

## **Public Disclosure**

**May 3, 1999**

# **Community Reinvestment Act Performance Evaluation**

**First Security Bank, N.A.  
Charter Number: 2597**

**79 South Main Street  
Salt Lake City, Utah 84103**

**Office of the Comptroller of the Currency**

**Large Bank Division  
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**NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

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## General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **First Security Bank, N.A.** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency as of May 3, 1999. This agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. The definitions help provide a general understanding of the terms, and may not be a strict legal definition.

**Affiliate** - Any company that controls, is controlled by, or is under common control by another company.

A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Assessment Area (AA)** - geographic area as delineated by a bank within which the OCC evaluates the bank's record of helping to meet the credit needs. Used interchangeably with community.

**Block Numbering Area (BNA)** - Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

**Census Tract (CT)** - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

**Community Development** - Affordable 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**Community Reinvestment Act (CRA)** - The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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.

**Full-Scope Review** - Performance under the Lending, Investment and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

**Geography** - A census tract or a block numbering area 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 do 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 race, gender, applicant income, requested loan

amount, and disposition of the application (e.g., approved, denied, withdrawn).

**Home Mortgage Loans** - Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**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, branch distribution).

**Low-Income** - Income levels that are less than 50% of the median family income.

**Low- and Moderate- Income (LMI)** - Income levels that are less than 50% of the median family income, and, income levels that are at least 50%, but less than 80% of the median family income.

**Median Family Income (MFI)** - The median income determined by the United States Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development 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 it and half below it.

**Metropolitan Statistical Area (MSA)** - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

**Middle-Income** - Income levels that are at least 80% and less than 120% of the MFI.

**Moderate-Income** - Income levels that are at least 50% and less than 80% of the MFI.

**Small Business Loans** - Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

**Small Farm Loans** - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

**Tier 1 Capital** - The total of common shareholders=equity, perpetual preferred shareholders=equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries. FSB's average Tier 1 Capital from three calendar year-ends was \$1 billion rounded.

**Upper-Income** - Income levels that are 120% or more of the MFI.

## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Outstanding**.

The following table shows the performance level of **First Security Bank, N. A.** with respect to the Lending, Investment, and Service tests.

<b>Performance Levels</b>	First Security Bank, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		X
High satisfactory		X	
Low satisfactory			
Needs to improve			
Substantial noncompliance			

(\*) Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors supporting the institution's rating are:

- FSB's lending record represents an excellent responsiveness to its community, particularly in the state of Utah where its performance contributes most heavily to the overall rating.
- The bank has an extremely high level of community development lending that has benefited LMI persons and geographies.
- FSB's distribution of home mortgage lending to borrowers of different income levels is excellent, particularly in its percentage of lending to LMI families.
- FSB has a good distribution of loans to the smaller businesses and farms and to LMI geographies.
- A substantial majority of FSB's loans were originated within its AAs (90 % by number and 89% by dollar).
- FSB investment activity demonstrates a good responsiveness to the community development needs of its AAs. FSB has a significant dollar volume of investments in affordable housing projects that benefit LMI persons.

- The bank provides an excellent level of banking services and has often been a leader in providing community development services.

## **Description of First Security Bank, N. A.**

First Security Bank, N. A. (FSB) is a wholly owned subsidiary of a multi-bank holding company, First Security Corporation (FSC). FSC is headquartered in Salt Lake City, Utah, and is the oldest multi-state bank holding company in the country. FSB is a regional, interstate bank with branches in four states (Utah, Idaho, Oregon, and Wyoming). It ranks, in assets, as the largest commercial bank both in Utah and Idaho, the seventh largest in Oregon, and the eighth largest in Wyoming.

FSB has processes in place to help respond to some of the primary credit needs of its communities. For example, a major business focus of FSB is the construction of affordable housing for first time homebuyers. This business strategy has helped FSB earn leadership positions in lending to LMI borrowers in most of its market areas. In small business lending, the bank employs small business development officers to target the smaller business community. This has helped FSB earn leadership positions in its percentage of lending to the smaller businesses in nearly all of its market areas.

In addition to its banking subsidiaries, FSB has two operating subsidiaries: Crossland Mortgage Corporation which has over 80 offices in 26 states and is ranked among the top mortgage banking companies in the nation in originations and servicing, but has limited operations in FSB's AAs; and First Security Trade Services, Ltd. which provides letters of credit and other international banking services to FSB customers doing business in Hong Kong and other far eastern countries. As of March 31, 1999, FSB's total assets were \$17 billion, total loans \$11 billion, deposits \$9 billion, and Tier One Capital \$1.2 billion. FSB's earnings and capital levels are strong and there are no obvious financial or legal impediments that would keep it from addressing CRA. FSB management has chosen eleven AAs among four states as its community.

FSC has other subsidiaries that provide financial services which include: First Security Business Investment Corporation, a qualified small business investment Corporation that makes equity and debt investments in small businesses; First Security Capital Markets, Inc., a full service broker dealer providing business, municipal, and individual customers a wide array of capital, investment banking and securities related services; and First Security Leasing, a leasing company that originates/manages leases for its own portfolio and the lease portfolios of FSC's subsidiary banks.

Commercial banks that are most similarly situated in terms of size to FSB in its major markets include Zion's First National Bank and U.S. Bank, N. A. Other competitors include Washington Mutual Bank in Utah, Countrywide Homes, Norwest Mortgage, and Washington Mutual Bank in Idaho, and numerous mortgage and credit card companies. Idaho and Utah are the two states in which FSB has a significant presence, both in lending and in deposit gathering activities. In the states of Oregon and Wyoming, FSB's deposit and lending distribution is relatively minor.

As part of our evaluation, we considered information received from representatives of various community organizations within FSB's AAs. This information was received as part of our ongoing supervisory efforts.

In summary, the information obtained was very complimentary of FSB. The comments received characterized FSB as being proactive in helping its community and in some cases being a leader. The information obtained from these groups also confirmed the bank's analysis of the primary credit needs



throughout its AAs, which include loans for affordable housing and small business purposes. Please refer to Market Profiles under Appendix C for further information.

## **Scope of Evaluation**

### **Evaluation Period/Products Evaluated**

This Performance Evaluation assesses information on FSB's residential mortgage, small business, and small farm loan originations for 1997 and 1998. Community development loans were evaluated since the preceding examination (June 30, 1996). Unless otherwise stated, references to loans means exclusively these four types of loans. In addition to these loan products, we also reviewed FSB's retail banking services and community development investments and services from their previous examination through May 3, 1999.

### **Data Integrity**

Our ongoing supervisory efforts of FSB included reviewing and testing its process for ensuring the accuracy of its data relative to its HMDA, Small Business, and Community Development loan reporting. Sampling was performed in some cases to validate this objective. Our conclusions led FSB to review its Small Business loan data and to make adjustments, prior to this evaluation, to ensure that the reported data was substantially correct for the years 1997 and 1998.

### **Selection of Areas for Full-Scope Review**

We performed a full-scope review on six of FSB's eleven AAs. In the selection process, we considered FSB's deposits received from these areas. The AAs receiving limited-scope reviews were assessed to determine FSB's performance versus full-scope AAs and if any rating adjustment was necessary.

### **Ratings**

In arriving at FSB's overall CRA record of performance, we assessed activities under the Lending, Investment, and Service Tests in the four states it operates in. The rating methodology is structured such that the Lending Test weighs most heavily of the three tests in the final determination. In rendering an overall bank rating, FSB's performance in the state of Utah was weighed most heavily, followed by Idaho, as these states contribute the significant majority of its deposits. The Federal Deposit Insurance Corporation reports that as of June 30, 1998, FSB's deposit gatherings from its AAs in the states of Utah, Idaho, Oregon, and Wyoming were 58%, 35%, 5%, and 2% respectively.

### **Lending Gaps**

This evaluation included an analysis of lending gaps in FSB's AAs. Although there were several geographies in the non-metropolitan AAs where very few or no loans were made, the gaps were a result of the small population relative to the large territory covered by the geography and do not reflect negatively on the bank's performance in the AA.

## **Fair Lending Review**

Prior to our CRA examination, we performed a Fair Lending examination of FSB. We used the OCC's Fair Lending examination procedures and targeted FSB's subsidiary CrossLand Mortgage Corporation and FSB's Consumer Retail Division. We used the OCC's fair lending examination procedures and focused on a sample of Hispanic and White applicants for residential home purchases that were processed between January 1, 1998 and December 31, 1998. In total, some 400 mortgage loan files were reviewed. Our primary focus was to determine if FSB provided consistent treatment to these home purchase loan applicants without regard to race. Other factors considered were color; religion; national origin; sex; marital status; age; receipt of public assistance income; and the applicant's exercise in good faith of any right under the Consumer Credit Protection Act. These factors (prohibited basis) form the basis for illegal discrimination.

### **Conclusions:**

- We found no evidence of disparate treatment being applied on a prohibited basis; no violations of fair lending laws were cited.
- FSB has a satisfactory process in place, including training, to help ensure ongoing compliance with fair lending laws.

## State Rating

<b>CRA Rating for Utah:</b>	<b><u>Outstanding</u></b>
<b>The Lending Test is rated:</b>	<b><u>Outstanding</u></b>
<b>The Investment Test is rated:</b>	<b><u>High Satisfactory</u></b>
<b>The Service Test is Rated:</b>	<b><u>Outstanding</u></b>

The major factors which support this rating include:

- FSB's community development lending demonstrates an excellent responsiveness to the needs of LMI population and geographies with 33 loans totaling an extensive \$89 million.
- The bank has an excellent distribution of home mortgage loans to LMI borrowers and geographies.
- FSB has a good distribution of small business and small farm loans to LMI geographies and borrowers.
- The bank's investment activity represents a good responsiveness to the community development needs of its AAs.
- FSB has an excellent network of retail banking services that are readily accessible. It also has a strong level of community development services.

### Description of Institution's Operations in Utah

FSB's presence in the state of Utah is significant. Its headquarters is in Salt Lake City, Utah and it is the largest commercial bank in the state. Nearly two-thirds of all its branches/ATMs are distributed throughout this state. Its primary statewide competitor, Zions First National Bank, has recently announced its intent to merge with FSB. Competition in home mortgage and small business lending is intense and characterized by numerous mortgage companies, credit unions, and credit card institutions that in aggregate, account for much of the volume in these markets.

FSB defines three AAs that comprise the state of Utah, which are the Salt Lake-Ogden MSA, Provo-Orem MSA, and Utah Non-MSA. Salt Lake City serves as the state's capital and is scheduled to host the 2002 Winter Olympics. Approximately 20 years ago, there were 3 or 4 major employers that governed the general economy of this metropolitan area. However, growth in various industries has brought a more diverse employment profile to the local economy.

### Scope of Evaluation in Utah

Our conclusions regarding FSB's CRA performance in the state of Utah weigh heavily toward the overall bank rating. In addition to the majority of its deposits received here, its loan activity and branch/ATM presence is significant. We performed full-scope reviews for the Salt Lake-Ogden

MSA and Utah Non-MSA AAs. These two AAs were selected since they are the most significant relative to deposit representation. In the rating determination, we gave more weight to FSB's performance in the Salt Lake-Ogden MSA AA than the other two AAs to be consistent with its proportion of deposit gatherings.

Our evaluation considered information provided by local community groups and/or organizations. Such information includes general feedback on community credit needs, insight on community characteristics, and experiences with financial institutions operating in Utah. In general, affordable housing and small business loans are primary credit needs identified by most community groups.

## **LENDING TEST**

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

FSB's performance in Utah under the Lending Test is rated Outstanding. Based on full-scope reviews, its performance in the Salt Lake-Ogden MSA and in the Utah Non-MSA is excellent. Its community development lending demonstrates an excellent responsiveness to the needs of LMI persons/geographies. FSB's distribution of home purchase loans to borrowers and geographies of different income levels in both AAs is excellent. Also, its distribution of loans to businesses and farms of different sizes is good. FSB regularly uses flexible underwriting to help meet the credit needs of LMI homebuyers and small businesses within its AAs.

#### **Lending Activity**

*Please note that the source of any reference to market share, market rank, market average or aggregate market is either the 1997 Aggregate HMDA data, 1997 Aggregate Small Business data or 1997 Aggregate Small Farm data filings as reported to the FFIEC.*

Refer to Table 1a in Appendix D for the facts and data used to evaluate FSB's lending activity.

