loans in the state of Washington.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The volume of CD lending was excellent and had a significantly positive impact on the Lending Test performance in the Seattle MSA. During the evaluation period, ZB originated 23 CD loans totaling \$61.0 million or 67.3 percent of tier 1 capital allocated to the AA. CD loans were responsive to community needs. By dollar volume, 23.3 percent funded revitalization and stabilization efforts, 37.2 percent funded community services, 12.4 percent funded economic development, and 27.1 percent funded affordable housing.

The following examples demonstrate the bank's use of complex and responsive CD loans:

- The bank originated a \$14.2 million loan to fund the redevelopment of an industrial site in a low-income CT in the Seattle MSA. The loan was made to revitalize the LMI community in which the property was located by attracting or retaining businesses and residents.
- The bank originated a \$5.1 million loan to fund the remodel of housing facility that provides shelter and support services for homeless teens in the Seattle MSA.
- The bank originated a \$5.0 million loan to fund the purchase and renovation of new health care clinic locations. The borrower is a non-profit funded under Section 330e of the Public Health Service and serves migratory and seasonal agricultural workers, the homeless, and residents of public housing.
- ZB's participation in the PPP resulted in 10 CD loans totaling \$7.6 million. These loans were made for a qualified CD purpose and/or to non-profits providing CD activities and services to LMI people in the Seattle MSA.

### Product Innovation and Flexibility

ZB makes limited use of innovative and/or flexible lending practices in serving its AAs credit needs. ZB's lending provided flexibility for small businesses. In response to the COVID-19 pandemic, ZB made 398 PPP loans totaling \$150.0 million in Washington. ZB's PPP loans in LMI CTs accounted for 18.8 percent of the PPP originations.

### INVESTMENT TEST

The bank's performance under the Investment Test in Washington is rated Outstanding.

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Seattle MSA is excellent.

The institution has an excellent level of qualified CD investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors

The institution exhibits excellent responsiveness to credit and community economic development needs. The institution makes extensive use of innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Seattle MSA	1	\$119	53	\$10,552	54	96.4	\$10,671	97.2	0	\$0
Statewide	2	\$312	0	\$0	2	3.6	\$312	2.8	0	\$0

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Seattle MSA

The bank exhibits excellent responsiveness to community investment needs in the Seattle MSA. ZB made 54 investments and grants totaling \$10.6 million during this evaluation period. There was one prior period investment outstanding of \$119 thousand. Current and prior period investments total \$10.7 million and are equivalent to 11.9 percent of allocated tier 1 capital. ZB's CD investments in LIHTCs demonstrated complexity and supported affordable housing including a project for the development of 234 low-income housing units. Additional CD investments are primarily mortgage backed securities for affordable housing, an identified community need. Grants support affordable housing and community services targeted to LMI by providing funds to organizations assisting with food, shelter, education, and other basic family needs.

Statewide

The bank had two current period investments within the state of Washington that could not be allocated to specific AAs. These grants totaled \$312 thousand and support affordable housing through mortgage backed securities. Statewide CD investments had a neutral impact on the Investment Test performance.

**SERVICE TEST**

The bank's performance under the Service Test in Washington is rated Low Satisfactory.

**Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank's performance in the Seattle MSA is adequate.

**Retail Banking Services**

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits % of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Branches				Population			
				Location of Branches by Income of Geographies (%)				% of Population within Each Geography*			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Seattle MSA	100.0	2	100.0	0.0	0.0	0.0	100.0	2.8	16.5	32.6	47.2

\*May not equal 100.0 percent due to NA CTs

ZB has two branches in the AA located in upper-income CTs. The percentage of branches in LMI CTs was below the percentage of the population in these geographies.

The bank complements its traditional service delivery methods in the Seattle MSA with alternative retail delivery systems, such as online banking, and mobile banking. There are no deposit-taking ATMs in the AA. No significant weight was placed on these services, as no data was available to determine the impact on, or usage by, LMI individuals.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Seattle MSA	1	0				1

To the

extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals.

During the evaluation period, there was one branch opened in June 2019 and no branch closings. The new branch is located in an upper-income CT.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly LMI geographies and/or individuals. Branches have the same lobby hours on Monday-Friday and are not open on Saturday. There are no drive-up facilities at branch locations.

**Community Development Services**

The institution provides a relatively high level of CD services.

ZB provided a good level of CD services. We considered the fact that the branches are small with a total of 12 employees. Eleven employees provided a total of 701 hours of CD services to eight different organizations during the evaluation period. Included in these services are 282 hours where bank employees served in leadership roles. Activities focused on community services to LMI individuals and affordable housing.

Examples of CD Services:

- Employees provided over 300 hours of financial expertise and training to an organization the provides affordable housing and essential services to homeless and low-income individuals.
- Employees provided 133 hours of service as a Board member to an organization that serves individuals struggling with poverty. The organization provides integrated services and housing.

## State Rating

### State of Wyoming

**CRA rating for the State of Wyoming:** Satisfactory

**The Lending Test is rated:** Low Satisfactory

**The Investment Test is rated:** High Satisfactory

**The Service Test is rated:** Low Satisfactory

The major factors that support this rating include:

- Lending levels reflect excellent responsiveness to community credit needs.
- The geographic distribution of loans is adequate.
- The borrower distribution of loans is good.
- CD lending is adequate and has neutral impact on the Lending Test rating.
- CD investments are good and responsive to community development needs.
- CD services are few and delivery systems are reasonably accessible to geographies and individuals of different income levels.

### Description of Institution's Operations in Wyoming

ZB operates under a local brand name Zions First National Bank in the state of Wyoming. As of December 31, 2020, the bank has one AA comprised of one county in the state. The AA includes Teton County within the Wyoming Non-MSA. This AA meets the requirements of the regulation and does not arbitrarily exclude any LMI Census Tracts (CT). ZB is a full-service bank and offers a wide variety of commercial and consumer products and services with its primary focus on lending to businesses of all types and sizes.

Based on FDIC Deposit Market Share data as of June 30, 2020, ZB had \$23.2 million in deposits, which represented 0.04 percent of the bank's total deposits. Within the state of Wyoming, the bank ranked 45th with 0.1 percent of market share among 47 FDIC insured depository institutions. The Bank has one office location and one deposit-taking ATM in the state of Wyoming. The top five major competitors with a combined market share of 45 percent are Wells Fargo Bank National Association, First Interstate Bank, Glacier Bank, Bank of Jackson Hole, and Pinnacle Bank Wyoming. In comparison to the percentage of deposits relative to the bank's total deposits in Wyoming, ZB originated 0.1 percent and 0.1 percent of the number of its home mortgage loans and small business loans respectively.

#### Wyoming Non-MSA

The Wyoming Non-MSA AA consists of Teton County. There are nine FDIC insured depository institution competing in this AA. The FDIC Market Share Report, as of June 30, 2020, indicated ZB ranked ninth among the nine depository institutions in the AA with \$23.2 million deposits, representing 0.04 percent of the bank's total deposits. ZB maintains one full-service branch and one deposit-taking

ATM in the AA. The top five competitors of the bank in the AA include Wells Fargo Bank National Association, Bank of Jackson Hole, First Interstate Bank, U.S. Bank National Association, and First Republic Bank. with a combined deposit market share of 88.1 percent.

During the evaluation period, ZB originated 28 and 48 home mortgage and small business loans in the AA totaling \$17.4 thousand and \$6.1 thousand respectively. The numbers and the volume both accounted for 0.1 percent and 0.1 percent of the bank’s home mortgage and small business loans respectively. LMI borrowers will be challenged with home mortgage affordability in the Wyoming Non-MSA AA. We considered a mortgage payment unaffordable if the principle and interest payment would result in a DTI greater than 30.0 percent. Based on the information in Table A, low-income families earned up to \$36,417 and moderate-income families earned a maximum of \$58,266. Assuming a mortgage based on the AAs median housing value, with no down payment, a 4.0 percent interest rate, and amortized for 30 years, monthly payments would be \$3,458. We determined the monthly mortgage payment would exceed 30.0 percent DTI for LMI borrowers.

Teton County is a county in the state of Wyoming. Its county seat is Jackson. According to Moody’s Analytics, the top five major industries in the county are hospitality, healthcare, retail, entertainment, and construction. Major employers include St John’s Medica Center, Jackson Hole Mountain Resort, Four Seasons Resort Jackson Hole, Teton County Government, Noble House etc. Teton County’s economy is recovering faster than the national average. However, its yet to reach its precrisis level. Although the County relies heavily on industries most affected by the pandemic, it has managed to regain some of the jobs lost primarily from the boosts the County experienced in outdoor activities in the second half of 2020. Based on the Wyoming’s Economic Analysis Division Report, Teton County reversed the statewide trend in lodging sales, recording a 35.4 percent increase for the fourth quarter 2020 as compared to the year prior. According to the BLS data, unemployment rate in the county has dropped to 4.2 percent as of December 2020 from its peak at 12.5 percent in April 2020. Unemployment rate remains above its January 2018 level by 1.5 percentage points.

We utilized one community contact with a local non-profit affordable housing developer that works to support the LMI homebuyers in the AA through the process of home buying. The organization indicated the needs in the area include public transportation, affordable housing, grants for organization, and more lenders.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Wyoming Non-MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	4	0.0	0.0	50.0	50.0	0.0
Population by Geography	22,311	0.0	0.0	46.5	53.5	0.0
Housing Units by Geography	13,146	0.0	0.0	38.1	61.9	0.0
Owner-Occupied Units by Geography	4,953	0.0	0.0	39.5	60.5	0.0
Occupied Rental Units by Geography	3,234	0.0	0.0	55.4	44.6	0.0
Vacant Units by Geography	4,959	0.0	0.0	25.4	74.6	0.0
Businesses by Geography	3,422	0.0	0.0	58.7	41.3	0.0
Farms by Geography	88	0.0	0.0	45.5	54.5	0.0
Family Distribution by Income Level	4,840	10.4	12.5	22.3	54.8	0.0

Household Distribution by Income Level	8,187	13.5	14.4	18.1	54.0	0.0
Median Family Income Non-MSAs – WY		\$72,833	Median Housing Value			\$724,444
			Median Gross Rent			\$1,159
			Families Below Poverty Level			2.4%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Scope of Evaluation in Wyoming

We are conducting a full-scope review of the bank's single AA, the Wyoming Non-MSA. For ZB's performance in the lending test, we gave more weight to small business lending compared to mortgage lending. We gave more weight to small business lending due to the volume of loan originations in the bank's AA in Wyoming. In the AA, small farm lending was not considered a primary product.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WYOMING

### LENDING TEST

The bank's performance under the Lending Test in Wyoming is rated Low Satisfactory.

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Wyoming Non-MSA is adequate.

### Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Wyoming Non-MSA	28	48	0	1	77	100.0	100.0

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Wyoming Non-MSA	\$17,352	\$6,086	\$0	\$7,568	\$31,006	100.0	100.0

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

According to the June 30, 2020 FDIC Deposit Market Share Report, ZB had \$23.2 million in deposits with a 0.9 percent deposit market share in the Wyoming Non-MSA. ZB's deposit market share ranked ninth out of nine, which ranked last of all deposit taking institutions in the AA.

According to 2019 peer mortgage data, ZB had a 0.9 percent market share of home mortgage loan originations. ZB's market share of home mortgage loan originations approximates their deposit market share. ZB's home mortgage loan origination market share ranked 18<sup>th</sup> out of 98 home mortgage lenders. ZB's home mortgage loan origination market share ranking was in the top 18.4 percent in the AA. The bank's market share ranking of home mortgage loan originations was stronger than their deposit market share ranking.

According to 2019 peer small business data, ZB had 0.2 percent market share of small business loan originations. ZB's market share of small business loan originations was weaker than their deposit market share. ZB's market share of small business loan originations ranked 21<sup>st</sup> out of 50 small business lenders in the AA. ZB's market share of small business loan originations ranked in the top 42.0 percent of all small business lenders in the AA. The bank's market share ranking of small business loan originations was stronger than their deposit market share ranking.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits an adequate distribution of loans in its AAs.

#### ***Home Mortgage Loans***

Refer to Table O in the state of Wyoming section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

There are no LMI CTs in this AA.

#### ***Small Loans to Businesses***

Refer to Table Q in the state of Wyoming section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

There are no LMI CTs in this AA.

#### ***Lending Gap Analysis***

We reviewed supervisory data and other summary reports. We did not find any unexplained conspicuous gaps in the bank's lending.

### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits good distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

#### ***Home Mortgage Loans***

Refer to Table P in the state of Wyoming section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The borrower distribution of home mortgage loans is adequate. When determine our ratings, we considered the fact that the median housing value was unaffordable for LMI borrowers. The proportion

of bank home mortgage loans to low-income borrowers is significantly below the percentage of low-income families and exceeded the aggregate industry distribution of mortgage loans to those borrowers. The bank did not originate any home mortgage loans to any moderate-income borrowers.

### ***Small Loans to Businesses***

Refer to Table R in the state of Wyoming section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The bank exhibits a good borrower distribution of small loans to small businesses. The proportion of bank loans to businesses with revenues less than \$1 million was significantly below percentage of businesses and approximate to the aggregate industry distribution of small loans to small businesses.

### **Community Development Lending**

The institution has made few if any CD loans in the state of Wyoming.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The volume of CD lending was adequate and had a neutral impact on the Lending Test performance in the Wyoming Non-MSA. During the evaluation period, ZB originated 1 CD loan totaling \$7.6 million or 8.3 percent of tier 1 capital allocated to the AA. By dollar volume, 100.0 percent funded affordable housing.

### **Product Innovation and Flexibility**

ZB makes limited use of innovative and/or flexible lending practices in serving its AAs credit needs. ZB's lending provided flexibility for small businesses. In response to the COVID-19 pandemic, ZB made 55 PPP loans totaling \$5.3 million in Wyoming.

Refer to Tables O through T in the state of Wyoming section of appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

The bank's performance under the Investment Test in Wyoming is rated High Satisfactory.

### **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank's performance in the Wyoming Non-MSA is good.

The institution has a significant level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors. The institution exhibits good responsiveness to credit and community economic development needs. The institution makes significant use of innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Wyoming Non-MSA	0	\$0	1	\$285	1	100.0	\$285	100.0	0	\$0

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

The bank exhibits good responsiveness to community investment needs in the Wyoming Non-MSA. ZB made one investment totaling \$285 thousand during this evaluation period. There were no prior period investments or grants during the current period for this AA. Current period investments are equivalent to 6.9 percent of allocated tier 1 capital. The investment was a mortgage backed security which provided affordable housing for LMI in the AA.

## SERVICE TEST

The bank's performance under the Service Test in Wyoming is rated Low Satisfactory.

## Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Wyoming Non-MSA is adequate.

## Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System												
Assessment Area	Deposits	Branches						Population				
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography				
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp	
Wyoming Non-MSA	100.0	1	100.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	46.5	53.5

ZB has one branch in the AA located in a middle-income CT. There are no LMI CTs in the AA.

The bank complements its traditional service delivery methods in the Wyoming Non-MSA AA, with alternative retail delivery systems, such as a deposit-taking ATM, online banking, and mobile banking. No significant weight was placed on these services, as no data was available to determine the impact on, or usage by, LMI individuals.

Distribution of Branch Openings/Closings	
	Branch Openings/Closings

Assessment Area	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or - )			
			Low	Mod	Mid	Upp
Wyoming Non-MSA	0	0				

To the extent changes have been made, the institution’s opening and closing of has generally not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals.

During the evaluation period, there were no branch openings or closings.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly LMI geographies and/or individuals. The branch has lobby hours from 9:00 a.m. to 5:00 p.m. on Monday-Friday. There are no Saturday business hours or drive-up facilities.

**Community Development Services**

The institution provides few if any CD services. ZB did not provide any CD services during the evaluation period. The bank has two employees and community development opportunities are limited in the AA.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

<b>Time Period Reviewed:</b>	January 1, 2018 through December 31, 2020	
<b>Bank Products Reviewed:</b>	Home mortgage, small business, small farm Community development loans, qualified investments, community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Counties</b>
<b>Arizona</b>		
Arizona Non-MSA	limited-scope	Apache, Gila, Graham, Greenlee, La Paz, Navajo, and Santa Cruz
Flagstaff MSA	limited-scope	Coconino
Lake Havasu City-Kingman MSA	limited-scope	Mohave
Phoenix-Mesa-Chandler MSA	full-scope	Maricopa and Pinal
Prescott Valley- Prescott MSA	limited-scope	Yavapai
Sierra Vista-Douglass MSA	limited-scope	*Cochise
Tucson MSA	full-scope	Pima
Yuma MSA	limited-scope	Yuma
<b>California</b>		
Bakersfield MSA	limited-scope	Kern
Fresno MSA	full-scope	Fresno
Los Angeles-Long Beach CSA	full-scope	Orange, Los Angeles, Riverside, San Bernardino, and Ventura
Sacramento-Roseville-Arden MSA	limited-scope	Sacramento
San Diego Chula Vista-Carlsbad MSA	full-scope	San Diego
San Jose-San Francisco-Oakland CSA	limited-scope	Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara
<b>Colorado</b>		
Boulder MSA	limited-scope	Boulder
Colorado Non-MSA	limited-scope	Eagle, Garfield, La Plata, Montezuma, Montrose, Pitkin, and Routt
Colorado Springs MSA	limited-scope	El Paso and Teller
Denver-Aurora MSA	full-scope	Adams, Arapaho, Broomfield, Denver, Douglas, Gilpin, and Jefferson
Grand Junction MSA	limited-scope	Mesa
Pueblo MSA	full-scope	Pueblo
<b>Idaho</b>		
Boise MSA	full-scope	Ada, Boise, Canyon, Gem, and Owyhee
Idaho Falls MSA	full-scope	Bonneville, Butte, and Jefferson
Idaho Non-MSA	limited-scope	Bear Lake, Bingham, Blaine, Cassia, Gooding, Latah, Madison, Payette, and Washington
Lewiston MSA	limited-scope	New Perce
Pocatello MSA	limited-scope	Bannock

Twin Falls MSA	limited-scope	Jerome and Twin Falls
<b>Nevada</b>		
Las Vegas-Henderson-Paradise MSA	full-scope	Clark
Nevada Non-MSA	limited-scope	Churchill, Douglass, Esmerelda, Elko, Eureka, Humboldt, Lander, Lincoln, Lyon, Mineral, Nye, Pershing, and White Pine
Reno-Carson City-Fernley CSA	full-scope	Carson City, Storey, and Washoe
<b>New Mexico</b>		
Farmington MSA	full-scope	San Juan
<b>Oregon</b>		
Portland-Vancouver-Hillsboro MSA	full-scope	Clackamas, Multnomah, and Washington
<b>Texas</b>		
Austin-Round Rock MSA**	limited-scope	Travis
Dallas-Fort Worth-Arlington MSA	full-scope	Denton, Collin, Dallas, and Tarrant
Houston MSA	full-scope	Brazoria, Chambers, Fort Bend, Galveston, Harris, Montgomery, and Waller
San Antonio-New Braunfels	limited-scope	Bexar and Comal
Texas Non-MSA	limited-scope	Wharton
<b>Utah</b>		
Logan MSA	limited-scope	Cache
Salt Lake City-Provo-Orem CSA	full-scope	Box Elder, Davis, Juab, Morgan, Salt Lake, Toole, Utah, and Weber
Saint George MSA	limited-scope	Washington
Utah Non-MSA	full-scope	Beaver, Carbon, Daggett, Duchesne, Emery, Garfield, Grand, Iron, Kane, Millard, Piute, Rich, San Juan, Sanpete, Sevier, Summit, Uintah, Wasatch, and Wayne
<b>Washington</b>		
Seattle-Tacoma-Bellevue MSA	full-scope	*King
<b>Wyoming</b>		
Wyoming Non-MSA	full-scope	Teton

\*Partial Counties

\*\* Evaluation period is 7/1/19 – 12/31/20

## Appendix B: Summary of MMSA and State Ratings

RATINGS				
Zions Bancorporation, NA				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Zions Bancorporation, NA	Outstanding	Outstanding	High Satisfactory	Outstanding
State:				
Arizona	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
California	Outstanding	Outstanding	High Satisfactory	Outstanding
Colorado	Outstanding	High Satisfactory	High Satisfactory	Outstanding
Idaho	High Satisfactory	Low Satisfactory	Outstanding	Satisfactory
Nevada	High Satisfactory	High Satisfactory	Outstanding	Satisfactory
New Mexico	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
Oregon	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
Texas	Outstanding	Outstanding	High Satisfactory	Outstanding
Utah	Outstanding	Outstanding	Outstanding	Outstanding
Washington	Needs to Improve	Outstanding	Low Satisfactory	Needs to Improve
Wyoming	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory

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

## Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**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, 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 non-relatives 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 (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

**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 (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income Individual:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

**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 state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an

employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**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.

**MMSA (state):** Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

**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.

**Rating Area:** A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical 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) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (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.

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Appendix D: Tables of Performance Data

---

### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased loans are treated the same as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-,

and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

**Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues -**  
 Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Arizona Non-MSA	652	99,563	10.3	8,640	0.8	0.0	0.0	23.5	8.0	10.2	47.6	49.4	49.1	28.0	42.6	40.7	0.0	0.0	0.0
Flagstaff MSA	433	106,241	6.8	5,700	3.5	0.0	0.0	18.2	3.9	11.7	35.6	44.6	36.7	42.7	51.5	51.4	0.0	0.0	0.2
Kingman MSA	464	62,161	7.3	10,778	0.0	0.0	0.0	9.2	3.7	2.8	72.3	75.2	72.0	18.5	21.1	25.2	0.0	0.0	0.0
Phoenix MSA	2,613	841,514	41.2	284,728	4.5	1.6	3.3	19.6	11.0	14.7	37.1	26.3	39.4	38.7	60.7	42.1	0.0	0.4	0.6
Prescott MSA	820	181,073	12.9	13,395	0.0	0.0	0.0	18.7	14.4	15.9	61.2	57.1	65.5	20.1	28.5	18.6	0.0	0.0	0.0
Sierra Vista MSA	158	16,037	2.5	4,079	2.7	0.0	1.7	31.1	30.4	24.6	34.5	44.3	31.8	31.6	25.3	41.8	0.0	0.0	0.0
Tucson MSA	918	210,799	14.5	47,472	4.7	0.9	3.3	21.4	16.0	15.2	32.9	18.0	31.3	41.0	65.1	50.3	0.0	0.0	0.0
Yuma MSA	285	43,995	4.5	7,010	0.0	0.0	0.0	25.7	16.5	16.7	47.0	47.0	41.1	27.3	36.5	42.1	0.0	0.0	0.0
<b>Total</b>	<b>6,343</b>	<b>1,561,382</b>	<b>100.0</b>	<b>381,802</b>	<b>3.8</b>	<b>0.8</b>	<b>2.9</b>	<b>20.0</b>	<b>11.6</b>	<b>14.5</b>	<b>39.5</b>	<b>37.6</b>	<b>40.3</b>	<b>36.7</b>	<b>49.8</b>	<b>41.9</b>	<b>0.0</b>	<b>0.2</b>	<b>0.4</b>