FSB's lending in Utah has been very responsive. Both the number and dollar volume of lending from 1997 to year-end 1998 rose significantly, 47% by number and 35% by dollar. Among similarly situated commercial banks in the AA, FSB had the highest home mortgage lending volume in 1997, exclusive of any transactions from its mortgage subsidiary. The majority of these loans (65% of the number and 68% of the dollars) were home purchase, home improvement or loans to refinance a home mortgage. Competition is very intense with over 400 HMDA reporters. There are no lenders with a dominant market share, and the highest is just over 5%. Thus, in analyzing FSB's Lending Test performance, we gave slightly more weight to its home mortgage lending versus small business lending. FSB's small business lending volume for the same period ranked it a close second in the MSA and first within the Utah Non-MSA. FSB's small farm lending was only material in the Utah Non-MSA where it represents 17% of the number and 11% of the lending volume versus 1% in the remaining AA. There, FSB was the largest originator of the number and dollar of small farm loans with a 43% market share. Zion's First National Bank, the second largest reporter, accounts for another 41% and, thus these two banks dominate the market.

Home improvement loans totaled less than 1% of the number of home mortgage loans originated by FSB.

This volume does not lend itself to any meaningful analysis (only 67 loans). FSB also provides home improvement loans through its home equity line credit product, which is not a part of this analysis. Also, throughout our review of FSB's lending record, we gave refinance lending less credit than home purchase lending since refinance loans generally indicate an intent to obtain lower cost credit on an existing home loan rather than addressing home ownership needs.

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

*Please refer to Appendix section, Content of Standardized Tables, for explanations regarding analysis methodologies.*

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

Refer to Tables 2a, 3a, and 4a in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations.

#### ***Home Purchase Loan***

Home purchase loans comprise 40% of the number of home mortgage loans originated by FSB. In the Salt Lake-Ogden MSA, FSB's distribution is excellent. Its lending in low-income areas exceeds the percentage of owner-occupied units there and its market share of loans there is significantly higher than its market share in all geographies, 6.7% versus 3.5%.

FSB's lending performance in the low-income geographies of the Utah Non-MSA must be viewed with the following context. Of the 117 census tracts in this AA, two are designated low-income. These two tracts are largely sovereign territory. FSB management reports that home mortgage lending opportunities there are hindered by mortgage lien issues. In all of 1997, only 18 home mortgage related loans were made in this area by all lenders. While FSB did not originate any of these loans, it was one of the largest volume lenders to small businesses there. We did not render any negative conclusions given the pre-mentioned performance context.

FSB's home purchase lending in moderate-income geographies was excellent. Its percentage of loans made there exceeded the percentage of owner-occupied housing in the Salt Lake-Ogden AA, but was less in the Utah Non-MSA. In both AAs, however, FSB's market share of home purchase loans in moderate-income geographies surpassed its overall market share.

#### ***Home Improvement Loans***

Home improvement loans comprised less than 1% of the number of home mortgage loans originated by FSB. This nominal volume provides no meaningful analysis (only 67 loans). In this market, FSB addressed its home improvement loan demands through its home equity line credit product.

### ***Refinance Loans***

Loans for refinance purposes represented 59% of FSB's home mortgage loan volume.

FSB's geographic distribution of refinance loans to low-income CTs in the Salt Lake-Ogden MSA is adequate. FSB's percentage of loans in low-income CTs is less than the percentage of owner-occupied housing located there. FSB's market share in low-income geographies is also less than its overall market share. Noteworthy is FSB's excellent record of lending to LMI borrowers in both AAs, which is discussed later.

In the Utah Non-MSA, FSB made no refinance loans and it is noted that other lenders made none. In this AA, 2 of the 117 census tracts are low-income and are sovereign territories. Bank management conveys that collateral lien issues have hindered lending opportunities. The geographic distribution of FSB's loans in moderate-income CTs is adequate. Its proportion of loans made in moderate-income CTs is less than the percentage of owner-occupied units there.

### ***Small Business Loans***

Refer to Table 5a in the Appendix D for the facts and data used to evaluate the geographic distribution of the bank's small business loan originations.

FSB's geographic distribution of small business loans reflects a good dispersion throughout its AAs. Our analysis focused on the distribution of small business loans to all businesses.

FSB is one of the highest volume lenders in both LMI geographies throughout the two AAs. Its geographic distribution of loans in low-income CTs is good. Its percentage of loans made in low-income geographies in the Salt Lake-Ogden MSA exceeds the percentage of businesses there, although less than its overall market share. In the Utah Non-MSA, FSB's percentage of loans in low-income CTs matches demographics and exceeds its overall market share.

FSB's geographic distribution of loans in moderate-income CTs is good. Its percentage of loans made in moderate-income geographies in the two AAs is slightly less than the percentage of small businesses there.

In the Salt Lake-Ogden MSA, its percentage of loans in moderate-income CTs is less than its overall market share. In the Utah Non-MSA, FSB's percentage of loans in moderate-income CTs matches its overall market share.

### ***Small Farm Loans***

Refer to Table 6a in the Appendix D for the facts and data used to evaluate the geographic distribution of the bank's small business loan originations.

FSB's geographic distribution of small farm loans reflects a good dispersion throughout its AAs. Within the Utah Non-MSA, FSB is the largest volume lender of small farm loans and while it is the second largest

volume lender in the Salt Lake-Ogden MSA, it made only 59 loans there. We focused mainly on FSB's performance in the Utah Non-MSA where the data was more meaningful.



There are no farms located in low-income geographies. Accordingly, FSB's performance is based on its lending in moderate-income CTs, which is considered good. Its percentage of loans made in moderate-income geographies is slightly less than the percentage of small farms there and less than its overall market share there.

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

*Please refer to Appendix section, Content of Standardized Tables, for explanations regarding analysis methodologies.*

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

Refer to Tables 7a, 8a, and 9a in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations.

FSB's distribution of residential mortgage loans reflects a very good dispersion among borrowers of different income levels throughout the AAs, particularly with its home purchase product.

#### ***Home Purchase Loans***

FSB's distribution of home purchase loans to low-income borrowers in both AAs is very good. Its percentage of home purchase loans to low-income borrowers was below the distribution of low-income families, however its market share of loans to low-income borrowers more than doubled its overall market share to borrowers in the Salt Lake-Ogden MSA and exceeded its market share in the Utah Non-MSA.

FSB's distribution of loans to moderate-income borrowers was excellent. Its percentage of loans to moderate-income families significantly exceeded the percentage of moderate-income families within each AA. In addition, FSB's market share of loans to moderate-income borrowers exceeded its overall market share.

#### ***Home Improvement Loans***

As noted, this volume does not lend itself to any meaningful analysis (67 loans). In this market, FSB served its home improvement loan demand through its home equity line of credit product.

#### ***Refinance Loans***

FSB ranks low in refinance lending volume in the Salt Lake-Ogden MSA, yet second to low-income borrowers with this product. Its loan dispersion to low-income borrowers throughout its AAs is good. While its proportion of lending to low-income borrowers was below the percentage of low-income families there, its market share of loans to low-income borrowers exceeded its overall market share.

FSB's distribution of loans to moderate-income borrowers overall, reflects a good dispersion of loans throughout each AA. The bank's market share of loans to moderate-income borrowers, either matched or exceeded its overall market share. Its proportion of lending to moderate-income borrowers was below the percentage of moderate-income families in both AAs.

### ***Small Business Loans***

Refer to Table 10a in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's small business loan originations. FSB's distribution of small business loans reflects a good responsiveness to the credit needs of small businesses throughout its AAs.

FSB's lending to businesses of different revenue sizes is good. In the Salt Lake-Ogden MSA and Utah Non-MSA, 74% and 87% of its small business loans went to smaller businesses (those with annual revenues of less than \$1 million) respectively. This percentage was below the level of such small businesses in these AAs, although it more than doubled the aggregate market performance in each AA. FSB's market share of loans to the smaller businesses was also much higher than its overall small business loan market share.

### ***Small Farm Loans***

Refer to Table 11a in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's small farm loan originations.

FSB's distribution of small farm loans is good. Approximately 96% of its loans to farms in the Utah Non-MSA and 93% in the Salt Lake-Ogden MSA went to smaller farms (those recording annual revenues of less than \$1 million). These percentages approximate the proportion of such smaller farms in these AAs and its market share of loans to the smaller farms is greater than its overall market share of small farm loans. These percentages also significantly exceed the aggregate market level in both AAs.

### **Community Development Lending**

Refer to Table 1a in Appendix D for the facts and data used to evaluate the bank's level of community development lending.

FSB's level and nature of community development lending in the two AAs over the evaluation period is excellent. The dollar activity represents a very admirable level of the bank's Tier I Capital position and has helped address many of the credit needs of its communities. FSB has demonstrated leadership qualities as confirmed by community group feedback, the ongoing efforts it undertakes, and the nature of its involvement in many of the community projects. We confirmed 33 qualified loans totaling \$86 million that FSB made during this period. These loans helped foster numerous units (1,327) of affordable housing, revitalize various LMI areas, and support various other community development initiatives.

Many of FSB's qualified community development loans are complex given the financing structure or nature of the collateral. The related projects have responded well to the identified needs of the AAs. Some of the projects representative of FSB's community development lending are as follows:

- A construction loan in rural Utah to develop a 98-unit housing project for LMI elderly. FSB took a leadership role in the overall project coordination by structuring the interim and long term financing for this complex transaction.
- Several loans were made for the "Block 49" redevelopment project within Salt Lake City, a low-income CT. The funds were used to construct apartment complexes, which are integral components for the revitalization and stabilization of this low-income neighborhood.
- A loan to a non-profit community service provider for the completion of a shelter for victims of domestic violence. The 16-unit facility is targeted to low-income individuals.
- A construction loan to develop 20 units of affordable housing for families whose incomes are below 60% of the MFI.
- A construction loan to develop 40 units of affordable housing in rural Utah for individuals with income at 60 % or below the MFI.

### **Product Innovation/Flexibility**

FSB often uses flexible underwriting practices by participating in loan programs that help address the credit needs of both LMI persons and geographies. These practices enhance FSB's performance under the Lending Test.

In addition to the more traditional FHA and VA lending programs, FSB also works through various government agencies to extend credit to LMI persons. Most of these programs are offered throughout the state of Utah. Examples of these programs include:

- Community Development Corporation of Utah (CDC) - This program, in conjunction with this non-profit organization, provides First Time Homebuyer loans to LMI families throughout Utah. Loans are offered at reduced interest rates with a match of federal and bank funds to families earning less than 80% of the MFI and who cannot qualify for conventional financing. FSB has taken the lead by being the only bank participant in the program. The bank originated 33 loans for nearly \$2 million.
- Salt Lake City Corporation Housing and Neighborhood Development Division - FSB, in conjunction with this non-profit organization, provides loans through this program for home rehabilitation/first time homebuyers throughout the city and county of Salt Lake. Loans are offered at reduced interest rates with a match of federal and bank funds. The loans are restricted to families earning less than 80% of the MFI, or to geographies where the majority of the families earn less than 80% of the MFI. The bank originated 122 loans for some \$4.2 million.

- Home\$tart Savings Programs - This program, offered in conjunction with the Federal Home Loan Bank, is directed towards first time homebuyers earning less than 80% of the MFI. Borrowers must also attend homebuyer training classes and set up special savings accounts to receive matching grants up to \$3,000.
- Utah Housing Single Family Mortgages - This program, in conjunction with this non-profit organization, provides home purchase loans to LMI families throughout Utah. Loans are offered at reduced interest rates.

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

Based on a limited-scope review, FSB's lending performance in the Provo-Orem MSA is consistent with the bank's overall Outstanding performance under the Lending Test in Utah. Refer to Tables 1a through 11a Appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

Based on full-scope reviews, FSB's performance under the Investment Test in the Salt Lake-Ogden MSA and Utah Non-MSA is good and reflective of FSB's overall performance under the Investment Test for the state of Utah. It is also reflective of the level of investment opportunities available.

Refer to Table 12a in Appendix D for the facts and data used to evaluate FSB's investments.

FSB's level and nature of community development investments in the state of Utah reflect a strong responsiveness to their community. It also makes use of innovative and complex investments to support community development needs. During the evaluation period, the bank invested \$14 million and donated \$295 thousand toward qualifying community development transactions. FSB also has \$8.8 million in outstanding investments from the prior evaluation periods. Both the quantity and quality of these transactions have helped address many of the needs identified in these communities.

FSB has its largest concentration of investments in the Salt Lake-Ogden MSA, which is consistent with the proportion of deposits obtained there. All of FSB's qualified investments there have helped address some of the critical needs of the community. Its investments in the current evaluation period include a mortgage revenue bond to fund a training facility for disabled LMI workers and three low income housing tax credit (LIHTC) investments that provided 67 housing units for LMI persons. The training facility bond was a complex transaction that FSB took a leadership role in developing and is not routinely provided by private investors. FSB also used innovative underwriting to structure and monitor the transaction to reduce costs incurred in the construction phase of these projects.

FSB also has prior evaluation period outstanding investments that helped fund 12 LIHTC's for 561 units

of housing to LMI borrowers. It also included an investment toward a loan fund that targets economically disadvantaged entrepreneurs. Again, these transactions addressed some of the major

credit needs of the area.

FSB's level and nature of qualified investments in the Utah Non-MSA AA is also responsive, and in proportion to the level of its deposits received there. The investments were made toward two LIHTC projects that provided over 60-units of housing for LMI persons. Investments from prior evaluation periods that are still outstanding include two LIHTC projects for 70 housing units for LMI persons. Affordable housing has been, and continues to be a primary credit need here.

FSB also purchased an affordable housing bond for \$1 million. The bond finances an affordable housing program that benefits LMI borrowers throughout the state of Utah.

### **Investments Outside the Assessment Area**

FSB's overall Investment Test performance throughout this Public Evaluation is enhanced by its significant investments in LIHTC bonds that benefit LMI persons in geographies nationwide, which includes portions of its Utah AAs. In the current evaluation period, FSB's leasing affiliate provided \$16 million toward affordable housing projects throughout the country, with another \$10 million outstanding from previous evaluation period transactions.

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

Based on limited-scope reviews, FSB's performance under the Investment Test in the Provo-Orem MSA is not consistent with its overall High Satisfactory performance under the Investment Test in Utah. FSB's performance in the Provo-Orem MSA is weaker than its overall state performance, however, it did not change the overall rating for Utah. The weaker performance is due to lower investment levels, however FSB's investments did help respond to some of the major credit needs of the community. Refer to Table 12a Appendix D for facts and data supporting these conclusions.

## **SERVICE TEST**

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

The bank's overall performance in Utah is rated Outstanding. Based on full-scope reviews, FSB's performance in the Salt Lake-Ogden MSA and Utah Non-MSA is excellent and reflective of the bank's overall Outstanding performance for the state of Utah.

### **Retail Banking Services**

Refer to Table 13a in Appendix D for the facts and data used to evaluate the distribution of the FSB's branch and ATM delivery systems.

FSB's distribution of branches and ATMs throughout its geographies in the Salt Lake-Ogden MSA and

Utah Non-MSA is excellent and readily accessible. In the Salt Lake-Ogden MSA, its branch and ATM locations in low-income geographies exceed demographics (proportion of low-income

geographies and/or population residing in those geographies) and moderately exceed moderate-income demographics of the area. For example, 4% of the branches and 10% of the ATMs are located in low-income geographies, while only 5% of the geographies are designated as low-income, and only 2% of the low-income population live in those CTs.

In the Utah Non-MSA, FSB's branch and ATM locations are slightly below low-income demographics, but greatly exceed moderate-income demographics. FSB has no branches or ATMs in low-income geographies, although only 2% (2 of the 117 CTs) of the geographies are designated low-income, and only 1% of the population reside there. In moderate-income geographies, FSB has 24% of its branches and 16% of its ATMs there, while only 18% of the geographies are designated moderate-income and 15% of the moderate-income population live in those geographies. Of note is that many of these branches and ATMs are in rural "hub" communities that foster increased accessibility to the surrounding population. FSB also maintains nine (6%) of its branches in rural communities where there are no other banks providing full service banking.

During the evaluation period, FSB opened thirteen branches in the Salt Lake-Ogden MSA and six in the Utah Non-MSA. Overall, the openings took place in the most populated geographies. Two of the openings were in moderate-income geographies in rural Utah, of which one was in Ft. Duchesne (Ute Indian Reservation) where there are no other banks. Thirteen were opened in middle-income areas and four in upper-income areas. FSB consolidated five branches in the Salt Lake-Ogden MSA, one in each income designated geography, except in moderate-income areas where there were two. In the Utah Non-MSA, the bank consolidated two branches in middle-income areas.

Overall, these branch consolidations did not adversely impact the accessibility of its delivery systems as FSB transferred the respective accounts to other branches that were within reasonable distances so as to not unduly inconvenience their customers.

FSB's business hours are reasonable and structured to accommodate customer needs. In these two AAs, nearly half (45% of the branches in these AAs) have Saturday hours, with one in a low-income geography and six in moderate-income geographies. The bank offers a full range of products and services in all branches, as well as, several products targeted to LMI customers. Examples include Federal Housing Administration and Veterans Administration loans, Utah Housing Single Family Mortgages, USDA-RCHDS (a Guaranteed Single Family Home Loan program), and the Home\$tart Savings Program.

### **Community Development Services**

FSB's performance with providing community development services to its community is excellent. During the evaluation period, it provided 23 community development services, often taking a leadership role in the Salt Lake-Ogden MSA and Utah Non-MSA. FSB is active in exploring opportunities to participate in community development services in their AAs and focuses heavily on economic development and affordable housing initiatives. FSB management has also led in researching and developing several projects that help address specific community needs.

Following are examples where FSB took a leadership role in developing and/or managing the activity:

**Your Community Connection** - This agency promotes homebuyer education, affordable housing assistance, and other services targeted to LMI persons in the local community. FSB offers needed mortgage related educational and counseling services to its customers, as well as, loans to graduates of these programs.

**Utah Microenterprise Loan Fund (UMLF)** - This agency provides financing and management support to start-up entrepreneurs and to existing firms. The fund is designed to provide a modestly secured form of financing, up to \$10,000 for entrepreneurs who are unable to secure conventional credit for business ventures because of insufficient capital, poor credit history, or inadequate collateral. The "Under 3 Step Loan" program is designed for smaller loan needs between \$500 - \$3,000. Individuals in this segment generally lack capital and other profiles that most business people take for granted. FSB is a founding partner of this organization and provides technical assistance to the UMLF board members, its Borrower Support Team, and its Credit Committee and has been characterized as a leader in its involvement by the subject agency.

**Federal Home Loan Bank of Seattle Grant Programs (FHLB)** - FHLB provides grants for various affordable housing projects, including the Home\$tart Savings Program, as well as, feasibility studies for future housing projects. FSB provides the technical assistance on grant applications, budget development, and application submission. It also assists with the administrative, disbursement, and funding aspects for approved applications. These projects benefit recipients throughout the state.

**Sovereign Lending Advisory Task Force** - This task force examines existing lending barriers and determines appropriate strategies to increase access to credit in Indian country. LMI Tribes that have been involved include the Ute and the Navajo tribes.

**Community Development Corporation of Utah (CDC)** - This is a non-profit organization that purchases homes for rehabilitation or property for new construction for LMI families throughout Utah. The organization also funds loans for LMI clients in rural Utah. FSB provides technical expertise to the organization's board of directors and the Loan Underwriting Committee.

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

Based on limited-scope reviews, FSB's performance under the Service Test in the Provo-Orem MSA is consistent with the overall performance in the state. Refer to Table 13a in the state of Utah section of Appendix D for the facts and data that support these conclusions.



## State Rating

<b>CRA Rating for Idaho</b>	<b><u>High Satisfactory</u></b>
<b>The Lending Test is rated:</b>	<b><u>High Satisfactory</u></b>
<b>The Investment Test is rated:</b>	<b><u>Low Satisfactory</u></b>
<b>The Service Test is Rated:</b>	<b><u>Outstanding</u></b>

The major factors which support this rating include:

- FSB's lending record demonstrates a good responsiveness to its community as evidenced by its large volume of residential mortgage, small business, and small farm loan originations.
- The bank has a good record of home mortgage lending to LMI geographies and borrowers.
- FSB's distribution of small farm loans is good.
- The bank's investment activity represents an adequate responsiveness to the community development needs of its AAs.
- FSB has an excellent network of retail banking services that are readily accessible. It also has a strong level of community development services.

### Description of Institution's Operations in Idaho

FSB defines three AAs which encompass the entire state of Idaho. These are the Boise-Nampa MSA, Pocatello MSA, and the Idaho Non-MSA which consists of the remaining Idaho counties. Just over one-third of FSB's deposits are generated from this state. Major bank competitors include U. S. Bank, N. A., Washington Mutual, Key Bank, N.A., and Wells Fargo Bank, N. A. There are also Countrywide Home Loans, Inc., Republic Mortgage Company, Norwest Mortgage Company, and several credit card companies. Competition in home mortgage and small business lending is intense and characterized by numerous mortgage companies and credit card institutions that in aggregate account for much of the volume in these lending markets. Accordingly, while FSB may be a large institution in its marketplace, in general, it may not have a proportionate share of the loan volume given the numerous financial institutions competing for a portion of this volume.

The FSB management team identifies many partnerships with community organizations that are involved with community development initiatives. FSB management reports, however, that the state of Idaho does not have a strong process for promoting community development. There is an apparent lack of coordination between local government and non-profit organizations to promote community development program initiatives. In addition, the state of Idaho apparently has no definitive dollar commitment to affordable housing program initiatives and there are no state funding sources for affordable housing programs that would provide gap financing or matching funds to non-profit affordable housing developers.

## Scope of Evaluation in Idaho

Our conclusions regarding FSB's performance for the state of Idaho weighed second in significance when determining the institution's overall CRA rating, behind the state of Utah. This is due to the fact that approximately one-third of its deposits are received there. At the AA level, we gave more weight to FSB's performance in the Idaho Non-MSA than the other two AAs to be consistent with its proportion of deposit gatherings.

As previously mentioned, FSB identifies three AAs that comprise the entire state. We performed full-scope reviews for the Boise-Nampa MSA and Idaho Non-MSA. These two AAs were selected as they present the most significance relative to deposit representation. Accordingly, our conclusions on FSB's performance in these two AAs weigh heavily in the overall rating for the state of Idaho.

As part of our evaluation, we considered information provided by local community groups. Such information includes general feedback on community credit needs, insight on community characteristics, and experiences with financial institutions. In general, affordable housing and small business loans are the primary credit needs.

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

FSB's performance under the Lending Test in Idaho is rated High Satisfactory. Based on full-scope reviews, its performance in the Boise-Nampa MSA and in the Idaho Non-MSA is good. FSB has a good distribution of home mortgage loans to borrowers of different income levels in both AAs. FSB's distribution of small business loans to businesses of different sizes is good. FSB's lending record to small farms by geography is adequate, but good to farms of different sizes. FSB regularly uses flexible underwriting practices to help meet the credit needs of both LMI homebuyers and small businesses within its AAs. Also, its community development lending demonstrates a reasonable responsiveness to the needs of both LMI populations and geographies.

### Lending Activity

*Please note that the source of any reference to market share, market rank, market average or aggregate market is either the 1997 Aggregate HMDA data, 1997 Aggregate Small Business data or 1997 Aggregate Small Farm data filings as reported to the FFIEC.*

Refer to Table 1b in Appendix D for the facts and data used to evaluate FSB's lending activity.

FSB's lending reflects a good responsiveness to the credit needs of its AAs. The number and dollar volume of lending from 1997 to year-end 1998 rose 24% by number and 20% by dollar. The majority of these loans (62% of the number and 58% of the dollars) were home purchase, home improvement or loans to refinance a home mortgage. Thus, in determining FSB's overall

performance under the Lending Test, we gave more weight to this home mortgage activity. Small farm lending is material in the Idaho Non-MSA AA as it represents 17% of the number and 11% of

the bank's lending volume generated there versus 1% in the bank's remaining AA. FSB is also the number one ranked volume small farm lender in this AA.

Among commercial banks, FSB is the largest originator of residential mortgage loans in its Idaho AAs, with a market share of 8%. Competition is intense with almost 400 HMDA reporters and the largest non-bank competitor is a mortgage loan company with a 10% market share. Other key competitors each possess a 3-5% market share.

FSB is one of the largest originators among commercial banks in small business loans by number and dollar amount with a market share of 16% in both AAs. The market is dominated by one commercial bank, which has an overall market share of 33%. Loan volume was again most prevalent in the Idaho Non-MSA.

Throughout our review of FSB's lending record, we gave refinance loans less consideration than home purchase loans since refinance loans generally indicate an intent to obtain lower cost credit on an existing home loan rather than addressing home ownership needs.

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

*Please refer to Appendix section, Content of Standardized Tables, for explanations regarding analysis methodologies.*

The Idaho Non-MSA does not contain any low-income geographies and thus the analysis that follows excludes any discussion of this component.

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

Refer to Tables 2b, 3b, and 4b in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations.

### ***Home Purchase Loans***

Home purchase loans comprise almost half the number of home mortgage loans originated by FSB. FSB is ranked first in home purchase loan volume in the Idaho Non-MSA and second in home purchase loans in moderate-income geographies.