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data  
Due to rounding, totals may not equal 100.0%*

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** **2018-20**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Arizona Non-MSA	652	99,563	10.3	8,640	21.5	3.5	2.5	16.9	12.9	9.5	18.9	18.4	16.6	42.8	61.8	52.5	0.0	3.4	18.9
Flagstaff MSA	433	106,241	6.8	5,700	24.0	3.9	3.2	15.6	10.6	12.9	17.2	18.7	19.1	43.2	64.4	48.6	0.0	2.3	16.2
Kingman MSA	464	62,161	7.3	10,778	18.5	6.7	5.3	19.3	16.4	12.7	22.2	19.8	19.5	40.0	55.8	42.6	0.0	1.3	20.0
Phoenix MSA	2,613	841,514	41.2	284,728	21.9	2.9	4.9	17.3	10.3	15.9	19.5	15.0	20.7	41.3	66.7	38.2	0.0	5.0	20.3
Prescott MSA	820	181,073	12.9	13,395	18.8	7.6	7.2	19.3	16.3	15.0	22.4	20.1	21.9	39.6	53.5	38.5	0.0	2.4	17.4
Sierra Vista MSA	158	16,037	2.5	4,079	22.8	13.9	5.0	15.9	20.9	10.8	19.3	22.8	16.2	42.0	38.6	39.5	0.0	3.8	28.5
Tucson MSA	918	210,799	14.5	47,472	22.2	5.2	4.7	17.3	10.0	14.8	19.1	16.8	18.9	41.4	65.7	37.9	0.0	2.3	23.6
Yuma MSA	285	43,995	4.5	7,010	20.0	2.8	4.0	19.1	9.8	12.8	19.6	24.2	20.0	41.3	60.7	36.5	0.0	2.5	26.7
<b>Total</b>	<b>6,343</b>	<b>1,561,382</b>	<b>100.0</b>	<b>381,802</b>	<b>21.7</b>	<b>4.5</b>	<b>4.9</b>	<b>17.4</b>	<b>12.0</b>	<b>15.4</b>	<b>19.6</b>	<b>17.5</b>	<b>20.3</b>	<b>41.3</b>	<b>62.4</b>	<b>38.8</b>	<b>0.0</b>	<b>3.5</b>	<b>20.7</b>

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data

Due to rounding, totals may not equal 100.0%

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2018-20**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Arizona Non-MSA	901	82,762	10.7	3,551	0.0	0.0	0.0	18.9	9.2	21.6	47.9	45.8	48.4	33.2	45.0	30.0	0.0	0.0	0.0
Flagstaff MSA	643	55,493	7.6	2,808	0.1	0.2	0.1	18.2	21.3	22.1	32.4	39.7	29.9	48.0	38.6	47.2	1.5	0.3	0.7
Kingman MSA	299	17,272	3.6	3,793	0.0	0.0	0.0	4.3	5.4	5.0	71.9	79.9	73.6	23.8	14.7	21.4	0.0	0.0	0.0
Phoenix MSA	3,519	478,815	41.8	116,316	7.1	8.0	6.7	15.3	21.3	16.9	31.2	27.1	28.2	45.8	42.6	47.6	0.5	1.0	0.6
Prescott MSA	892	72,898	10.6	5,766	0.0	0.0	0.0	21.4	33.3	22.1	51.5	43.7	52.3	27.1	23.0	25.6	0.0	0.0	0.0
Sierra Vista MSA	189	14,607	2.2	1,377	4.6	1.1	4.4	33.8	43.9	33.2	32.5	39.2	32.1	29.2	15.9	30.4	0.0	0.0	0.0
Tucson MSA	1,605	168,731	19.1	18,774	6.0	5.8	6.4	22.2	32.3	24.3	28.7	27.9	28.5	42.0	31.5	39.8	1.1	2.4	0.9
Yuma MSA	364	37,051	4.3	2,326	0.0	0.0	0.0	28.7	28.3	31.2	38.4	38.2	39.0	32.9	33.5	29.9	0.0	0.0	0.0
<b>Total</b>	<b>8,412</b>	<b>927,629</b>	<b>100.0</b>	<b>154,711</b>	<b>6.2</b>	<b>4.5</b>	<b>5.8</b>	<b>16.6</b>	<b>23.6</b>	<b>18.3</b>	<b>32.8</b>	<b>34.6</b>	<b>31.0</b>	<b>43.8</b>	<b>36.4</b>	<b>44.4</b>	<b>0.6</b>	<b>0.9</b>	<b>0.6</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
Due to rounding, totals may not equal 100.0%

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues** **2018-20**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Arizona Non-MSA	901	82,762	10.7	3,551	84.4	61.5	43.9	3.8	33.1	11.8	5.4
Flagstaff MSA	643	55,493	7.6	2,808	87.7	61.1	50.0	3.3	33.0	9.0	5.9
Kingman MSA	299	17,272	3.6	3,793	89.6	69.6	48.1	3.0	25.1	7.4	5.4
Phoenix MSA	3,519	478,815	41.8	116,316	93.1	51.7	49.9	2.2	44.1	4.7	4.1
Prescott MSA	892	72,898	10.6	5,766	92.2	63.7	52.9	2.3	30.5	5.6	5.8
Sierra Vista MSA	189	14,607	2.2	1,377	86.5	81.0	46.9	2.6	18.0	10.9	1.1
Tucson MSA	1,605	168,731	19.1	18,774	90.7	60.2	49.4	2.7	34.8	6.6	5.0
Yuma MSA	364	37,051	4.3	2,326	85.3	60.4	41.8	4.0	33.5	10.8	6.0
<b>Total</b>	<b>8,412</b>	<b>927,629</b>	<b>100.0</b>	<b>154,711</b>	<b>92.3</b>	<b>58.0</b>	<b>49.6</b>	<b>2.4</b>	<b>37.1</b>	<b>5.4</b>	<b>4.8</b>

*Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%*

**Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography 2018-20**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Arizona Non-MSA	37	2,845	28.4	74	0.0	0.0	0.0	9.6	10.8	8.1	46.5	27.0	48.6	43.9	62.2	43.2	0.0	0.0	0.0
Flagstaff MSA	6	338	5.3	16	0.0	0.0	0.0	15.3	0.0	6.3	31.4	83.3	50.0	52.9	33.3	43.8	0.4	0.0	0.0
Kingman MSA	7	287	5.1	18	0.0	0.0	0.0	5.2	0.0	11.1	81.0	100.0	83.3	13.9	0.0	5.6	0.0	0.0	0.0
Phoenix MSA	30	2,201	26.4	557	6.8	0.0	2.0	19.5	13.3	23.3	31.7	50.0	29.4	41.7	36.7	43.8	0.3	0.0	1.4
Prescott MSA	22	1,533	15.9	56	0.0	0.0	0.0	18.9	22.7	16.1	54.8	63.6	51.8	26.3	13.6	32.1	0.0	0.0	0.0
Sierra Vista MSA	6	75	9.1	43	3.3	0.0	4.7	22.9	16.7	20.9	45.7	66.7	51.2	28.2	16.7	23.3	0.0	0.0	0.0
Tucson MSA	13	402	13.2	89	5.2	0.0	1.1	22.0	15.4	12.4	32.9	53.8	36.0	39.6	38.5	50.6	0.3	0.0	0.0
Yuma MSA	15	1,642	10.9	90	0.0	0.0	0.0	21.8	20.0	16.7	48.8	33.3	48.9	29.5	46.7	34.4	0.0	0.0	0.0
<b>Total</b>	<b>138</b>	<b>9,338</b>	<b>100.0</b>	<b>943</b>	<b>5.4</b>	<b>0.0</b>	<b>1.5</b>	<b>19.2</b>	<b>13.8</b>	<b>19.4</b>	<b>35.4</b>	<b>48.6</b>	<b>37.1</b>	<b>39.7</b>	<b>37.7</b>	<b>41.1</b>	<b>0.2</b>	<b>0.0</b>	<b>0.8</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%

**Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues 2018-20**

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Arizona Non-MSA	37	2,845	26.8	74	95.3	62.2	33.8	3.0	32.4	1.7	5.4
Flagstaff MSA	7	343	5.1	16	94.9	57.1	50.0	2.4	28.6	2.7	14.3
Kingman MSA	7	287	5.1	18	98.1	42.9	55.6	1.1	14.3	0.8	42.9
Phoenix MSA	30	2,201	21.7	557	96.1	46.7	39.7	2.4	50.0	1.6	3.3
Prescott MSA	22	1,533	15.9	56	97.3	90.9	64.3	1.6	4.5	1.1	4.5
Sierra Vista MSA	6	75	4.3	43	97.6	83.3	41.9	1.2	0.0	1.2	16.7
Tucson MSA	14	412	10.1	89	96.9	71.4	43.8	2.0	7.1	1.1	21.4
Yuma MSA	15	1,642	10.9	90	84.0	20.0	37.8	10.1	73.3	5.9	6.7
<b>Total</b>	<b>138</b>	<b>9,338</b>	<b>100.0</b>	<b>943</b>	<b>95.9</b>	<b>59.4</b>	<b>41.5</b>	<b>2.5</b>	<b>31.2</b>	<b>1.6</b>	<b>9.4</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
Due to rounding, totals may not equal 100.0%

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2018-20</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
Bakersfield MSA	32	6,607	0.7	27,175	5.6	0.0	3.7	15.8	9.4	11.0	32.3	56.3	29.3	46.2	34.4	55.4	0.1	0.0	0.5		
Fresno MSA	172	50,990	3.5	27,972	3.2	0.0	2.3	23.2	9.3	18.5	22.4	10.5	20.1	51.1	80.2	59.1	0.0	0.0	0.0		
Los Angeles CSA	2,647	1,356,308	54.2	616,841	2.6	1.6	2.4	18.6	13.0	17.4	30.8	21.7	31.0	47.9	63.3	48.9	0.1	0.5	0.3		
Sacramento MSA	98	29,378	2.0	70,658	6.9	18.4	8.5	24.4	14.3	23.0	36.0	21.4	36.7	32.7	45.9	31.7	0.1	0.0	0.1		
San Diego MSA	1,164	541,846	23.9	132,961	2.8	2.3	2.9	15.1	10.4	14.9	35.5	33.0	34.8	46.6	54.3	47.5	0.0	0.0	0.0		
San Francisco CSA	767	407,262	15.7	226,487	4.7	3.5	5.2	16.6	13.8	17.3	34.4	30.8	35.0	44.2	51.9	42.2	0.1	0.0	0.2		
<b>Total</b>	<b>4,880</b>	<b>2,392,390</b>	<b>100.0</b>	<b>1,102,094</b>	<b>3.4</b>	<b>2.3</b>	<b>3.5</b>	<b>18.2</b>	<b>12.4</b>	<b>17.3</b>	<b>32.2</b>	<b>25.6</b>	<b>32.3</b>	<b>46.2</b>	<b>59.4</b>	<b>46.7</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>		
<i>Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data                      Due to rounding, totals may not equal 100.0%</i>																					

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** **2018-20**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Bakersfield MSA	32	6,607	2.2	27,175	24.8	3.1	2.4	16.4	3.1	9.8	16.1	18.8	18.9	42.7	68.8	44.6	0.0	6.3	24.3
Fresno MSA	172	50,990	5.7	27,972	25.3	1.7	2.5	15.9	5.2	7.9	16.3	8.7	18.1	42.5	71.5	50.8	0.0	12.8	20.7
Los Angeles CSA	2,647	1,356,308	54.2	616,841	23.9	2.0	2.3	16.5	4.7	7.1	17.6	11.1	16.7	42.0	76.4	55.0	0.0	5.8	19.0
Sacramento MSA	98	29,378	3.0	70,658	26.7	5.1	3.9	17.3	16.3	15.9	18.6	14.3	23.8	37.4	60.2	38.4	0.0	4.1	18.0
San Diego MSA	1,164	541,846	23.9	132,961	23.6	2.4	2.2	16.9	6.7	7.2	17.8	11.8	17.7	41.7	68.2	53.3	0.0	10.9	19.6
San Francisco CSA	767	407,262	15.7	226,487	24.3	3.0	3.5	15.8	8.6	9.8	18.2	18.9	18.5	41.7	66.4	57.5	0.0	3.1	10.8
<b>Total</b>	<b>4,880</b>	<b>2,392,390</b>	<b>100.0</b>	<b>1,102,094</b>	<b>24.2</b>	<b>2.3</b>	<b>2.6</b>	<b>16.4</b>	<b>6.0</b>	<b>8.3</b>	<b>17.7</b>	<b>12.5</b>	<b>17.7</b>	<b>41.7</b>	<b>72.3</b>	<b>53.9</b>	<b>0.0</b>	<b>6.8</b>	<b>17.5</b>

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data

Due to rounding, totals may not equal 100.0%

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2018-20**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Bakersfield MSA	110	8,310	0.8	15,184	5.6	0.0	4.5	19.9	7.3	17.5	27.1	69.1	24.6	46.6	22.7	52.7	0.8	0.9	0.7
Fresno MSA	672	80,619	4.7	18,332	6.4	5.4	4.8	26.9	22.2	23.1	21.5	16.8	23.0	43.9	54.6	48.2	1.3	1.0	0.9
Los Angeles CSA	7,072	995,775	49.0	634,259	4.8	5.6	4.7	20.1	20.3	20.1	27.1	30.6	27.4	46.5	40.9	46.5	1.6	2.6	1.3
Sacramento MSA	497	66,154	3.4	35,467	12.6	16.7	11.0	26.3	23.9	25.1	30.0	27.6	30.0	28.2	27.2	32.3	2.9	4.6	1.6
San Diego MSA	4,586	655,838	31.8	105,095	5.5	5.5	4.9	14.9	16.4	14.1	34.8	37.4	34.5	44.6	40.5	46.4	0.2	0.2	0.1
San Francisco CSA	1,504	207,020	10.4	213,910	10.1	11.8	9.2	17.5	19.5	18.3	30.3	35.6	32.2	41.5	33.0	39.8	0.6	0.1	0.5
<b>Total</b>	<b>14,441</b>	<b>2,013,716</b>	<b>100.0</b>	<b>1,022,247</b>	<b>6.3</b>	<b>6.5</b>	<b>5.9</b>	<b>19.4</b>	<b>19.1</b>	<b>19.3</b>	<b>28.6</b>	<b>32.8</b>	<b>29.1</b>	<b>44.4</b>	<b>40.0</b>	<b>44.7</b>	<b>1.2</b>	<b>1.5</b>	<b>1.0</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues** **2018-20**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Bakersfield MSA	110	8,310	0.8	15,184	86.2	55.5	42.7	4.1	31.8	9.7	12.7
Fresno MSA	672	80,619	4.7	18,332	85.9	53.1	42.1	4.6	40.6	9.5	6.3
Los Angeles CSA	7,072	995,775	49.0	634,259	89.0	47.5	50.4	4.5	45.9	6.5	6.6
Sacramento MSA	497	66,154	3.4	35,467	87.4	50.7	50.6	3.8	40.6	8.9	8.7
San Diego MSA	4,586	655,838	31.8	105,095	89.1	48.0	49.2	4.2	46.8	6.7	5.2
San Francisco CSA	1,504	207,020	10.4	213,910	87.5	51.1	52.5	5.0	43.4	7.5	5.5
<b>Total</b>	<b>14,441</b>	<b>2,013,716</b>	<b>100.0</b>	<b>1,022,247</b>	<b>88.5</b>	<b>48.5</b>	<b>50.5</b>	<b>4.5</b>	<b>45.4</b>	<b>6.9</b>	<b>6.1</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
Due to rounding, totals may not equal 100.0%

**Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography 2018-20**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Bakersfield MSA	3	289	3.9	276	4.8	0.0	2.2	20.6	0.0	24.6	32.3	66.7	36.2	40.1	33.3	35.9	2.2	0.0	1.1
Fresno MSA	14	1,785	16.7	605	4.0	0.0	1.8	28.6	21.4	30.4	28.9	21.4	31.7	38.4	57.1	36.0	0.1	0.0	0.0
Los Angeles CSA	26	2,824	31.0	1,152	3.9	3.8	3.5	20.9	26.9	17.9	31.7	53.8	33.2	43.0	15.4	44.9	0.6	0.0	0.5
Sacramento MSA	2	145	25.0	207	9.1	50.0	4.3	26.9	50.0	20.3	31.2	0.0	35.3	31.7	50.0	40.1	1.1	0.0	0.0
San Diego MSA	32	2,838	40.8	324	4.2	0.0	1.9	17.6	9.4	9.6	37.8	50.0	37.0	40.4	40.6	50.6	0.0	0.0	0.9
San Francisco CSA	5	916	25.0	480	7.9	0.0	5.6	18.3	40.0	12.5	33.6	20.0	36.0	40.0	60.0	45.8	0.2	0.0	0.0
<b>Total</b>	<b>84</b>	<b>8,817</b>	<b>100.0</b>	<b>3,044</b>	<b>5.0</b>	<b>2.4</b>	<b>3.3</b>	<b>20.8</b>	<b>19.0</b>	<b>19.4</b>	<b>32.7</b>	<b>42.9</b>	<b>34.2</b>	<b>41.0</b>	<b>35.7</b>	<b>42.7</b>	<b>0.5</b>	<b>0.0</b>	<b>0.4</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%

**Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues 2018-20**

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Bakersfield MSA	3	289	3.6	276	87.7	100.0	42.4	8.9	0.0	3.4	0.0
Fresno MSA	14	1,785	16.7	605	90.1	50.0	53.4	7.6	42.9	2.3	7.1
Los Angeles CSA	26	2,824	31.0	1,152	93.8	50.0	52.6	3.6	34.6	2.6	15.4
Sacramento MSA	3	160	3.6	207	94.3	33.3	62.8	3.0	66.7	2.7	0.0
San Diego MSA	32	2,838	38.1	324	94.9	50.0	62.0	3.2	37.5	1.9	12.5
San Francisco CSA	6	921	7.1	480	94.3	16.7	59.2	3.3	83.3	2.4	0.0
<b>Total</b>	<b>84</b>	<b>8,817</b>	<b>100.0</b>	<b>3,044</b>	<b>93.5</b>	<b>48.8</b>	<b>54.6</b>	<b>4.0</b>	<b>40.5</b>	<b>2.5</b>	<b>10.7</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
Due to rounding, totals may not equal 100.0%

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Boulder MSA	750	208,033	11.2	17,131	3.0	2.0	3.6	18.0	11.5	17.8	45.6	47.3	47.3	33.3	39.2	31.3	0.0	0.0	0.0
Colorado Non-MSA	820	253,007	12.2	14,607	0.0	0.0	0.0	6.7	3.2	5.0	39.3	33.9	34.2	54.0	62.9	60.8	0.0	0.0	0.0
Colorado Springs MSA	727	147,438	10.8	52,843	3.2	1.7	2.4	19.8	14.7	17.6	42.1	33.0	44.7	34.9	50.6	35.3	0.0	0.0	0.0
Denver MSA	4,065	1,065,681	60.6	201,029	4.7	4.6	4.5	18.8	14.4	18.4	34.1	28.7	33.8	42.4	52.3	43.3	0.0	0.0	0.0
Grand Junction MSA	136	27,592	2.0	10,098	0.0	0.0	0.0	19.1	10.3	18.9	58.3	57.4	61.3	22.7	32.4	19.8	0.0	0.0	0.0
Pueblo MSA	214	27,738	3.2	7,943	3.5	4.2	2.2	23.6	17.3	20.8	30.7	27.6	25.2	42.2	50.9	51.7	0.0	0.0	0.1
<b>Total</b>	<b>6,712</b>	<b>1,729,487</b>	<b>100.0</b>	<b>303,651</b>	<b>3.8</b>	<b>3.3</b>	<b>3.7</b>	<b>18.3</b>	<b>12.7</b>	<b>17.7</b>	<b>37.4</b>	<b>32.4</b>	<b>37.2</b>	<b>40.5</b>	<b>51.5</b>	<b>41.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data  
Due to rounding, totals may not equal 100.0%*

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** **2018-20**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Boulder MSA	750	208,033	16.1	17,131	22.3	3.6	7.9	17.0	12.1	17.6	19.9	22.1	22.4	40.8	61.3	41.0	0.0	0.8	11.2
Colorado Non-MSA	820	253,007	12.2	14,607	16.2	2.4	3.0	16.3	10.1	10.2	19.5	17.4	17.7	48.0	64.8	54.6	0.0	5.2	14.4
Colorado Springs MSA	727	147,438	10.8	52,843	20.2	5.6	5.6	18.5	13.6	17.8	20.3	23.4	22.2	41.0	54.3	30.6	0.0	3.0	23.8
Denver MSA	4,065	1,065,681	60.6	201,029	21.4	2.7	5.5	17.5	9.8	18.1	20.4	18.9	22.9	40.7	63.9	37.3	0.0	4.6	16.1
Grand Junction MSA	136	27,592	2.0	10,098	21.6	8.1	6.8	18.0	14.7	21.0	19.9	17.6	22.5	40.5	54.4	33.8	0.0	5.1	15.8
Pueblo MSA	214	27,738	3.2	7,943	22.6	10.3	8.3	17.6	15.9	21.2	18.7	24.3	22.1	41.1	41.6	30.1	0.0	7.9	18.2
<b>Total</b>	<b>6,712</b>	<b>1,729,487</b>	<b>100.0</b>	<b>303,651</b>	<b>21.0</b>	<b>3.5</b>	<b>5.7</b>	<b>17.6</b>	<b>10.8</b>	<b>17.8</b>	<b>20.2</b>	<b>19.7</b>	<b>22.5</b>	<b>41.3</b>	<b>61.8</b>	<b>36.9</b>	<b>0.0</b>	<b>4.2</b>	<b>17.2</b>

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data  
 Due to rounding, totals may not equal 100.0%