Lending in low-income geographies within the Boise-Nampa MSA area is difficult due to a shortage of available low cost housing and the decreasing affordability of existing housing stock. In fact, for all of 1997, only 82 home purchase loans were made by all lenders in low-income areas, including 5 that were purchased. Thus, the overall small number of loans made in the low-income geographies does not provide a meaningful analysis for this component. Given this performance context, we did not render any conclusions on FSB's home purchase loan distribution in the low-income geographies.

FSB's home purchase loans reflect an adequate dispersion in its moderate-income geographies. The bank's loans here, as a percentage of all its loans, were less than the percentage of owner-occupied units there. Its market share of home purchase loans in moderate-income geographies was also slightly less than its overall market share in both AAs.

### ***Home Improvement Loans***

In 1997, FSB reported only one loan origination and there were 26 reported by all other lenders in low-income geographies. Consequently, the data is insufficient to render any meaningful conclusions for this particular performance segment. It is noted that FSB's lending record with this product to low-income borrowers is excellent as discussed later.

FSB's distribution of home improvement loans in moderate-income geographies for both AAs is excellent. Its percentage of FSB's loans in moderate-income geographies exceeds the percentage of owner-occupied houses and its overall market share there. In the Idaho Non-MSA, comparable demographics are exceeded by almost 50%.

### ***Refinance Loans***

Loans to refinance home mortgages represented 46% of FSB's home mortgage loan volume. Among all lenders, including mortgage companies and non-commercial banking institutions, FSB ranked fifth in refinance loan volume in the Boise-Nampa MSA and second in the Idaho Non-MSA. In the Boise-Nampa MSA, FSB ranked sixth in both LMI areas and third in refinance loans to moderate-income geographies in the Idaho Non-MSA.

FSB's distribution of refinance loans in low-income geographies is adequate. Its percentage of loans in low-income geographies is less than the percentage of owner-occupied units there, however, its market share in low-income geographies exceeds its market share overall.

FSB's distribution of refinance loans in moderate-income geographies is adequate. Its percentage of loans in moderate-income geographies is less than the percentage of owner-occupied units there. FSB's market share in moderate-income geographies is also less than its overall market share for the Boise-Nampa MSA, but exceeds it in the Idaho Non-MSA.

### ***Small Business Loans***

Refer to Table 5b in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's small business loan originations. FSB's geographic distribution of small business loans reflects a good dispersion throughout its AAs. Our analysis on this component focused on the distribution of loans to small businesses, regardless of revenue size. Within the state of Idaho, the majority of small business loans were originated in the Idaho Non-MSA and thus, performance in this area is weighted more heavily.

Among commercial banks, FSB is the second largest volume lender of small business loans in the Idaho Non-MSA and third in the Boise-Nampa MSA. The bank is also one of the highest volume lenders in both LMI geographies throughout the AAs. FSB's geographic distribution of loans in low-income CTs is good. Its percentage of loans made in low-income geographies is slightly more than the percentage of businesses located there. FSB's percentage of loans in low-income areas also exceeds its overall market share.

FSB's geographic distribution of loans in moderate-income CTs is good. Its percentage of loans made in moderate-income geographies is less than the percentage of businesses located there. In the Idaho Non-MSA, FSB's percentage of loans in moderate-income geographies exceeds its overall market share, but is slightly lower in the Boise-Nampa MSA.

### ***Small Farm Loans***

Refer to Table 6b in the Appendix D for the facts and data used to evaluate the geographic distribution of the bank's small farm loan originations. In the combined AAs, FSB is the second largest volume lender to small farms.

FSB's geographic distribution of small farm loans is adequate. It is noted, however, that there are no low-income geographies in the Idaho Non-MSA and FSB made only one loan in the low-income areas of the Boise-Nampa MSA, which consists of three CTs. Moreover, there are only 14 farms residing in these low-income areas. Given this performance context, we did not render conclusions on the low-income geography component.

FSB's performance in moderate-income CTs is adequate on a combined AA basis. Its percentage of loans made in moderate-income geographies is less than the percentage of farms located in those geographies. FSB's overall moderate-income market share, while significantly less in the Boise-Nampa MSA, matches its overall market share in the Idaho Non-MSA.

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

*Please refer to Appendix section, Content of Standardized Tables, for explanations regarding analysis methodologies.*

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

Refer to Tables 7b, 8b, and 9b in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations.

FSB's distribution of residential mortgage loans reflects an overall good dispersion among borrowers of different income levels throughout its AAs.

### ***Home Purchase Loans***

In the Idaho Non-MSA, FSB is ranked first in home purchase loan volume (among all lenders including mortgage companies and non-commercial banks), third to low-income borrowers and first to moderate-income borrowers. In the Boise-Nampa MSA, FSB is ranked seventh, and then eleventh to both LMI borrowers.

FSB's home purchase lending to low-income borrowers for both AAs is good. While its percentage of home purchase loans to low-income borrowers was below the percentage of low-income families, in the Boise-Nampa MSA, FSB's market share of loans to low-income borrowers matched its overall market share to those borrowers. In the Idaho Non-MSA, its market share of loans to low-income borrowers is less than its overall market share to those borrowers.

FSB's distribution of loans to moderate-income borrowers is excellent. Its loans to moderate-income families significantly exceeded the percentage of moderate-income families within the Boise-Nampa MSA, and matched it in the Idaho Non-MSA. The bank's market share of purchase loans to moderate-income borrowers also exceeded its overall market share in the Idaho Non-MSA, but was slightly less in the Boise-Nampa MSA.

### ***Home Improvement Loans***

FSB's distribution of home improvement loans to low-income borrowers is adequate. Its percentage of loans to low-income borrowers was less than the percentage of low-income families, however its market share to low-income borrowers significantly exceeded its overall market share.

FSB's distribution of home improvement loans in moderate-income geographies is adequate. Its percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families in the Boise-Nampa MSA. FSB's market share to moderate-income borrowers was less than its overall market share for both AAs. In the Idaho Non-MSA, its performance was below demographics.

### ***Refinance Loans***

FSB's distribution of loans to low-income borrowers reflects an adequate dispersion of loans throughout its AAs. Again, it is important to note that for our evaluation, less weight is given to refinance loans because they generally indicate intent to obtain lower cost credit rather than addressing home ownership. FSB's market share of loans to low-income borrowers was below its overall market share, although only slightly (two loans) in the Boise-Nampa MSA. Notwithstanding, FSB's percentage of loans to low-income borrowers as a percentage of total loans was well below the distribution of low-income families in both AAs.

FSB's distribution of loans to moderate-income borrowers also reflects a poor dispersion of loans throughout its AAs. Its market share of loans to moderate-income borrowers was less than its overall market share. FSB's percentage of loans to moderate-income borrowers, as a percentage of total loans,

was also below the distribution of moderate-income families in both AAs.

### ***Small Business Loans***

Refer to Table 10b in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's small business loan originations. FSB's distribution of small loans to businesses reflects a good responsiveness to the credit needs of small businesses throughout its AAs. The majority of the bank's small business loans (65% by number) were originated in the non-metropolitan area outside the MSAs.

FSB's lending to businesses of different sizes is good. Among its loan originations, about 75% in the Boise-Nampa MSA, and over 83% in the Idaho Non-MSA, went to smaller businesses (those with annual revenues of less than \$1 million). These levels are below the proportion of such smaller businesses in these areas, yet are significantly better than the aggregate market. FSB's market share to smaller businesses is also greater than its overall small business loan market share.

### ***Small Farm Loans***

Refer to Table 11b in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's small farm loan originations.

FSB's distribution of small loans to farms reflects an excellent responsiveness to the credit needs of small farms throughout its AAs. Among FSB's loan originations, about 92% of the loans in the Boise-Nampa MSA and 95% in the Idaho Non-MSA, went to smaller farms (those with annual revenues of less than \$1 million). This matches or exceeds the proportion of smaller farms in both AAs. FSB's performance was also better than the aggregate market. Its market share of all farm loans was also less than its market share of loans to smaller farms.

### **Community Development Lending**

Refer to Table 1b in Appendix D for the facts and data used to evaluate the bank's level of community development lending.

FSB's community development lending in the two AAs over the evaluation period is adequate and responsive to the needs of those communities. During the evaluation period, its dollar volume of qualified loans totaled \$4 million and involved 12 loans. The funds supported community service projects, revitalization of LMI geographies, and 442 units of affordable housing for LMI families. The bank was a leader in coordinating several of these projects. Also, several of these loans were complex given the financing structure and nature of the collateral. All of these loans were responsive to the community's needs that range from affordable housing to economic stabilization through infrastructure support.

Examples of such projects are as follows.

- FSB was a leader in creating the Idaho Community Reinvestment Corporation (ICRC), an organization that addresses affordable housing for LMI residents. In addition to its loan pool participation, FSB helped coordinate the financing and tax credit aspects of the transaction. FSB's loan balance for the various projects was \$3 million and provided 420 units of affordable housing to LMI families statewide.
- A construction loan in rural Idaho to develop 66 apartment units of which 47 are offered to households at or below 60% of the MFI. This complex project involved tax credits, grants, and multiple layers of financing. The project helped address critical affordable housing needs.
- A construction loan in rural Idaho to develop 52 affordable housing units, of which 21 are offered to households at or below 50% of the MFI and another 23 at or below 60% of the MFI. This complex project also involved tax credits, grants, and multiple layers of financing.
- A construction loan to develop 16 units of affordable housing to families with income below 50% of the MFI in the Boise-Nampa MSA.

### **Product Innovation/Flexibility**

FSB often uses flexible underwriting practices by participating in loan programs to help address the credit needs of both LMI persons and geographies. These practices enhance its overall performance under the Lending Test. In addition to the more traditional FHA and VA lending programs, FSB also works with the State Housing Agency programs that target LMI first-time homebuyers. It also offers USDA Rural Economic and Community Development Guaranteed Rural Housing Loans which offers 100% financing to LMI homebuyers. Most of these programs are offered throughout Idaho. Examples of these programs are as follows.

- First Time Homebuyer Program - FSB is one of the principal partners of the Neighborhood Housing Services of Boise and Nampa. FSB was instrumental in developing a consortium of local financial institutions to provide a home loan product with flexible underwriting terms directed at LMI borrowers. Borrowers typically do not qualify under normal mortgage lending guidelines and are offered low interest rates. FSB's loan pool commitments during the evaluation period totaled \$1.9 million.
- Home\$tart Savings Programs - This program, offered in conjunction with the Federal Home Loan Bank is directed towards first-time homebuyers at 80% of the MFI or below. Borrowers must also attend homebuyer training classes and set up special savings accounts to receive matching grants of up to \$3,000.
- Home-of-Your Own Program - This program is for persons with disabilities and is targeted toward low-income persons receiving government assistance. FSB originated nine loans for \$374 thousand.



- Silver Valley EDC Home Rehabilitation Loan Program - This rural Idaho program is targeted toward LMI residents who are in need of rehabilitating their homes. Loans are at below market rates. FSB originated four loans for \$16 thousand.
- First Time Homebuyer Program - This program, in conjunction with the housing authority, provides flexible underwriting terms and is eligible for families earning less than 80% of the median income. The bank does not track these loans on a state basis, but in aggregate, it booked 2,294 State Housing Authority loans for over \$211 million.

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

Based on a limited-scope review, FSB's lending performance in the Pocatello MSA is consistent with its overall performance under the Lending Test in Idaho. Refer to Tables 1b through 11b in Appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

FSB's performance under the Investment Test in Idaho is rated Low Satisfactory. Based on full-scope reviews, FSB's performance in the Boise-Nampa MSA and the Idaho Non-MSA is adequate.

Refer to Table 12b in Appendix D for the facts and data used to evaluate FSB's investments.

FSB's overall investments in these AAs represent an adequate responsiveness to this community. The bank invested in 16 transactions totaling \$6.4 million, of which 11 transactions totaling \$1.8 million took place during the current evaluation period. These activities reflect an adequate response given the investment opportunities available in these AAs.

FSB's investments in the state were concentrated in the Idaho Non-MSA. The bank's investment level in this AA represents over one-half of its investments for the state. In some cases, FSB used complex investments to support community development initiatives as demonstrated by the LIHTC's that they are involved with, both as lender and investor. The transactions involving LIHTC projects generated 58 units of affordable housing, a primary need in the community.

FSB also invested \$201 thousand in Idaho Housing Agency bonds to facilitate affordable housing for LMI borrowers. Recipients eligible for these affordable housing units are LMI individuals throughout the state of Idaho.