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2018-20**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Boulder MSA	494	48,059	9.1	12,682	3.8	2.4	3.7	28.1	36.2	28.2	38.8	35.4	38.7	29.4	25.9	29.3	0.0	0.0	0.0
Colorado Non-MSA	819	74,582	15.1	10,456	0.0	0.0	0.0	6.0	4.3	5.1	36.8	30.5	35.0	57.2	65.2	59.9	0.0	0.0	0.0
Colorado Springs MSA	734	58,127	13.5	16,013	6.8	9.8	6.9	22.3	23.6	22.1	33.8	34.5	32.9	36.9	32.2	38.0	0.1	0.0	0.0
Denver MSA	2,972	331,619	54.7	86,751	6.8	10.4	7.9	18.5	20.2	18.8	32.0	31.4	30.6	42.3	37.4	42.3	0.3	0.6	0.3
Grand Junction MSA	214	13,441	3.9	3,820	0.0	0.0	0.0	17.7	26.6	17.3	56.3	54.2	55.9	26.0	19.2	26.8	0.0	0.0	0.0
Pueblo MSA	200	14,168	3.7	2,441	2.9	4.5	2.8	26.2	31.5	23.1	29.8	29.5	29.0	40.8	34.5	45.1	0.4	0.0	0.0
<b>Total</b>	<b>5,433</b>	<b>539,996</b>	<b>100.0</b>	<b>132,163</b>	<b>5.8</b>	<b>7.4</b>	<b>6.4</b>	<b>19.3</b>	<b>20.4</b>	<b>19.1</b>	<b>33.8</b>	<b>32.9</b>	<b>32.7</b>	<b>40.8</b>	<b>39.0</b>	<b>41.5</b>	<b>0.2</b>	<b>0.3</b>	<b>0.2</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues 2018-20**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Boulder MSA	494	48,059	9.1	12,682	92.1	65.4	54.6	2.8	29.2	5.1	5.5
Colorado Non-MSA	819	74,582	15.1	10,456	89.7	70.5	51.4	3.5	24.8	6.8	4.8
Colorado Springs MSA	734	58,127	13.5	16,013	91.4	69.6	55.3	2.4	25.2	6.2	5.2
Denver MSA	2,972	331,619	54.7	86,751	91.2	58.0	52.3	2.9	36.5	5.8	5.5
Grand Junction MSA	214	13,441	3.9	3,820	89.4	69.2	49.0	3.0	27.1	7.6	3.7
Pueblo MSA	200	14,168	3.7	2,441	88.1	61.5	47.4	3.0	28.5	8.9	10.0
<b>Total</b>	<b>5,433</b>	<b>539,996</b>	<b>100.0</b>	<b>132,163</b>	<b>91.1</b>	<b>62.7</b>	<b>52.6</b>	<b>2.9</b>	<b>31.9</b>	<b>6.0</b>	<b>5.4</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
Due to rounding, totals may not equal 100.0%

**Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography 2018-20**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Boulder MSA	0	0	0.0	86	4.3	0.0	1.2	24.2	0.0	22.1	41.5	0.0	51.2	29.9	0.0	25.6	0.0	0.0	0.0
Colorado Non-MSA	44	4,253	60.3	289	0.0	0.0	0.0	6.3	18.2	7.6	45.9	59.1	60.9	47.8	22.7	31.5	0.0	0.0	0.0
Colorado Springs MSA	3	37	8.8	111	7.0	0.0	1.8	20.0	0.0	6.3	42.1	33.3	48.6	30.8	66.7	43.2	0.1	0.0	0.0
Denver MSA	8	317	17.6	418	8.0	0.0	5.7	19.3	12.5	6.7	31.1	25.0	34.5	41.1	62.5	53.1	0.4	0.0	0.0
Grand Junction MSA	10	438	15.3	194	0.0	0.0	0.0	11.8	0.0	3.1	45.7	60.0	48.5	42.5	40.0	48.5	0.0	0.0	0.0
Pueblo MSA	7	789	12.8	44	2.9	0.0	0.0	13.5	0.0	0.0	35.6	85.7	52.3	47.9	28.6	40.9	0.2	0.0	6.8
<b>Total</b>	<b>73</b>	<b>5,864</b>	<b>100.0</b>	<b>1,142</b>	<b>5.9</b>	<b>0.0</b>	<b>2.4</b>	<b>17.7</b>	<b>12.3</b>	<b>7.2</b>	<b>36.5</b>	<b>56.2</b>	<b>46.8</b>	<b>39.6</b>	<b>31.5</b>	<b>43.3</b>	<b>0.2</b>	<b>0.0</b>	<b>0.3</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
Due to rounding, totals may not equal 100.0%

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2018-20
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Boulder MSA	--	--	--	86	97.1	--	66.3	1.5	--	1.5	--
Colorado Non-MSA	44	4,253	60.3	289	97.2	84.1	68.5	1.4	9.1	1.4	6.8
Colorado Springs MSA	3	37	4.1	111	97.0	100.0	66.7	1.3	0.0	1.7	0.0
Denver MSA	8	317	11.0	418	95.9	62.5	64.8	2.1	25.0	2.0	12.5
Grand Junction MSA	10	438	13.7	194	98.4	90.0	75.8	1.2	0.0	0.4	10.0
Pueblo MSA	8	819	11.0	44	96.7	75.0	59.1	2.0	25.0	1.2	0.0
<b>Total</b>	<b>73</b>	<b>5,864</b>	<b>100.0</b>	<b>1,142</b>	<b>96.5</b>	<b>82.2</b>	<b>67.7</b>	<b>1.8</b>	<b>11.0</b>	<b>1.7</b>	<b>6.8</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
Due to rounding, totals may not equal 100.0%

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** **2018-20**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Boise MSA	991	219,894	36.6	48,077	1.4	1.9	1.6	24.4	17.2	21.0	46.0	38.7	46.9	28.1	42.2	30.6	0.0	0.0	0.0
Idaho Falls MSA	420	81,918	15.5	7,603	0.0	0.0	0.0	12.7	5.2	12.0	60.0	59.3	57.8	27.3	35.5	30.2	0.0	0.0	0.0
Idaho Non-MSA	1,007	243,144	37.2	7,971	2.8	2.4	3.9	4.2	1.9	3.5	69.6	63.2	68.1	23.4	32.6	24.5	0.0	0.0	0.0
Lewiston MSA	68	12,152	2.5	1,442	0.0	0.0	0.0	0.0	0.0	0.0	74.5	58.8	72.5	25.5	41.2	27.5	0.0	0.0	0.0
Pocatello MSA	140	26,816	5.2	3,792	1.8	0.7	2.9	16.1	4.3	14.7	49.4	32.9	45.9	32.8	62.1	36.5	0.0	0.0	0.0
Twin Falls MSA	81	14,462	3.0	4,768	0.0	0.0	0.0	2.1	1.2	2.6	87.8	84.0	89.2	10.1	14.8	8.3	0.0	0.0	0.0
<b>Total</b>	<b>2,707</b>	<b>598,386</b>	<b>100.0</b>	<b>73,653</b>	<b>1.3</b>	<b>1.6</b>	<b>1.6</b>	<b>16.5</b>	<b>8.1</b>	<b>16.2</b>	<b>56.2</b>	<b>52.6</b>	<b>53.5</b>	<b>26.0</b>	<b>37.8</b>	<b>28.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data  
 Due to rounding, totals may not equal 100.0%

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2018-20**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Boise MSA	991	219,894	36.6	48,077	19.5	3.1	5.4	18.8	10.0	18.4	21.7	18.5	24.9	40.1	60.7	40.5	0.0	7.7	10.8
Idaho Falls MSA	420	81,918	15.5	7,603	18.7	3.8	7.9	19.0	11.7	19.3	21.3	19.3	25.3	41.0	59.5	35.2	0.0	5.7	12.3
Idaho Non-MSA	1,007	243,144	37.2	7,971	20.6	2.2	2.9	16.7	8.8	12.5	19.7	18.4	21.5	43.0	66.2	51.8	0.0	4.4	11.3
Lewiston MSA	68	12,152	3.8	1,442	18.0	4.4	3.9	19.3	16.2	14.6	22.3	14.7	27.2	40.3	57.4	39.0	0.0	7.4	15.3
Pocatello MSA	140	26,816	8.2	3,792	21.2	2.9	6.1	19.2	3.6	17.0	19.5	14.3	22.7	40.1	75.7	43.0	0.0	3.6	11.1
Twin Falls MSA	81	14,462	8.8	4,768	18.8	3.7	4.7	19.3	4.9	18.4	22.3	23.5	25.5	39.5	61.7	40.1	0.0	6.2	11.2
<b>Total</b>	<b>2,707</b>	<b>598,386</b>	<b>100.0</b>	<b>73,653</b>	<b>19.6</b>	<b>2.9</b>	<b>5.4</b>	<b>18.5</b>	<b>9.5</b>	<b>17.7</b>	<b>21.2</b>	<b>18.4</b>	<b>24.6</b>	<b>40.6</b>	<b>63.3</b>	<b>41.2</b>	<b>0.0</b>	<b>5.9</b>	<b>11.2</b>

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data  
Due to rounding, totals may not equal 100.0%

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2018-20**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Boise MSA	1,304	124,112	32.1	15,856	8.9	13.0	9.0	23.6	31.4	23.6	38.3	25.7	37.4	29.2	29.9	30.0	0.0	0.0	0.0
Idaho Falls MSA	945	110,052	23.2	3,448	0.0	0.0	0.0	19.2	17.7	16.9	47.4	48.3	51.8	33.4	34.1	31.3	0.0	0.0	0.0
Idaho Non-MSA	1,266	121,974	31.1	4,481	7.0	9.1	6.9	4.4	2.5	3.0	68.7	69.0	64.9	19.9	19.4	25.1	0.0	0.0	0.0
Lewiston MSA	111	10,869	2.7	659	0.0	0.0	0.0	0.0	0.0	0.0	82.0	86.5	79.8	18.0	13.5	20.2	0.0	0.0	0.0
Pocatello MSA	266	21,513	6.5	1,245	4.4	5.6	4.5	22.7	17.3	25.8	45.5	48.5	42.9	27.4	28.6	26.8	0.0	0.0	0.0
Twin Falls MSA	176	21,365	4.3	1,814	0.0	0.0	0.0	7.7	14.2	6.9	80.2	73.9	81.5	12.0	11.9	11.6	0.0	0.0	0.0
<b>Total</b>	<b>4,068</b>	<b>409,885</b>	<b>100.0</b>	<b>27,503</b>	<b>6.5</b>	<b>7.4</b>	<b>6.5</b>	<b>18.6</b>	<b>16.7</b>	<b>17.8</b>	<b>48.1</b>	<b>49.6</b>	<b>47.9</b>	<b>26.8</b>	<b>26.3</b>	<b>27.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
Due to rounding, totals may not equal 100.0%

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues 2018-20**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Boise MSA	1,304	124,112	32.1	15,856	90.2	57.1	49.3	3.1	38.8	6.7	4.1
Idaho Falls MSA	945	110,052	23.2	3,448	87.4	56.3	47.1	3.8	39.8	8.7	3.9
Idaho Non-MSA	1,266	121,974	31.1	4,481	85.6	61.6	55.3	4.0	33.3	10.4	5.1
Lewiston MSA	111	10,869	2.7	659	80.9	56.8	52.7	5.3	36.9	13.8	6.3
Pocatello MSA	266	21,513	6.5	1,245	85.9	65.4	48.5	3.6	31.6	10.5	3.0
Twin Falls MSA	176	21,365	4.3	1,814	86.1	53.4	49.6	3.7	39.8	10.2	6.8
<b>Total</b>	<b>4,068</b>	<b>409,885</b>	<b>100.0</b>	<b>27,503</b>	<b>88.5</b>	<b>58.7</b>	<b>50.0</b>	<b>3.4</b>	<b>36.8</b>	<b>8.1</b>	<b>4.5</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data