### **Investments Outside the Assessment Area**

FSB's overall Investment Test performance is enhanced by its significant investments in LIHTC bonds that benefit LMI persons in geographies nationwide, which include portions of its Idaho AAs.

In the current evaluation period, FSB's leasing affiliate provided \$16 million toward affordable housing projects throughout the country, with another \$10 million outstanding from previous evaluation period transactions.

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

Based on limited-scope reviews, FSB's performance under the Investment Test in the Pocatello MSA is not consistent with its overall Low Satisfactory performance under the Investment Test in Idaho.

In the Pocatello MSA, its performance is stronger than its overall performance in the state. This stronger performance is due to the higher investment levels in this AA. Refer to Table 12b in Appendix C for the facts and data supporting these conclusions.

## **SERVICE TEST**

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

FSB's overall performance in Idaho is rated Outstanding. Based on full-scope reviews, FSB's performance in the Boise-Nampa MSA and Idaho Non-MSA is excellent and reflective of the bank's overall Outstanding performance under the Service Test in Idaho.

### **Retail Banking Services**

Refer to Table 13b in Appendix D for the facts and data used to evaluate the distribution of the FSB's branch and ATM delivery systems.

FSB's distribution of offices and ATMs throughout the geographies in the Boise-Nampa MSA and Idaho Non-MSA is excellent and readily accessible to all portions of the AA. In the Boise-Nampa MSA, its branch and ATM locations significantly exceed low-income demographics (the proportion of geographies designated low-income and/or the proportion of low-income persons residing in those geographies) and moderately exceed moderate-income demographics of the area. For example, 14% of the branches and 7% of the ATMs are in low-income areas, while only 5% of the CTs are designated as low-income and only 2% of the low-income population reside in those areas.

In the Idaho Non-MSA, FSB's branch and ATM locations significantly exceed moderate-income demographics. As Table 13b indicates, 24% of the branches and 27% of the ATMs are located in moderate-income geographies while only 13% of the geographies are designated moderate-income and 12% of the moderate-income populations live in those geographies. Many of these branches and ATMs are located in rural "hub" areas that foster increased accessibility to the surrounding population. FSB also maintains ten (11%) of its branches in rural communities where there are no other financial institutions offering full service banking. There are no branches or ATMs in low-income geographies as there are no geographies designated low-income in that AA.

During the evaluation period, FSB opened one branch in the Boise-Nampa MSA and one in the Non-MSA. Both of these were in middle-income geographies. The bank consolidated three branches in the Boise-Nampa MSA, one in a moderate-income area and two in a middle-income area. These branch changes did not adversely impact the accessibility of the delivery systems, including LMI individuals as FSB consolidated branches or transferred accounts within reasonable distances so as to not unduly inconvenience their customers.

FSB's business hours are reasonable and structured to accommodate customer needs. In these two AAs, 27% of its branches have Saturday hours and several are either in low- or moderate-income geographies. FSB offers a full range of products and services in all branches, several of which target LMI persons. For example, in addition to offering Federal Housing Administration and Veterans Administration loans, FSB also offers credit through the Idaho Housing Single Family Mortgages, USDA-RCHDS (a Guaranteed Single Family Home Loan program), Community Development

Financial Institution (CDFI) Second Mortgage Program, the HomeStart Savings Program, the Idaho Micro-Enterprise Loan Program, and Silver Valley Home Rehabilitation Loan Program.

### **Community Development Services**

In the Boise-Nampa MSA and Idaho Non-MSA, FSB provided 13 community development services, often taking a leadership role. In particular, the bank has been responsive in their AAs that focus on economic development and affordable housing programs. Its leadership efforts involved researching and developing several projects to address specific community needs. FSB is also involved with several statewide organizations to help promote community development initiatives.

The following are examples where FSB took a leadership role in the development and/or management of the activity.

**Neighborhood Housing Services, Inc. of Boise and Nampa** - These agencies provide mortgage and rehabilitation loans, homebuyer education, and housing development. FSB was instrumental in developing a consortium of local financial institutions to provide a home loan product with flexible underwriting. The product is a 100% loan-to-value home loan with flexible terms for LMI applicants through NHS. No down payment or Private Mortgage Insurance is required. FSB is involved as a funding institution and with the loan application approval process through NHS.

**North Nampa Urban Renewal Agency** - This agency was created to address problems of physical blight and economic obsolescence in the project area. The agency supports economic development in the area by:

- providing an improved environment for new commercial developments;
- eliminating unsafe conditions and assisting residential/commercial property owners to rehabilitate/improve their properties; and
- promoting general economic development initiatives.

Local branch management continues to support this agency by acting as its board chairman.

**Sovereign Lending Task Force** - The purpose of this task force is to examine existing lending barriers and develop strategies to increase access to credit in Indian country. This task force focuses on the Fort Hall and Duck Valley Indian Reservations.

**Idaho Community Reinvestment Corporation** - This Community Development Corporation provides a source of funds to finance affordable housing developments statewide. Local branch management continues to support this organization by acting as the loan committee chairman.

**Idaho Partners For Homebuyer Education** - The purpose of IPHE is:

- to develop education programs for home buying and home ownership;
- to facilitate wide delivery of those programs; and
- to target its programs to reach diversified recipients statewide.

FSB is a founding member of this organization and continues to support it by providing technical assistance.

**Federal Home Loan Bank of Seattle Grant Programs (FHLB)** - FHLB provides grants for various affordable housing projects, including the Home\$tart Savings Program, as well as, feasibility studies for future housing projects. FSB provides technical assistance on grant applications, budget development, and application submission. It also assists with the administrative, disbursement, and funding aspects for approved applications. These projects benefit recipients throughout the state.

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

Based on limited-scope reviews, FSB's performance under the Service Test in the Pocatello MSA is consistent with the bank's overall High Satisfactory performance under the Service Test in Idaho. Refer to Table 13b Appendix D for the facts and data that support these conclusions.

## State Rating

<b>CRA Rating for Oregon:</b>	<b><u>High Satisfactory</u></b>
<b>The Lending Test is rated:</b>	<b><u>High Satisfactory</u></b>
<b>The Investment Test is rated:</b>	<b><u>Low Satisfactory</u></b>
<b>The Service Test is rated:</b>	<b><u>High Satisfactory</u></b>

The major factors which support this rating include:

- FSB has an overall good lending record of serving its community's credit needs.
- The bank has an excellent distribution of home mortgage lending to LMI geographies and a good distribution to LMI borrowers.
- FSB has a good distribution of loans to smaller businesses.
- FSB's investment activity represents an adequate responsiveness to the community development needs of its AAs.
- FSB has a good network of retail banking services that are readily accessible. It also has a strong level of community development services.

### Description of Institution's Operations in Oregon

FSB defines four AAs in the state of Oregon: Salem MSA, Deschutes County, Washington County-Lake Oswago (which includes parts of Clackamas and Multnomah Counties), and the City of Corvallis. FSB has 6% of its branches and 3% of its ATMs in these AAs. It offers a full range of business line products, including accounts receivable loans, term equipment loans and revolving lines of credit. Small business loan applications are accepted at every branch and sent to the Boise, Idaho small business center.

Prior to being acquired by the First Security system, the bank was a stock mutual savings bank (United Savings Bank Mutual) and focused most of its business strategy on single and multi-family housing loans, including loans for commercial real estate projects. FSB now offers a full array of products that are offered by most major banks in the area. Major competitors in the state of Oregon include Washington Mutual Savings Bank, Bank of America, N. A., U. S. Bank, N. A., Commerce Bank, Wells Fargo Bank, N. A., Key Bank, N. A., Mountain West Financial Corp., and various mortgage companies. Competition in home mortgage and small business lending is intense and characterized by numerous mortgage companies and credit card institutions that in aggregate account for much of the volume in these lending markets.

In the AAs delineated by FSB, there are no low-income CTs. A primary reason for this is the low unemployment rates over the past years combined with strong industry growth in those areas.

Although personal income has risen and jobs remain stable, there is a need for affordable housing, especially in the Washington and Deschutes Counties and the City of Corvallis.

Major employment industries within the AAs include state government, retail, service, manufacturing (particularly high tech), trade, and education.

### **Scope of Evaluation in Oregon**

Our conclusions regarding FSB's performance for the state of Oregon do not contribute significantly toward its overall CRA rating. This is due to the fact that only 5% of its deposits are generated here. FSB's loan, branch and ATM presence is generally consistent with this deposit profile.

FSB identifies four AAs in the Oregon state. We performed a full-scope review on the Salem MSA as it has the most significance relative to FSB's deposit gatherings. Our conclusions on FSB's performance here contribute heavily to its overall rating for the state of Oregon.

As part of our evaluation, we considered information provided by local community groups. Such information includes general feedback on community credit needs, community characteristics, and experiences with financial institutions operating within the AA. In general, affordable housing followed by small business loans are the major credit needs throughout the AAs.

## **LENDING TEST**

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

FSB's performance under the lending test in Oregon is rated High Satisfactory. As indicated earlier, it has four AAs in Oregon, but the lending activity is centered in the Salem MSA. FSB has a good distribution of home mortgage loans to borrowers of different income levels and a good distribution in geographies of different income levels. Its distribution of small business loans to businesses of different sizes is good, while in geographies of different income levels, its performance is adequate. FSB regularly uses flexible lending practices to help meet the credit needs of both LMI homebuyers and small businesses within its AAs. FSB also made several community development loans during the evaluation period.

#### **Lending Activity**

*Please note that the source of any reference to market share, market rank, market average or aggregate market is either the 1997 Aggregate HMDA data, 1997 Aggregate Small Business data or 1997 Aggregate Small Farm data filings as reported to the FFIEC.*

Refer to Table 1a in Appendix D for the facts and data used to evaluate FSB's lending activity.

FSB's lending reflects a good responsiveness to the credit needs of the Salem MSA. The number and dollar volume of lending from 1997 to year-end 1998 rose significantly, some 52% and 46% respectively. Most of these loans (81% of the number and 73% of the dollars) were home purchase,

home improvement, or loans to refinance home mortgages. Thus, in determining FSB's overall performance under the Lending Test, we gave more weight to the home mortgage lending activity. Small Farm lending is not a material product in Oregon.

FSB is not a major competitor in the Salem MSA residential mortgage loan market as it has less than a 1% share. Activity from other banks and mortgage companies is strong with some 278 HMDA reporters in this MSA identified. FSB has its largest presence in the home purchase market, but with a small 1.3% market share. FSB made only three home improvement loans during the last two years. In this market, FSB addressed its home improvement loan demand with its home equity line of credit product, which is not a part of this analysis. This volume provides no meaningful conclusions.

FSB is the seventh largest originator (fifth among commercial banks) of the number of small business loans, with a small 5% market share. The top competitors account for over 80% of the market. Competition is very intense and the bank is a relatively minor competitor.

Throughout our review of FSB's lending record, we gave refinance loans less consideration than home purchase lending since refinance loans generally indicate an intent to obtain lower cost credit on an existing home loan rather than addressing home ownership needs.

As indicated above, FSB is not a competitive factor in the small farm loan market here as it generated only 14 small farm loans. This nominal level does not lend to any meaningful analysis. Accordingly, we did not render any conclusions on FSB's performance with this product here. Refer to Table 6c in the Appendix D for the facts and data about the bank's small farm loan originations.

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

*Please refer to Appendix section, Content of Standardized Tables, for explanations regarding analysis methodologies.*

*Please note also that as the Salem MSA does not contain any low-income geographies, the following analyses appropriately excludes any discussion on this component.*

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

Refer to Tables 2c, 3c, and 4c in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations.

#### ***Home Purchase Loans***

Home purchase loans comprise over half the number of home mortgage loans originated by FSB. It has an overall market rank of 20, (within top six among commercial banks only) which is similar to its rank in moderate-income geographies. FSB's home purchase loans reflect an excellent distribution in moderate-income geographies. Its percentage of loans here exceeds the percentage of owner-occupied housing in



moderate-income geographies. Also, its market share of home purchase loans in moderate-income geographies matches its overall market share in both AAs.

### ***Refinance Loans***

The overall lending volume by the market in moderate-income geographies of the Salem MSA was low. In fact, the top volume lender, a savings bank, made 39 loans there in 1997. FSB made two loans during this period. Given this low level of activity, we did not render conclusions for this performance component.

### **Small Business Loans**

Refer to Table 5c in the Appendix D for the facts and data used to evaluate the geographic distribution of the bank's small business loan originations.

FSB's geographic distribution of small business loans reflects an adequate dispersion throughout its AA. Our analysis focused on the distribution of loans to all businesses, regardless of their annual revenue size. Within the MSA, FSB's ranking in lending in moderate-income geographies is similar to its overall market share. Its geographic distribution of loans in moderate-income CTs is adequate. The bank's percentage of loans made in moderate-income geographies is less than the percentage of businesses located in those geographies. In addition, its percentage of loans in moderate-income CTs is somewhat less than its overall market share.

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

*Please refer to Appendix section, Content of Standardized Tables, for explanations regarding analysis methodologies.*

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

Refer to Tables 7c, 8c and 9c in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations.

FSB's distribution of residential mortgage loans reflects a very good dispersion among borrowers of different income levels throughout its AAs.

### ***Home Purchase Loans***

FSB's distribution of home purchase loans to low-income borrowers is good. While its distribution of home purchase loans to low-income borrowers was below the percentage of low-income families there, its market share of loans to low-income borrowers exceeded its overall market share to those borrowers.

FSB's distribution of loans to moderate-income borrowers was excellent. Its percentage of loans to moderate-income families significantly exceeded the level of moderate-income families. Also, FSB's market share of purchase loans to moderate-income borrowers almost doubled its overall market share.

### ***Refinance Loans***

FSB's distribution of loans to low-income borrowers reflects a good dispersion of loans throughout its AA. Its percentage of loans to low-income borrowers, as a percentage of total refinance loans, was below the distribution of low-income families. However, FSB's market share of loans to low-income borrowers significantly exceeded its overall market share.

FSB's distribution of loans to moderate-income borrowers overall, reflects a good dispersion throughout the Salem MSA. Its percentage of loans to moderate-income borrowers, as a percentage of total loans, was slightly below the distribution of moderate-income families in the MSA. However, its market share of loans to moderate-income borrowers exceeded its overall market share.

### ***Small Business Loans***

Refer to Table 10c in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's small business loan originations.

FSB's distribution of small loans to businesses reflects a good responsiveness to the credit needs of small businesses throughout its AAs. Its lending to businesses of different sizes is good. Approximately 79% of its small business loans went to the smaller businesses (those with annual revenues of less than \$1 million). While the proportion of FSB's loans originated to these businesses is lower than the percentage of such businesses there, its performance was significantly better (more than 50% higher) than the aggregate market. In addition, FSB's market share of loans to smaller businesses was greater than its overall market share of small business loans in the AA.

### **Community Development Lending**

FSB's overall community development lending in its Oregon AAs consisted of one community development loan for \$130 thousand that supported an affordable housing project.

The following describes additional projects that the bank was involved in, but did not qualify for community development loan credit. They are mentioned because of the support it gave to the community in the area of affordable housing. FSB participated in a project that was partially low-income housing (14 units out of 89) under a "section 8" program (government subsidized affordable housing) which helped address a critical need in the area. The total financing for this project was \$3.9 million. FSB also made several large community development loans that benefited its broader regional area. In total, three loans aggregating \$2.2 million were provided to support 156 units of affordable housing to LMI persons.

### **Product Innovation/Flexibility**

FSB uses flexible lending practices by participating in loan programs that help address the credit needs of low- and moderate-income persons/geographies. In addition to the traditional FHA and VA lending programs, FSB also works with the State Housing Agency programs that target LMI first-

time homebuyers. Most of these programs are offered statewide. Examples of these programs are highlighted below.

- Oregon Bankers First Time Homebuyer Grants - This program is for first-time homebuyers with income at less than 80% of the MFI. FSB's leadership commitment is reflected in its status as one of the top three lenders involved in the program.
- Home\$tart Savings Programs - This program, offered in conjunction with the Federal Home Loan Bank, is directed towards first-time homebuyers at 80% of the MFI or below. Borrowers must also attend homebuyer training classes and set up special savings accounts to receive matching grants of up to \$3,000.
- First Time Homebuyer Program - This program, in conjunction with the state of Oregon, is available to families earning less than 80% of MFI. FSB does not track these loans at the state level. On a bank-wide basis, some 2,294 loans have been funded.

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

Based on limited-scope reviews, FSB's lending performance in the Deschutes County, Washington County-Lake Oswego, and Corvallis City AAs is consistent with the bank's overall performance under the Lending Test in Oregon. Refer to Tables 1c through 11c in Appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

FSB's performance under the Investment Test in Oregon is rated Low Satisfactory. Based on full-scope reviews, its performance is adequate in the Salem MSA.

Refer to Table 12c in Appendix D for the facts and data used to evaluate FSB's investments.

FSB's overall responsiveness in this AA is adequate. The bank was involved in 20 transactions totaling \$801 thousand, all in the current evaluation period. These activities reflect an adequate response given the investment opportunities available in this area. Among the various AA's community development needs, FSB's funds helped support a rural health clinic for LMI persons.

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

Based on limited-scope reviews, FSB's performance under the Investment Test in the Washington-Lake Oswego, Deschutes County, and Corvallis City AAs is inconsistent with the bank's overall Low Satisfactory performance under the Investment Test in Oregon. This performance is weaker than its overall performance for the state, however it did not change the overall investment rating

for Oregon. The weaker performance is due to lower investment levels in these AAs. Refer to Table 12c Appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

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

FSB's performance under the Service Test in Oregon is rated High Satisfactory. Based on a full-scope review, the bank's performance in the Salem MSA is good.

#### **Retail Banking Services**

Refer to Table 13c in Appendix D for the facts and data used to evaluate the distribution of the FSB's branch and ATM delivery systems.

FSB's offices and ATMs are well distributed throughout the geographies in the Salem MSA. Overall, its branch and ATM locations in moderate-income areas exceed the moderate-income demographic profiles in those geographies. There are no geographies designated low-income in this AA. Table 13c shows that 14% of the branches and 20% of the ATMs are located in moderate-income CTs, while 15% of the CTs are designated moderate-income and 10% of the moderate-income population lives in those CTs. FSB did not change the location of any of its branches in the Salem MSA during the evaluation period.

The bank's business hours are reasonable and structured to accommodate customer needs. In this AA, five of the branches (71% of the branches in this AA) have Saturday hours. FSB offers a full range of products and services in all its branches. They also offer several products that target LMI customers. For example, in addition to Federal Housing Administration Loans, and Veterans Administration Loans, FSB also offers USDA-RCHDS (Guaranteed Single Family Home Loans), Oregon Bankers First Time Homebuyer Grants, and Home\$tart Savings Program.

#### **Community Development Services**

FSB participated in 11 community development services, often taking a leadership role. The bank is active in offering community development services and has focused heavily on initiatives that support economic development and affordable housing. FSB has also taken a leadership role in researching and developing various projects.

Following are examples where the bank has taken a leadership role in the development and/or management

of the activity.

**Sovereign Lending Task Force** - The purpose of this task force is to examine existing lending barriers and determine strategies to increase access to credit in Indian country. The task force has been focused on providing affordable housing for the Grand Ronde Indian Tribe.

**Network of Affordable Housing (NOAH)** - NOAH finances low-income multi-family housing projects statewide. The bank helped start this program in Oregon and a staff member continues to participate on the loan committee.

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

Based on limited-scope reviews, FSB's performance under the Service Test in the Washington County/Lake Oswego, Deschutes County, and Corvallis City AAs is consistent with the bank's overall High Satisfactory performance under the Service Test in Oregon. Refer to Table 13c in the state of Oregon section of Appendix D for the facts and data that support these conclusions.

## State Rating

<b>CRA Rating for Wyoming:</b>	<b><u>High Satisfactory</u></b>
<b>The Lending Test is rated:</b>	<b><u>High Satisfactory</u></b>
<b>The Investment Test is rated:</b>	<b><u>Low Satisfactory</u></b>
<b>The Service Test is Rated:</b>	<b><u>High Satisfactory</u></b>

- The major factors which support this rating include:
- FSB's lending record demonstrates a good responsiveness to its community's credit needs.
- The bank's home mortgage lending to borrowers of different income levels is good.
- FSB has a good distribution of loans to the smaller businesses and smaller farms.
- The bank's investment activity represents an adequate responsiveness to the community development needs of its AAs.
- FSB has a good network of retail banking services that are readily accessible. It also has a strong level of community development services.

### Description of Institution's Operations in Wyoming

FSB's operations in Wyoming represent the smallest presence in its four state market area. The bank has eight branches and 13 ATM's here. The AA is in a rural environment in Southwest Wyoming and its branches are located primarily in the major population centers. There are no low-income geographies and only two moderate-income geographies within the AA.

Although FSB is the largest bank in the AA, there are major competitors that include local banks, statewide banks, and interstate banks. The only locations in the AA where FSB is the largest bank is in upper Lincoln County and in Lyman. In the other market areas, (Evanston, Green River and Rock Springs), FSB is either second or third in deposit size. Primary competitors include Community First National Bank, Rock Springs National Bank, North Side State Bank of Rock Springs, and First National Bank of Evaston. In addition, mortgage company competition includes Green Tree Financial, Countrywide Home Loans, and Norwest Mortgage.

It has been communicated by FSB management and generally confirmed with local community groups that local governments have little experience in partnering with banks to address community development needs. In addition, because of the small population, the market for community development investment activity is very limited. A couple of communities/counties have identified some community development needs and have a housing authority to address such issues. FSB has been working with these communities to find ways to participate.



## **Scope of Evaluation in Wyoming**

Our conclusions regarding FSB's performance in the state of Wyoming do not contribute significantly toward its overall CRA rating. This is due to the fact that only a nominal level of its deposits is generated here. The loan activity and branch/ATM presence is generally consistent with this deposit profile.

As previously mentioned, FSB identifies one AA that consists of three counties. We performed a full-scope review of this AA which forms the basis for the overall state rating for Wyoming.

As part of our evaluation, we considered information provided by local community groups. Such information includes general feedback on community credit needs, insight on community characteristics, and experiences with financial institutions operating within the AA. In general, affordable housing followed by small business loans are two major credit needs.

## **LENDING TEST**

### **Conclusions**

FSB's performance under the lending test in Wyoming is rated High Satisfactory. As indicated earlier, the bank has only one AA in Wyoming. FSB's distribution of small business loans to businesses of different sizes is good. Its lending to small farms of different sizes is also good. FSB has also used flexible lending practices to help meet the credit needs of both LMI homebuyers and small businesses. The bank's community development lending record is adequate.

### **Lending Activity**

*Please note that the source of any reference to market share, market rank, market average or aggregate market is either the 1997 Aggregate HMDA data, 1997 Aggregate Small Business data or 1997 Aggregate Small Farm data filings as reported to the FFIEC.*

Refer to Table 1d in Appendix D for the facts and data used to evaluate FSB's lending activity.

FSB's lending reflects a good responsiveness to the credit needs in its AA. The number and dollar volume of total lending from 1997 to year-end 1998 rose modestly, some 4% and 31% respectively. The majority of these loan originations (68% of the number and 72% of the dollars) were home purchase, home improvement or loans to refinance a home mortgage. Thus, in assessing FSB's overall performance under the Lending Test, we gave slightly more weight to the home mortgage lending activity. Also, throughout our review of FSB's lending record, we gave refinance lending less consideration than home purchase lending since refinance loans generally indicate an intent to obtain lower cost credit on an existing home loan rather than addressing home ownership needs. It is noted that FSB has a much higher market share in small business originations than in home mortgage originations. Small farm lending represented 8% of the number and 5% of the lending volume generated in its Wyoming AA.



FSB is the largest originator of residential mortgage loans. However, within its overall AA, there are several distinct smaller markets where the bank is not in the lead due primarily to competition from mortgage companies. There are some 88 HMDA reporters in this large geographic, but rural area. The next three competitors account for a sizeable portion of the market, while a number of other competitors have a 3-5% market share. FSB made only four home improvement loans during the last two years here. In this market, FSB addressed its home improvement loan demand through its home equity line of credit product. As stated earlier, this low volume does not lend itself to any meaningful analysis.

FSB is the largest originator of the number and dollar amount of small business loans, with a market share of 43%. The next two largest competitors combine for another 35% of the total market. However, several of the bank's competitors within its AA are smaller banks that do not report small business originations, and thus their data is not part of the available market information.

FSB is the largest originator of the number and dollar amount of small farm loans, with a market share of 73%.

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

*Please refer to Appendix section, Content of Standardized Tables, for explanations regarding analysis methodologies.*

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

Refer to Tables 2d, 3d, and 4d in Appendix D for the facts and data regarding the geographic distribution of the bank's home mortgage loan originations.

Due to limitations reflected in market demographics (only two areas are moderate-income and contain a limited supply of owner-occupied homes), analyzing the performance for this category is not meaningful. Likewise, market comparisons are not meaningful as all lenders reported only 13 mortgage loans in 1997.