Due to rounding, totals may not equal 100.0%

**Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography 2018-20**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Boise MSA	140	16,117	19.9	555	3.9	0.0	0.4	29.0	58.6	39.3	44.1	27.9	41.3	23.0	13.6	19.1	0.0	0.0	0.0
Idaho Falls MSA	119	13,189	16.9	376	0.0	0.0	0.0	7.5	4.2	1.3	65.9	85.7	82.4	26.6	10.1	16.2	0.0	0.0	0.0
Idaho Non-MSA	375	43,390	53.3	1,108	1.8	0.0	0.1	2.0	2.9	1.3	77.3	88.3	78.1	19.0	8.8	20.6	0.0	0.0	0.0
Lewiston MSA	7	512	1.0	66	0.0	0.0	0.0	0.0	0.0	0.0	78.7	28.6	80.3	21.3	71.4	19.7	0.0	0.0	0.0
Pocatello MSA	8	1,725	1.4	44	1.7	0.0	4.5	16.9	0.0	2.3	52.1	75.0	75.0	29.2	25.0	18.2	0.0	0.0	0.0
Twin Falls MSA	54	8,786	7.7	282	0.0	0.0	0.0	1.7	0.0	0.0	88.1	81.5	93.3	10.1	18.5	6.7	0.0	0.0	0.0
<b>Total</b>	<b>703</b>	<b>83,719</b>	<b>100.0</b>	<b>2,431</b>	<b>2.2</b>	<b>0.0</b>	<b>0.2</b>	<b>14.6</b>	<b>13.9</b>	<b>9.8</b>	<b>62.3</b>	<b>74.5</b>	<b>72.1</b>	<b>20.9</b>	<b>11.5</b>	<b>17.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data

Due to rounding, totals may not equal 100.0%

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2018-20
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Boise MSA	140	16,117	19.9	555	96.0	77.9	64.1	2.8	14.3	1.3	7.9
Idaho Falls MSA	119	13,189	16.9	376	95.6	68.9	71.3	3.0	21.8	1.4	9.2
Idaho Non-MSA	375	43,390	53.3	1,108	94.2	75.5	70.2	4.4	17.9	1.4	6.7
Lewiston MSA	7	512	1.0	66	95.4	42.9	56.1	2.9	57.1	1.7	0.0
Pocatello MSA	8	1,725	1.1	44	97.5	75.0	68.2	0.8	25.0	1.7	0.0
Twin Falls MSA	54	8,786	7.7	282	92.4	61.1	55.3	5.6	35.2	2.0	3.7
<b>Total</b>	<b>703</b>	<b>83,719</b>	<b>100.0</b>	<b>2,431</b>	<b>95.1</b>	<b>73.4</b>	<b>66.8</b>	<b>3.5</b>	<b>19.6</b>	<b>1.4</b>	<b>7.0</b>
<i>Source: 2020 D&amp;B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data            Due to rounding, totals may not equal 100.0%</i>											

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2018-20
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Reno CSA	686	160,019	11.4	27,537	2.4	1.3	1.9	14.0	7.0	11.2	42.5	32.9	43.2	40.9	58.5	43.5	0.3	0.3	0.2
Las Vegas MSA	4,556	1,172,622	75.5	110,807	1.9	0.7	1.4	16.9	8.4	12.7	41.7	34.7	42.0	39.5	56.1	43.9	0.0	0.2	0.0
Nevada Non-MSA	792	118,926	13.1	13,877	0.0	0.0	0.0	20.8	21.8	19.2	48.2	49.5	53.8	31.0	28.7	27.0	0.0	0.0	0.0
<b>Total</b>	<b>6,034</b>	<b>1,451,566</b>	<b>100.0</b>	<b>152,221</b>	<b>1.7</b>	<b>0.7</b>	<b>1.3</b>	<b>16.8</b>	<b>10.0</b>	<b>13.0</b>	<b>42.7</b>	<b>36.4</b>	<b>43.3</b>	<b>38.7</b>	<b>52.8</b>	<b>42.3</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data  
Due to rounding, totals may not equal 100.0%

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2018-20</b>	
<b>Assessment Area:</b>	<b>Total Home Mortgage Loans</b>				<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>			
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	
<b>Reno CSA</b>	686	160,019	11.4	27,537	21.1	5.1	5.4	17.4	12.1	14.5	20.6	21.9	22.3	40.9	55.5	39.6	0.0	5.4	18.2	
<b>Las Vegas MSA</b>	4,556	1,172,622	75.5	110,807	20.7	4.1	4.1	18.4	13.1	14.8	20.5	20.1	21.1	40.5	57.5	37.7	0.0	5.1	22.4	
<b>Nevada Non-MSA</b>	792	118,926	13.1	13,877	20.5	9.2	5.8	18.5	19.4	15.6	20.8	26.4	23.4	40.3	41.2	32.5	0.0	3.8	22.6	
<b>Total</b>	<b>6,034</b>	<b>1,451,566</b>	<b>100.0</b>	<b>152,221</b>	<b>20.7</b>	<b>4.9</b>	<b>4.5</b>	<b>18.2</b>	<b>13.8</b>	<b>14.8</b>	<b>20.6</b>	<b>21.2</b>	<b>21.5</b>	<b>40.5</b>	<b>55.1</b>	<b>37.5</b>	<b>0.0</b>	<b>5.0</b>	<b>21.7</b>	
<i>Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data</i>																				
<i>Due to rounding, totals may not equal 100.0%</i>																				

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2018-20**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Reno CSA	951	108,472	13.7	13,548	7.4	10.0	6.9	24.5	25.8	22.6	27.4	26.4	27.2	36.1	34.0	40.1	4.5	3.9	3.2
Las Vegas MSA	5,290	518,229	76.3	51,646	3.6	3.0	3.1	21.0	19.1	18.3	38.7	39.0	37.6	36.1	38.3	40.8	0.6	0.5	0.3
Nevada Non-MSA	693	59,018	10.0	4,674	0.0	0.0	0.0	22.4	29.6	19.7	48.2	44.4	50.3	29.3	26.0	30.0	0.0	0.0	0.0
<b>Total</b>	<b>6,934</b>	<b>685,719</b>	<b>100.0</b>	<b>69,868</b>	<b>4.1</b>	<b>3.7</b>	<b>3.6</b>	<b>21.8</b>	<b>21.1</b>	<b>19.2</b>	<b>37.3</b>	<b>37.8</b>	<b>36.4</b>	<b>35.6</b>	<b>36.5</b>	<b>39.9</b>	<b>1.3</b>	<b>0.9</b>	<b>0.9</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
Due to rounding, totals may not equal 100.0%

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues** **2018-20**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Reno CSA	951	108,472	13.7	13,548	82.1	55.0	48.1	6.0	38.4	11.9	6.6
Las Vegas MSA	5,290	518,229	76.3	51,646	86.7	60.8	47.1	4.4	33.7	8.9	5.4
Nevada Non-MSA	693	59,018	10.0	4,674	80.0	58.3	48.4	4.9	35.1	15.1	6.6
<b>Total</b>	<b>6,934</b>	<b>685,719</b>	<b>100.0</b>	<b>69,868</b>	<b>85.3</b>	<b>59.8</b>	<b>47.4</b>	<b>4.8</b>	<b>34.5</b>	<b>9.9</b>	<b>5.7</b>

*Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%*

**Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography** **2018-20**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Reno CSA	10	625	12.7	54	5.7	0.0	3.7	18.0	20.0	14.8	37.8	40.0	38.9	36.9	40.0	38.9	1.6	0.0	3.7
Las Vegas MSA	10	507	12.7	75	2.3	0.0	2.7	20.1	20.0	14.7	40.5	70.0	34.7	37.0	20.0	48.0	0.1	0.0	0.0
Nevada Non-MSA	103	13,227	83.1	218	0.0	0.0	0.0	16.3	9.7	14.2	55.4	63.1	53.2	28.4	27.2	32.6	0.0	0.0	0.0
<b>Total</b>	<b>124</b>	<b>14,364</b>	<b>100.0</b>	<b>347</b>	<b>2.5</b>	<b>0.0</b>	<b>1.2</b>	<b>18.7</b>	<b>11.3</b>	<b>14.4</b>	<b>43.7</b>	<b>61.3</b>	<b>47.0</b>	<b>34.8</b>	<b>27.4</b>	<b>36.9</b>	<b>0.4</b>	<b>0.0</b>	<b>0.6</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%

**Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** **2018-20**

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Reno CSA	10	625	8.1	54	95.0	60.0	68.5	2.8	30.0	2.3	10.0
Las Vegas MSA	11	512	8.9	75	94.1	54.5	69.3	3.5	18.2	2.5	27.3
Nevada Non-MSA	103	13,227	83.1	218	93.8	73.8	52.8	4.7	18.4	1.5	7.8
<b>Total</b>	<b>124</b>	<b>14,364</b>	<b>100.0</b>	<b>347</b>	<b>94.2</b>	<b>71.0</b>	<b>58.8</b>	<b>3.6</b>	<b>19.4</b>	<b>2.2</b>	<b>9.7</b>

*Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
Due to rounding, totals may not equal 100.0%*

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** **2018-20**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Farmington MSA	86	13,688	100.0	1,963	3.8	0.0	0.4	20.2	2.3	8.0	44.0	29.1	46.2	32.0	68.6	45.4	0.0	0.0	0.0
<b>Total</b>	<b>86</b>	<b>13,688</b>	<b>100.0</b>	<b>1,963</b>	<b>3.8</b>	<b>0.0</b>	<b>0.4</b>	<b>20.2</b>	<b>2.3</b>	<b>8.0</b>	<b>44.0</b>	<b>29.1</b>	<b>46.2</b>	<b>32.0</b>	<b>68.6</b>	<b>45.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data  
 Due to rounding, totals may not equal 100.0%*

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** **2018-20**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Farmington MSA	86	13,688	153.6	1,963	24.5	2.3	6.4	16.3	7.0	20.3	17.5	22.1	23.2	41.8	64.0	29.8	0.0	4.7	20.4
<b>Total</b>	<b>86</b>	<b>13,688</b>	<b>153.6</b>	<b>1,963</b>	<b>24.5</b>	<b>2.3</b>	<b>6.4</b>	<b>16.3</b>	<b>7.0</b>	<b>20.3</b>	<b>17.5</b>	<b>22.1</b>	<b>23.2</b>	<b>41.8</b>	<b>64.0</b>	<b>29.8</b>	<b>0.0</b>	<b>4.7</b>	<b>20.4</b>

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data  
 Due to rounding, totals may not equal 100.0%*

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2018-20**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Farmington MSA	200	23,445	100.0	1,413	0.3	0.0	0.4	25.6	24.5	24.7	41.9	42.5	44.7	32.2	33.0	30.2	0.0	0.0	0.0
<b>Total</b>	<b>200</b>	<b>23,445</b>	<b>100.0</b>	<b>1,413</b>	<b>0.3</b>	<b>0.0</b>	<b>0.4</b>	<b>25.6</b>	<b>24.5</b>	<b>24.7</b>	<b>41.9</b>	<b>42.5</b>	<b>44.7</b>	<b>32.2</b>	<b>33.0</b>	<b>30.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

*Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%*

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>												<b>2018-20</b>
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Businesses with Revenues &lt;= 1MM</b>			<b>Businesses with Revenues &gt; 1MM</b>		<b>Businesses with Revenues Not Available</b>		
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	
Farmington MSA	200	23,445	100.0	1,413	77.7	57.0	39.3	6.0	39.5	16.3	3.5	
<b>Total</b>	<b>200</b>	<b>23,445</b>	<b>100.0</b>	<b>1,413</b>	<b>77.7</b>	<b>57.0</b>	<b>39.3</b>	<b>6.0</b>	<b>39.5</b>	<b>16.3</b>	<b>3.5</b>	
<i>Source: 2020 D&amp;B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data</i> <i>Due to rounding, totals may not equal 100.0%</i>												