FSB did not make any mortgage loans in moderate-income geographies in 1997, thus making its performance difficult to assess in the overall context. FSB did make loans in 1998, but with the overall limited activity, any meaningful analysis is precluded. Despite FSB's low lending volume in the moderate-income geographies, its overall performance does compare favorably with the percentage of owner-occupied units in those areas.

#### ***Small Business Loans***

Refer to Table 5d in the Appendix D for the facts and data used to evaluate the geographic distribution of the bank's small business loan originations.

Similar to mortgage lending, opportunities for lending in moderate-income geographies is also limited, as there were only 20 small businesses residing in moderate-income geographies. FSB originated 10 small

business loans in moderate-income geographies. Given this performance context of limited activity, no conclusions are rendered.

### ***Small Farm Loans***

Refer to Table 6d in the Appendix D for the facts and data used to evaluate the geographic distribution of the bank's small farm loan originations.

Similar to small business lending, opportunities for small farm lending in moderate-income geographies is even more limited as there were only four small farms residing there and FSB originated three loans. Given this performance context, no conclusions are rendered.

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

*Please refer to Appendix section, Content of Standardized Tables, for explanations regarding analysis methodologies.*

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

Refer to Tables 7d, 8d, and 9d in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations.

FSB's distribution of residential mortgage loans reflects a good dispersion among borrowers of different income levels, particularly with its home purchase product.

### ***Home Purchase Loans***

FSB is ranked first in home purchase loan volume, second in lending to low-income borrowers, and first in lending to moderate-income borrowers. However, its distribution of home purchase loans (10 loans) to low-income borrowers is only adequate, as its level of home purchase loans to low-income borrowers was below the percentage of low-income families there. FSB's market share of loans to low-income borrowers is also less than its overall market share for this AA. It should be noted that in this small market, there is one dominant lender that distorts the average of all lenders and a total of only 72 loans were reported by all lenders.

FSB's distribution of loans to moderate-income borrowers was excellent. Its percentage of loans to moderate-income families almost doubled the percentage of moderate-income families in this AA. In addition, FSB's market share of loans to moderate-income borrowers exceeded its overall market share of the AA.

### ***Refinance Loans***

FSB is the number one ranked lender of refinance loans and is ranked number one in lending to LMI borrowers.

FSB's distribution of loans to low-income borrowers reflects good dispersion of loans throughout its AA. However, as a total of only 15 loans were reported, there is little statistical significance that can be attached to the analysis. Moreover, we gave this loan product less consideration than home

purchase lending since refinance loans generally indicate an intent to obtain lower cost credit on an existing home loan rather than addressing home ownership needs.

FSB's distribution of loans to moderate-income borrowers reflects a reasonable dispersion of loans throughout this AA. Its percentage of loans to moderate-income borrowers to total loans was below the percentage of moderate-income families in the MSA. However, FSB's market share of loans to moderate-income borrowers exceeded its overall market share.

### ***Small Business Loans***

Refer to Table 10d in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's small business loan originations. FSB's distribution of small loans to businesses reflects a good responsiveness to the credit needs of small businesses throughout its AAs.

FSB's lending to businesses of different sizes is good. Approximately 86% of its small business loans went to businesses with annual revenues of less than \$1 million. The proportion of FSB's loans originated to such businesses is slightly lower than the percentage of businesses with revenues of less than \$1 million in its AAs. However, FSB's performance was significantly better than the market average. In addition, the bank's market share of all loans is significantly less than its market share of loans made with revenues \$1 million dollars or less.

### ***Small Farm Loans***

Refer to Table 11d in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's small farm loan originations.

FSB's distribution of loans to small farms reflects a good responsiveness to its AAs. Its lending to farms of different sizes is good. Approximately 96% of its small farm loans went to farms with revenues of less than \$1 million. This proportion is slightly less than the percentage of such small farms in both AAs, however was better than the aggregate market. FSB's market share of farm loans made to the smaller farms is also greater than its overall market share of the AA.

### **Community Development Lending**

The bank's community development lending activity is adequate. FSB made three community development loans totaling \$625 thousand during the evaluation period. These loans helped address needed affordable housing in the community. As addressed in the Market Profile, Appendix C section of this document, the opportunities to support community development are hindered by the lack of local government partnering

programs. FSB has been working within these communities to help identify and promote community development initiatives.

## **Product Innovation/Flexibility**

FSB uses numerous flexible underwriting to help address the credit needs of low- and moderate-income persons and geographies. These practices enhance the bank's lending performance.

Several of the programs that FSB engages in, which are in addition to the more traditional FHA and VA lending programs, include those with the housing authority that target LMI first-time homebuyers. FSB also offers USDA Rural Economic and Community Development Guaranteed Rural Housing Loans which provides 100% financing to LMI homebuyers. These programs are offered throughout the bank's AA.

## **INVESTMENT TEST**

### **Conclusions**

FSB's performance under the Investment Test in the state of Wyoming is rated Low Satisfactory.

Refer to Table 12d in Appendix D for the facts and data used to evaluate FSB's investments.

Overall, FSB has responded adequately to the community development needs of its AA. In the evaluation period, it provided \$6 thousand in qualified investments, all in the form of grants. This level is less than the proportion of deposits generated, but reflective of the level of opportunities as conveyed by FSB management and confirmed by local community organizations.

## **SERVICE TEST**

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

FSB's performance under the Service Test in Wyoming is rated High Satisfactory. Based on a full-scope review, the bank's performance in the Wyoming Partial Non-MSA AA is good.

### **Retail Banking Services**

Refer to Table 13d in Appendix D for the facts and data used to evaluate the distribution of the FSB's branch and ATM delivery systems.

FSB's distribution of offices and ATMs is good. They are located in high population centers in the AA and are readily accessible to all portions of the community. In the bank's AA, there are no geographies designated low-income and FSB's ATM locations in moderate-income areas exceed the percentage of moderate-income families residing there. A total of 8% of its ATMs are located in moderate-income, while 8% of the CTs are designated moderate-income and only 1% of the moderate-income population lives there. It is also noted that FSB maintains two of its branches in rural communities where there are no other banks providing full service banking. During the evaluation period, FSB did not consolidate any branches, but did open two new offices, one in a middle-income CT and one in an upper-income CT.

FSB's business hours are reasonable and structured to accommodate customer needs. In this AA, five (63%) of the branches have Saturday hours. FSB offers a full range of products and services in all its branches, as well as, products targeted to LMI customers. For example, in addition to Federal Housing Administration Loans and Veterans Administration Loans, FSB offers USDA-RD Participation Loans and Wyoming Community Development Authority Single Family Mortgages.

### **Community Development Services**

FSB participated in three community development services, which include the Federal Home Loan Bank of Seattle Grant Programs. This program provides grants for various affordable housing projects, including the Home\$tart Savings Program, as well as, feasibility studies for future housing projects.

FSB provides the technical assistance on grant applications, budget development, and application submission. It also assists with the administrative, disbursement, and funding aspects for approved applications. These projects benefit recipients throughout the state.

## 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 metropolitan and nonmetropolitan areas that received a 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>	Lending Test: 1/1/97 to 12/31/98	Investment Test: 7/1/96 to 5/3/99
	Service Test: 7/1/96 to 5/3/99	
<b>Financial institution</b>		<b>Products reviewed</b>
First Security Bank, N.A. Salt Lake City, Utah		Residential, Small Business, and Small Farm
<b>Affiliates</b>	<b>Affiliate relationship</b>	<b>Products reviewed</b>
First Security Business Investment Corp. (Small Business Investment Corporation) First Security Leasing	Holding Co. Subsidiary	Loans and Investments
	Holding Co. Subsidiary	Investments
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Utah		
Salt Lake-Ogden MSA #7160	Full-Scope	
Provo-Orem MSA #6520	Limited-Scope	
Utah Non-MSA	Full-Scope	
Idaho		
Boise-Nampa MSA #1080	Full-Scope	
Pocatello MSA #6340	Limited-Scope	
Idaho Non-MSA	Full-Scope	
Oregon		
Salem MSA #7080	Full-Scope	
Washington County -Lake Oswego	Limited-Scope	
Deschutes County	Limited-Scope	
Corvallis City	Limited-Scope	
Wyoming Partial Non-MSA	Full-Scope	





### Appendix B: Summary of State Ratings

Overall Bank:	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall Bank/State Rating
First Security Bank, N. A.	Outstanding	High Satisfactory	Outstanding	Outstanding
State:				
Utah	Outstanding	High Satisfactory	Outstanding	Outstanding
Idaho	High Satisfactory	Low Satisfactory	Outstanding	High Satisfactory
Oregon	High Satisfactory	Low Satisfactory	High Satisfactory	High Satisfactory
Wyoming	High Satisfactory	Low Satisfactory	High Satisfactory	High Satisfactory

(\* ) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

## Appendix C: Market Profiles for Full-Scope Areas

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## State of Utah Full-Scope Areas

### Salt Lake-Ogden MSA

Demographic Information for Full-Scope Area: Salt Lake-Ogden MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	230	4.8	21.3	52.2	21.7	0
Population by Geography	1,072,227	1.8	18.2	57.4	22.6	0
Owner-Occupied Housing by Geography	234,111	.8	14.9	59.2	25.1	0
Businesses by Geography	37,683	6.6	29.3	45.1	19.0	0
Farms by Geography	710	3.5	15.8	60.0	20.7	0
Family Distribution by Income Level	262,143	16.6	19.6	26.6	37.2	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	95,015	3.5	19.6	63.7	15.2	0
Median Family Income HUD Adjusted Median Family Income for 1998 Households Below the Poverty Level	= \$35,239 = \$48,200 = 9.6%	Median Housing Value State Unemployment Rate June, 1999				= \$72,830 = 3.8%

Source: 1990 Census and 1998 HUD updated MFI

FSB's presence in this AA is significant. The AA provides FSB with over one-third of its deposits, ranking it first with a 20% market share. During the evaluation period, nearly 20% of its reported CRA lending originated here. FSB has approximately one-third of its branches and ATMs here.

Competition is intense with approximately 151 financial institutions competing for consumer deposits. Major banking institutions include Zions First National Bank, Keybank, N.A., America First Credit Union and several others. There are also numerous mortgage companies competing in the market. This AA is comprised of three counties and contains over 60% of the state's population. The economic heartland of the state is here, as are many of its local and federal offices. Salt Lake City serves as the state's capital. Approximately 20 years ago, there were 3 or 4 major employers that governed the general economy of this metropolitan area. However, growth in various industries has brought a more diverse employment profile and robust economy.

As part of our evaluation, we considered information received from representatives of various community organizations which included organizations supporting affordable housing, economic development and small businesses. This information was received as part of our ongoing supervisory efforts. In summary, the information obtained was very complimentary of FSB. The comments received characterized FSB as being proactive in helping its community, involved, and a leader. The information obtained from these groups also confirmed the bank's analysis of the primary credit needs throughout its AAs, which include loans for affordable housing and small business purposes.

## State of Utah Full-Scope Areas

### Utah Non-MSA

Demographic Information for Full-Scope Area: Utah Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	117	1.7	17.9	58.1	12.0	10.3
Population by Geography	381,864	1.4	14.8	67.7	16.1	0
Owner-Occupied Housing by Geography	86,561	1.3	14.7	67.2	16.8	0
Businesses by Geography	13,848	.1	15.6	67.1	17.2	0
Farms by Geography	599	0	17.7	67.1	15.2	0
Family Distribution by Income Level	93,025	18.8	18.9	24.5	37.8	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	35,049	2.4	21.3	67.6	8.7	0
Median Family Income	= \$30,184	Median Housing Value		= \$62,818		
HUD Adjusted Median Family Income for 1998	= \$38,500	State Unemployment Rate June, 1999		= 3.8%		
Households Below the Poverty Level	= 14.1%					

Source: 1990 Census and 1998 HUD updated MFI

FSB's presence here is significant. Approximately 15% of FSB's deposits and 16% of its CRA reported lending involves this AA. The deposit level translates to a market share of about 35% followed by Zions First National Bank at 29%. In addition, 18% of its branches and 22% of its ATMs are located there.

The AA captures all remaining counties in the state except Kane County, which is part of the Arizona Flagstaff MSA. A little over 20% of the state's population is in this area. The economy is based on agriculture, tourism, educational facilities, and small town businesses. Mining, which was once a major industry in this area, has declined although it continues to contribute to the economy. A significant portion of the land in this area is designated as a national park, national monument, national forest, or state parks and monuments.