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2018-20</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
Portland MSA	59	47,078	100.0	80,813	0.9	1.7	0.9	18.9	22.0	19.3	42.6	33.9	42.0	37.6	42.4	37.7	0.0	0.0	0.0		
<b>Total</b>	<b>59</b>	<b>47,078</b>	<b>100.0</b>	<b>80,813</b>	<b>0.9</b>	<b>1.7</b>	<b>0.9</b>	<b>18.9</b>	<b>22.0</b>	<b>19.3</b>	<b>42.6</b>	<b>33.9</b>	<b>42.0</b>	<b>37.6</b>	<b>42.4</b>	<b>37.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data  
Due to rounding, totals may not equal 100.0%*

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** **2018-20**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Portland MSA	59	47,078	173.5	80,813	21.2	3.4	4.0	16.7	8.5	15.7	20.0	18.6	23.8	42.1	45.8	43.5	0.0	23.7	13.1
<b>Total</b>	<b>59</b>	<b>47,078</b>	<b>173.5</b>	<b>80,813</b>	<b>21.2</b>	<b>3.4</b>	<b>4.0</b>	<b>16.7</b>	<b>8.5</b>	<b>15.7</b>	<b>20.0</b>	<b>18.6</b>	<b>23.8</b>	<b>42.1</b>	<b>45.8</b>	<b>43.5</b>	<b>0.0</b>	<b>23.7</b>	<b>13.1</b>

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data  
 Due to rounding, totals may not equal 100.0%*

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2018-20**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Portland MSA	301	101,731	100.0	47,855	2.9	7.3	2.8	20.1	18.6	20.2	37.0	35.9	36.7	37.3	33.6	38.0	2.7	4.7	2.3
<b>Total</b>	<b>301</b>	<b>101,731</b>	<b>100.0</b>	<b>47,855</b>	<b>2.9</b>	<b>7.3</b>	<b>2.8</b>	<b>20.1</b>	<b>18.6</b>	<b>20.2</b>	<b>37.0</b>	<b>35.9</b>	<b>36.7</b>	<b>37.3</b>	<b>33.6</b>	<b>38.0</b>	<b>2.7</b>	<b>4.7</b>	<b>2.3</b>

*Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%*

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>												<b>2018-20</b>
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Businesses with Revenues &lt;= 1MM</b>			<b>Businesses with Revenues &gt; 1MM</b>		<b>Businesses with Revenues Not Available</b>		
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	
Portland MSA	301	101,731	100.0	47,855	89.8	16.3	51.9	3.6	81.1	6.6	2.7	
<b>Total</b>	<b>301</b>	<b>101,731</b>	<b>100.0</b>	<b>47,855</b>	<b>89.8</b>	<b>16.3</b>	<b>51.9</b>	<b>3.6</b>	<b>81.1</b>	<b>6.6</b>	<b>2.7</b>	
<i>Source: 2020 D&amp;B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data</i> <i>Due to rounding, totals may not equal 100.0%</i>												

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** **2018-20**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Austin MSA*	219	172,380	100.0	48,918	6.2	5.0	6.0	18.6	8.2	18.1	29.9	12.8	32.6	45.0	74.0	42.9	0.3	0.0	0.4
Dallas MSA	928	324,884	11.2	224,901	5.5	2.8	3.3	20.2	8.1	13.5	28.7	16.7	29.7	45.5	72.3	53.4	0.1	0.1	0.1
Houston MSA	6,595	2,268,803	79.7	193,799	5.3	2.2	2.7	21.2	10.2	13.2	28.6	19.1	27.2	44.9	68.4	56.9	0.1	0.0	0.0
San Antonio MSA	401	145,124	4.8	70,262	4.8	1.2	1.5	26.1	11.2	14.3	27.7	17.0	31.6	41.3	70.6	52.5	0.0	0.0	0.0
Texas Non-MSA	25	5,706	0.3	598	0.0	0.0	0.0	19.8	4.0	17.2	38.4	8.0	33.9	41.8	88.0	48.8	0.0	0.0	0.0
<b>Total</b>	<b>8,168</b>	<b>2,916,896</b>	<b>100.0</b>	<b>538,478</b>	<b>5.4</b>	<b>2.4</b>	<b>3.1</b>	<b>21.2</b>	<b>9.8</b>	<b>13.9</b>	<b>28.7</b>	<b>18.5</b>	<b>29.3</b>	<b>44.7</b>	<b>69.3</b>	<b>53.6</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data  
 Due to rounding, totals may not equal 100.0%  
 \*7/1/19-12/31/20

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** **2018-20**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Austin MSA*	219	172,380	100.0	48,918	24.8	0.9	3.9	15.9	4.6	15.0	18.1	6.8	20.1	41.2	79.0	48.4	0.0	8.7	12.6
Dallas MSA	928	324,884	11.2	224,901	23.8	1.8	3.7	16.4	7.7	13.9	17.9	12.0	20.1	42.0	71.3	46.2	0.0	7.2	16.1
Houston MSA	6,595	2,268,803	79.7	193,799	24.4	4.1	3.3	16.0	9.0	14.2	17.0	14.3	20.8	42.6	67.6	45.3	0.0	5.0	16.4
San Antonio MSA	401	145,124	4.8	70,262	23.4	1.7	3.5	17.5	4.7	13.6	19.1	8.5	21.3	40.0	78.8	38.6	0.0	6.2	23.1
Texas Non-MSA	25	5,706	0.9	598	21.6	0.0	1.8	16.1	4.0	9.0	19.9	12.0	22.4	42.5	80.0	50.5	0.0	4.0	16.2
<b>Total</b>	<b>8,168</b>	<b>2,916,896</b>	<b>100.0</b>	<b>538,478</b>	<b>24.0</b>	<b>3.6</b>	<b>3.5</b>	<b>16.3</b>	<b>8.5</b>	<b>14.1</b>	<b>17.7</b>	<b>13.4</b>	<b>20.5</b>	<b>41.9</b>	<b>69.2</b>	<b>45.1</b>	<b>0.0</b>	<b>5.4</b>	<b>16.8</b>

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data  
 Due to rounding, totals may not equal 100.0%  
 \*7/1/19-12/31/20

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2018-20**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Austin MSA*	147	22,316	100.0	40,363	8.1	9.5	9.3	11.4	8.8	13.5	24.7	21.1	26.6	53.9	60.5	49.5	1.8	0.0	1.2
Dallas MSA	1,488	195,296	12.4	168,532	7.0	7.9	7.2	18.4	20.8	19.6	25.9	20.9	23.6	48.0	49.1	48.9	0.7	1.3	0.7
Houston MSA	9,400	1,130,384	78.3	183,693	9.3	9.3	9.9	17.9	18.7	17.9	22.6	22.6	23.1	50.0	49.4	48.9	0.2	0.0	0.1
San Antonio MSA	932	146,248	7.8	40,282	4.4	5.5	4.1	21.5	18.5	20.6	28.2	26.6	27.5	45.6	49.4	47.5	0.2	0.1	0.2
Texas Non-MSA	11	550	0.1	808	0.0	0.0	0.0	23.0	0.0	22.8	38.1	27.3	34.5	38.9	72.7	42.7	0.0	0.0	0.0
<b>Total</b>	<b>11,978</b>	<b>1,501,738</b>	<b>100.0</b>	<b>433,678</b>	<b>7.7</b>	<b>8.8</b>	<b>8.2</b>	<b>17.8</b>	<b>18.7</b>	<b>18.4</b>	<b>24.8</b>	<b>22.7</b>	<b>24.1</b>	<b>49.1</b>	<b>49.5</b>	<b>48.8</b>	<b>0.6</b>	<b>0.2</b>	<b>0.5</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%  
 \*7/1/19-12/31/20

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues** **2018-20**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Austin MSA	147	22,316	100.0	40,363	89.1	53.1	47.2	3.5	37.4	7.4	9.5
Dallas MSA	1,488	195,296	12.4	168,532	88.3	55.6	47.2	3.9	38.4	7.8	6.0
Houston MSA	9,400	1,130,384	78.3	183,693	88.0	55.5	45.0	4.4	38.8	7.6	5.7
San Antonio MSA	932	146,248	7.8	40,282	87.1	49.9	42.4	3.8	42.6	9.1	7.5
Texas Non-MSA	11	550	0.1	808	82.0	72.7	40.7	5.1	9.1	12.9	18.2
<b>Total</b>	11,978	<b>1,501,738</b>	<b>100.0</b>	<b>433,678</b>	<b>88.1</b>	<b>55.0</b>	<b>45.8</b>	<b>4.0</b>	<b>39.0</b>	<b>7.8</b>	<b>5.9</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%

**Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography** **2018-20**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Austin MSA	1	100	4.0	159	7.1	0.0	7.5	14.1	100.0	14.5	26.2	0.0	25.2	51.9	0.0	52.2	0.7	0.0	0.6
Dallas MSA	2	228	10.0	643	5.2	0.0	1.6	17.2	50.0	9.3	28.5	50.0	36.9	48.6	50.0	52.3	0.5	0.0	0.0
Houston MSA	32	1,667	86.5	955	5.1	6.3	1.7	16.5	12.5	19.0	29.1	25.0	36.3	49.2	56.3	43.0	0.1	0.0	0.0
San Antonio MSA	1	28	4.0	190	2.1	0.0	2.1	16.7	0.0	13.7	27.3	0.0	21.1	53.8	100.0	63.2	0.1	0.0	0.0
Texas Non-MSA	0	0	0.0	240	0.0	0.0	0.0	19.0	0.0	16.3	26.9	0.0	32.5	54.1	0.0	51.3	0.0	0.0	0.0
<b>Total</b>	<b>37</b>	<b>2,061</b>	<b>100.0</b>	<b>2,187</b>	<b>4.9</b>	<b>5.4</b>	<b>1.9</b>	<b>16.6</b>	<b>16.2</b>	<b>15.0</b>	<b>28.3</b>	<b>24.3</b>	<b>33.9</b>	<b>49.8</b>	<b>54.1</b>	<b>49.1</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%

<b>Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues</b>											<b>2018-20</b>	
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans	
Austin MSA	1	100	2.7	159	96.6	0.0	53.5	1.8	100.0	1.6	0.0	
Dallas MSA	3	266	8.1	643	95.5	33.3	56.6	2.3	33.3	2.2	33.3	
Houston MSA	32	1,667	86.5	955	95.4	68.8	62.9	2.3	12.5	2.3	18.8	
San Antonio MSA	1	28	2.7	190	95.8	100.0	56.3	2.0	0.0	2.2	0.0	
Texas Non-MSA	0	0	0	240	93.0	0.0	60.4	5.1	0.0	1.9	0.0	
<b>Total</b>	<b>37</b>	<b>2,061</b>	<b>100.0</b>	<b>2,187</b>	<b>95.6</b>	<b>64.9</b>	<b>59.5</b>	<b>2.2</b>	<b>16.2</b>	<b>2.2</b>	<b>18.9</b>	
<p><i>Source: 2020 D&amp;B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data</i>  <i>Due to rounding, totals may not equal 100.0%</i></p>												

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2018-20**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Logan MSA	595	115,797	5.5	5,915	1.5	2.4	1.9	12.7	9.4	12.9	47.3	44.7	47.2	38.6	43.5	38.0	0.0	0.0	0.0
Saint George MSA	1,402	458,727	12.9	13,039	0.0	0.0	0.0	5.5	3.5	4.2	82.1	77.7	85.0	12.4	18.8	10.8	0.0	0.0	0.0
Salt Lake City CSA	6,315	1,956,013	58.3	163,046	1.2	0.9	1.1	16.1	9.1	14.1	48.7	39.1	52.2	33.7	50.8	32.4	0.2	0.1	0.2
Utah Non-MSA	2,522	823,688	23.3	16,062	0.7	0.0	0.0	15.4	12.5	12.3	65.9	59.1	59.9	18.0	28.0	27.5	0.1	0.4	0.3
<b>Total</b>	<b>10,834</b>	<b>3,354,225</b>	<b>100.0</b>	<b>198,062</b>	<b>1.1</b>	<b>0.7</b>	<b>1.0</b>	<b>15.3</b>	<b>9.1</b>	<b>13.2</b>	<b>52.5</b>	<b>49.0</b>	<b>54.8</b>	<b>30.9</b>	<b>41.0</b>	<b>30.7</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data  
Due to rounding, totals may not equal 100.0%

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2018-20**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Logan MSA	595	115,797	5.5	5,915	19.4	5.0	3.6	18.5	10.4	17.4	22.5	24.4	24.9	39.5	55.8	39.4	0.0	4.4	14.7
Saint George MSA	1,402	458,727	12.9	13,039	17.7	2.8	4.0	19.6	7.8	14.3	23.3	14.2	22.5	39.3	69.8	42.9	0.0	5.4	16.4
Salt Lake City CSA	6,315	1,956,013	58.3	163,046	19.1	4.0	5.2	18.3	11.2	21.4	22.8	17.5	26.5	39.9	52.7	32.7	0.0	14.6	14.3
Utah Non-MSA	2,522	823,688	23.3	16,062	20.4	4.8	5.0	17.8	11.4	15.2	22.1	18.6	19.3	39.6	60.2	46.5	0.0	5.0	14.0
<b>Total</b>	<b>10,834</b>	<b>3,354,225</b>	<b>100.0</b>	<b>198,062</b>	<b>19.1</b>	<b>4.1</b>	<b>5.0</b>	<b>18.3</b>	<b>10.8</b>	<b>20.3</b>	<b>22.7</b>	<b>17.7</b>	<b>25.6</b>	<b>39.8</b>	<b>56.8</b>	<b>34.7</b>	<b>0.0</b>	<b>10.6</b>	<b>14.4</b>

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data  
 Due to rounding, totals may not equal 100.0%

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2018-20**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Logan MSA	639	54,253	3.7	2,365	6.5	5.6	4.0	19.9	21.6	18.5	38.8	40.7	45.6	34.8	32.1	31.9	0.0	0.0	0.0
Saint George MSA	1,180	127,917	6.8	4,402	0.0	0.0	0.0	6.6	6.5	5.7	81.8	87.0	84.0	11.6	6.4	10.3	0.0	0.0	0.0
Salt Lake City CSA	12,049	1,223,626	69.3	54,024	3.7	4.2	3.6	17.7	20.3	17.8	42.8	44.0	43.4	35.4	31.1	34.7	0.5	0.4	0.4
Utah Non-MSA	3,516	332,711	20.2	7,246	0.0	0.1	0.0	15.5	13.9	13.6	52.3	64.3	51.3	32.2	21.7	35.1	0.0	0.1	0.1
<b>Total</b>	<b>17,384</b>	<b>1,738,507</b>	<b>100.0</b>	<b>68,037</b>	<b>3.2</b>	<b>3.1</b>	<b>3.0</b>	<b>16.8</b>	<b>18.1</b>	<b>16.6</b>	<b>46.2</b>	<b>50.9</b>	<b>47.0</b>	<b>33.5</b>	<b>27.5</b>	<b>33.1</b>	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues** **2018-20**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Logan MSA	639	54,253	3.7	2,365	86.7	61.8	42.6	3.5	33.8	9.8	4.4
Saint George MSA	1,180	127,917	6.8	4,402	89.9	57.7	47.5	2.6	38.8	7.5	3.5
Salt Lake City CSA	12,049	1,223,626	69.3	54,024	88.7	59.4	44.7	3.6	35.7	7.7	4.9
Utah Non-MSA	3,516	332,711	20.2	7,246	86.0	60.2	47.0	3.7	34.5	10.3	5.3
<b>Total</b>	<b>17,384</b>	<b>1,738,507</b>	<b>100.0</b>	<b>68,037</b>	<b>88.4</b>	<b>59.5</b>	<b>45.1</b>	<b>3.6</b>	<b>35.6</b>	<b>8.0</b>	<b>4.9</b>

*Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%*

**Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography 2018-20**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Logan MSA	31	2,880	4.8	107	1.4	0.0	0.0	7.4	0.0	1.9	61.1	83.9	83.2	30.1	16.1	15.0	0.0	0.0	0.0
Saint George MSA	18	1,200	2.5	40	0.0	0.0	0.0	9.5	0.0	5.0	77.2	88.9	85.0	13.2	11.1	10.0	0.0	0.0	0.0
Salt Lake City CSA	170	13,708	25.5	357	2.3	1.2	0.6	15.3	7.6	6.7	49.2	66.5	64.7	33.0	24.7	28.0	0.2	0.0	0.0
Utah Non-MSA	504	39,697	69.7	329	0.0	0.0	0.0	13.5	13.1	8.8	68.6	83.5	83.6	17.9	3.4	7.6	0.0	0.0	0.0
<b>Total</b>	<b>723</b>	<b>57,485</b>	<b>100.0</b>	<b>833</b>	<b>1.6</b>	<b>0.3</b>	<b>0.2</b>	<b>14.1</b>	<b>10.9</b>	<b>6.8</b>	<b>55.8</b>	<b>79.7</b>	<b>75.5</b>	<b>28.4</b>	<b>9.1</b>	<b>17.4</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%

**Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues 2018-20**

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Logan MSA	31	2,880	4.3	107	97.1	90.3	45.8	2.1	6.5	0.7	3.2
Saint George MSA	18	1,200	2.5	40	97.8	77.8	52.5	1.3	5.6	0.9	16.7
Salt Lake City CSA	170	13,708	23.5	357	96.6	72.4	61.6	2.1	18.8	1.4	8.8
Utah Non-MSA	504	39,697	69.7	329	97.3	76.6	59.6	1.8	10.9	0.9	12.5
<b>Total</b>	<b>723</b>	<b>57,485</b>	<b>100.0</b>	<b>833</b>	<b>96.8</b>	<b>76.2</b>	<b>58.3</b>	<b>2.0</b>	<b>12.4</b>	<b>1.2</b>	<b>11.3</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** **2018-20**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Seattle MSA	118	116,497	100.0	38,676	1.7	0.8	1.8	11.9	11.0	12.6	31.1	23.7	33.6	55.3	64.4	51.9	0.0	0.0	0.0
<b>Total</b>	<b>118</b>	<b>116,497</b>	<b>100.0</b>	<b>38,676</b>	<b>1.7</b>	<b>0.8</b>	<b>1.8</b>	<b>11.9</b>	<b>11.0</b>	<b>12.6</b>	<b>31.1</b>	<b>23.7</b>	<b>33.6</b>	<b>55.3</b>	<b>64.4</b>	<b>51.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data  
 Due to rounding, totals may not equal 100.0%*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																				<b>2018-20</b>	
		<b>Total Home Mortgage Loans</b>				<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>			
<b>Assessment Area:</b>	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>		
Seattle MSA	118	116,497	176.1	38,676	19.1	0.0	2.6	14.5	4.2	8.0	18.0	10.2	18.5	48.3	69.5	61.6	0.0	16.1	9.3		
<b>Total</b>	<b>118</b>	<b>116,497</b>	<b>176.1</b>	<b>38,676</b>	<b>19.1</b>	<b>0.0</b>	<b>2.6</b>	<b>14.5</b>	<b>4.2</b>	<b>8.0</b>	<b>18.0</b>	<b>10.2</b>	<b>18.5</b>	<b>48.3</b>	<b>69.5</b>	<b>61.6</b>	<b>0.0</b>	<b>16.1</b>	<b>9.3</b>		
<i>Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data                      Due to rounding, totals may not equal 100.0%</i>																					

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2018-20**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Seattle MSA	642	195,889	100.0	32,126	1.8	0.2	2.4	11.4	5.3	12.1	29.9	25.9	31.7	55.9	65.4	52.7	1.0	3.3	1.1
<b>Total</b>	<b>642</b>	<b>195,889</b>	<b>100.0</b>	<b>32,126</b>	<b>1.8</b>	<b>0.2</b>	<b>2.4</b>	<b>11.4</b>	<b>5.3</b>	<b>12.1</b>	<b>29.9</b>	<b>25.9</b>	<b>31.7</b>	<b>55.9</b>	<b>65.4</b>	<b>52.7</b>	<b>1.0</b>	<b>3.3</b>	<b>1.1</b>

*Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%*

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues** **2018-20**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Seattle MSA	642	195,889	100.0	32,126	90.0	29.0	48.4	3.9	69.5	6.1	1.6
<b>Total</b>	<b>642</b>	<b>195,889</b>	<b>100.0</b>	<b>32,126</b>	<b>90.0</b>	<b>29.0</b>	<b>48.4</b>	<b>3.9</b>	<b>69.5</b>	<b>6.1</b>	<b>1.6</b>

*Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%*

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** **2018-20**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Wyoming Non-MSA	28	17,352	100.0	980	0.0	0.0	0.0	0.0	0.0	0.0	39.5	50.0	47.9	60.5	50.0	52.1	0.0	0.0	0.0
<b>Total</b>	<b>28</b>	<b>17,352</b>	<b>100.0</b>	<b>980</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>39.5</b>	<b>50.0</b>	<b>47.9</b>	<b>60.5</b>	<b>50.0</b>	<b>52.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data  
 Due to rounding, totals may not equal 100.0%*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2018-20</b>	
	<b>Total Home Mortgage Loans</b>				<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>			
<b>Assessment Area:</b>	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	
Wyoming Non-MSA	28	17,352	311.1	980	10.4	3.6	1.4	12.5	0.0	4.2	22.3	3.6	11.8	54.8	89.3	67.6	0.0	3.6	15.0	
<b>Total</b>	<b>28</b>	<b>17,352</b>	<b>311.1</b>	<b>980</b>	<b>10.4</b>	<b>3.6</b>	<b>1.4</b>	<b>12.5</b>	<b>0.0</b>	<b>4.2</b>	<b>22.3</b>	<b>3.6</b>	<b>11.8</b>	<b>54.8</b>	<b>89.3</b>	<b>67.6</b>	<b>0.0</b>	<b>3.6</b>	<b>15.0</b>	
<i>Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data</i> <i>Due to rounding, totals may not equal 100.0%</i>																				

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2018-20**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Wyoming Non-MSA	48	6,086	100.0	1,433	0.0	0.0	0.0	0.0	0.0	0.0	58.7	62.5	56.5	41.3	37.5	43.5	0.0	0.0	0.0
<b>Total</b>	<b>48</b>	<b>6,086</b>	<b>100.0</b>	<b>1,433</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>58.7</b>	<b>62.5</b>	<b>56.5</b>	<b>41.3</b>	<b>37.5</b>	<b>43.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

*Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%*

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2018-20</b>	
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Businesses with Revenues &lt;= 1MM</b>			<b>Businesses with Revenues &gt; 1MM</b>		<b>Businesses with Revenues Not Available</b>		
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	
Wyoming Non-MSA	48	6,086	100.0	1,433	85.8	43.8	46.7	6.7	52.1	7.5	4.2	
<b>Total</b>	<b>48</b>	<b>6,086</b>	<b>100.0</b>	<b>1,433</b>	<b>85.8</b>	<b>43.8</b>	<b>46.7</b>	<b>6.7</b>	<b>52.1</b>	<b>7.5</b>	<b>4.2</b>	
<i>Source: 2020 D&amp;B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data            Due to rounding, totals may not equal 100.0%</i>												