As part of our evaluation, we considered information received from representatives of various community organizations in the areas of affordable housing, economic development, and small businesses. This information was received as part of our ongoing supervisory efforts. In summary, the information obtained was very complimentary of FSB. The comments received characterized FSB as being proactive in helping its community, involved, and a leader. The information obtained from these groups also confirmed the bank's analysis of the primary credit needs which include loans for affordable housing and small business purposes.

## State of Idaho Full-Scope Areas

### Boise-Nampa MSA

Demographic Information for Full-Scope Area: Boise-Nampa MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	66	4.6	18.2	54.5	19.7	3.0
Population by Geography	295,851	2.2	17.5	53.8	26.4	.1
Owner-Occupied Housing by Geography	113,986	1.1	15.1	55.0	28.4	0
Businesses by Geography	14,814	11.5	15.4	55.7	17.4	0
Farms by Geography	553	2.5	23.0	60.2	14.3	0
Family Distribution by Income Level	78,270	16.8	19.7	24.3	39.2	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	28,623	3.5	25.6	56.4	14.5	0
Median Family Income = \$32,339						
HUD Adjusted Median Family Income for 1998 = \$48,000						
Households Below the Poverty Level = 10.7%						
				Median Housing Value = \$64,709		
				State Unemployment Rate June, 1999 = 4.7%		

Source: 1990 Census and 1998 HUD updated MFI

FSB has a moderate presence in this AA from a deposit contribution basis. Approximately 11% of its deposits and 10% of its CRA reported lending involves this AA. In addition, 9% of its branches and 7% of its ATMs are located there. FSB is the second largest bank there, behind U.S. Bank, N. A., in deposit ranking with both institutions representing 57% of the market. Significant competitors there for FSB include U.S. Bank, N. A., Key Bank, Wells Fargo Bank, Bank of America, N.A., Washington Mutual Savings and Loan, Home Federal Savings Bank, and Mountainwest Financial Corp. Mortgage companies are also quite prevalent in the AA and pose an increased challenge to FSB's mortgage production centers.

The Boise-Nampa MSA includes Ada and Canyon counties with a population representing nearly one-third of Idaho's population. Boise, the capital of Idaho, is the economic hub of commerce, banking, high technology, construction, and agricultural industries. There are approximately 10,000 businesses operating in Ada county, including 40% of the state's manufacturing activities. Increases in cost of living and average cost of housing have forced many residents to move further away from their work locations.

As part of our evaluation, we considered information provided by representatives of various community organizations in the areas of affordable housing and small business. This information was received as part of our ongoing supervisory efforts. In summary, the information obtained was very complimentary of FSB. The comments received characterized FSB as a being a significant player in the community and active in small business assistance programs. The information also confirmed the bank's analysis of the primary credit needs which include affordable housing, start-up capital for small businesses/farms, and affordable housing.

## State of Idaho Full-Scope Areas

### Idaho Non-MSA

Demographic Information for Full-Scope Area: Idaho Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	181	0	12.7	73.5	13.8	0
Population by Geography	644,872	0	16.4	64.3	19.3	0
Owner-Occupied Housing by Geography	161,574	0	14.7	64.8	20.5	0
Businesses by Geography	26,928	0	20.8	64.2	15.1	0
Farms by Geography	1,524	0	11.1	79.9	9.0	0
Family Distribution by Income Level	170,336	18.3	19.8	23.9	38.0	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	64,915	0	16.9	74.6	8.5	0
Median Family Income = \$28,166		Median Housing Value = \$59,005				
HUD Adjusted Median Family Income for 1998 = \$37,400		State Unemployment Rate June, 1999 = 4.7%				
Households Below the Poverty Level = 14.1%						

Source: 1990 Census and 1998 HUD updated MFI

FSB’s presence in this AA is significant as nearly a quarter of its deposits and nearly one-third of its CRA reported loans are in this area. Its deposit levels rank the bank with a 29% market share. In addition, 25% of FSB’s branches and 17% of its ATMs are located there. This assessment area consists of 24 counties and is quite rural. There are no low-income geographies.

Housing needs are acute given the rise in employment trends. One of the most critical needs is to expand housing for the “working poor”, through creation and/or rehabilitation of affordable housing. Despite increases in housing production, rents and sale prices have skyrocketed throughout the state. Although 70% of Idaho households own their homes, rising home prices have made first time homeownership difficult to achieve.

FSB considers its primary competitors in Idaho to be Countrywide Homes, Norwest Mortgage, Washington Mutual Bank, and U.S. Bank, N. A.

As part of our evaluation, we considered information provided by representatives of various community organizations in the areas of affordable housing and small business. This information was received as part of our ongoing supervisory efforts. In summary, the information obtained was very complimentary of FSB. The comments received characterized FSB as a being a significant player in the community and active in small business assistance programs. The information also confirmed the bank’s analysis of the primary credit needs which include affordable housing, start-up capital for small businesses/farms, and affordable housing.

## State of Oregon Full-Scope Area

### Salem MSA

Demographic Information for Full-Scope Area: Salem MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	54	0	14.8	50.0	20.4	14.8
Population by Geography	278,024	0	10.0	70.4	19.6	0
Owner-Occupied Housing by Geography	64,574	0	7.0	71.2	21.8	0
Businesses by Geography	10,286	0	20.5	66.4	13.1	0
Farms by Geography	654	0	4.4	83.9	11.6	0
Family Distribution by Income Level	71,941	17.8	19.5	24.5	38.2	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	26,845	0	14.1	73.0	12.9	0
Median Family Income = \$31,452		Median Housing Value = \$59,993				
HUD Adjusted Median Family Income for 1998 = \$42,200		State Unemployment Rate June, 1999 = 5.5%				
Households Below the Poverty Level = 12.43%						

Source: 1990 Census and 1998 HUD updated MFI

FSB's presence in the Salem MSA is not significant relative to its nominal level of deposits received there, albeit it does have an 11% market share. Of the bank's branch and ATM network, 3% and 2% are located there respectively. Major financial institutions in the area include U.S. Bank, N. A., Key Bank, Washington Mutual, Pacific Continental, and Bank of America, N.A.

The AA consists of 54 census tracts, of which none are designated low-income. The state of Oregon itself has experienced consecutive years of growth in population and employment. The economy is performing well, although some of its rural parts are still suffering from the downsizing of the timber industry. The economy is in transition away from timber and agriculture to manufacturing, technology, services, and retail sales. Unemployment has been a significant problem due to the transition, but has been declining as the state has been able to attract businesses and diversify its economy. The electronics industry and relevant suppliers are the basis for Oregon's current economic prosperity. Many areas in the state are listed as distressed based on unemployment data.

The housing market is strong, but focused in upper-income markets. Affordable rental housing is generally scarce, and the rising economy has led to affordable owner-occupied housing concerns. This is especially true in many areas where students and migrant workers are prevalent.

Information provided by representatives of various community organizations in the areas of affordable housing and economic development was also considered. In summary, the information obtained confirmed the bank's analysis of the primary credit needs which include affordable housing, home improvement loans, and small business loans.



## State of Wyoming Full-Scope Area

### Wyoming Partial Non-MSA

Demographic Information for Full-Scope Area: Wyoming Partial Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	24	0	8.3	50.0	41.7	0
Population by Geography	70,153	0	1.5	46.0	52.5	0
Owner-Occupied Housing by Geography	17,111	0	1.7	46.5	51.8	0
Businesses by Geography	2,738	0	.7	55.1	44.2	0
Farms by Geography	61	0	6.6	59.0	34.4	0
Family Distribution by Income Level	17,908	14.4	14.3	22.1	49.2	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	5,130	0	2.5	54.4	43.1	0
Median Family Income = \$32,096						
HUD Adjusted Median Family Income for 1998 = \$41,900						
Households Below the Poverty Level = 9.1%						
				Median Housing Value = \$64,825		
				State Unemployment Rate June, 1999 = 4.6%		

Source: 1990 Census and 1998 HUD updated MFI

FSB has a limited presence in this AA when considering its deposit and branch distribution. The area accounts for only 2% its deposits and 3% of its branches. A comparable profile exists for the level of lending it has in the area.

Although FSB is the largest bank in the AA, there are major competitors, including local banks, statewide banks, and interstate banks. The only locations in the AA where FSB dominates is in upper Lincoln County and in Lyman. In the other market areas (Evanston, Green River, and Rock Springs), FSB is the second or third largest bank. Primary competitors include Community First National Bank, Rock Springs National Bank, North Side State Bank of Rock Springs and First National Bank of Evanston. Mortgage company competition includes Green Tree Financial, Countrywide Home Loans, and Norwest Mortgage.

The AA is in a rural environment in southwest Wyoming. FSB's branches are generally in the major population centers. There are no low-income geographies and minimal small businesses and/or small farms in moderate-income geographies.

Local governments have little exposure in partnering with banks to address community development needs. This combined with a relatively small population has left virtually no market for community development investment activity. Some communities have reportedly identified some community development needs and also have a housing authority to address affordable housing issues. FSB has been working with these communities on these initiatives.

## Content of Standardized Tables

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A separate set of tables is provided for each state and multistate metropolitan area. The tables cover the entire CRA evaluation period. 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: purchased loans are treated as originations; market rank is based on the number of loans made by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated by the bank as a percentage of the aggregate number of reportable loans originated by all lenders in the MSA/assessment area. The following is a listing and brief description of the tables included in each set:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated by the bank over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of HMDA Home Purchase Loan Originations** - Compares the percentage distribution of the number of loans originated 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 market rank and market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of HMDA Home Improvement Loan Originations**
- Table 4. Geographic Distribution of HMDA Refinance Loan Originations**
- Table 5. Geographic Distribution of Small Business Loan Originations** - The percentage distribution of the number of small loans (<\$1 million) to businesses originated by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Farm Loan Originations** - The percentage distribution of the number of small loans (<\$500,000) to farms originated 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. The table also presents market rank and market share information based on the most recent aggregate market data available.

- Table 7. Borrower Distribution of HMDA Home Purchase Loan Originations**  
 Compares the percentage distribution of the number of loans originated by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income level in each MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of HMDA Home Improvement Loan Originations**
- Table 9. Borrower Distribution of HMDA Refinance Loan Originations**
- Table 10. Borrower Distribution of Small Business Loan Originations** - Compares the percentage distribution of the number of small loans (<\$1 million) originated by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. The table also presents the percentage distribution of the number of loans originated by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 11. Borrower Distribution of Small Farm Loan Originations** - Compares the percentage distribution of the number of small loans (<\$500 thousand) originated by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. The table also presents the percentage distribution of the number of loans originated by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/assessment area.
- Table 13. Distribution of Branch and ATM Delivery System** - Compares the percentage distribution of the number of the banks retail branches and ATMs in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography.



## Appendix D: Tables of Performance Data

**Table 1a. Lending Volume**

LENDING VOLUME State: UTAH Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998												
MSA /Assessment Area	% of Total bank Deposits in Rated Area	Home Mortgage		Small Business		Small Farms		Community Development*		Total Reported Loans		% of Total reported Bank Loans in Rated Area
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full-Scope :												
Salt Lake-Ogden MSA	63	5,966	719,200	1,847	245,290	61	6,970	21	40,597	7,895	1,012,057	53
Utah Non-MSA	26	3,260	335,395	2,078	176,682	1,125	66,370	10	45,984	6,473	624,431	32
Limited-Scope :												
Provo-Orem MSA	11	1,936	216,109	673	72,196	70	4,758	2	2,350	2,681	295,413	15

\* Community Development Loans include all CD loans from the third quarter of 1996 through the first quarter of 1999.

**Table 1b. Lending Volume**

LENDING VOLUME State: IDAHO Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998												
MSA /Assessment Area	% of Total bank Deposits in Rated Area	Home Mortgage		Small Business		Small Farms		Community Development*		Total Reported Loans		% of Total reported Bank Loans in Rated Area
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full-Scope :												
Boise-Nampa MSA	31	2,579	262,679	1,299	159,423	199	24,221	2	582	4,079	446,905	24
Idaho Non-MSA	65	6,849	604,127	2,622	239,145	2,231	239,491	10	3,383	11,712	1,086,146	69
Limited-Scope :												
Pocatello MSA	4	996	77,513	132	11,959	19	1,538	4	945	1,151	91,955	7

\* Community Development Loans include all CD loans from the third quarter of 1996 through the first quarter of 1999.

**Table 1c. Lending Volume**

LENDING VOLUME State: OREGON Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998												
MSA /Assessment Area	% of Total bank Deposits in Rated Area	Home Mortgage		Small Business		Small Farms		Community Development*		Total Reported Loans		% of Total reported Bank Loans in Rated Area
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full-Scope :												
Salem MSA	68	472	47,261	212	31,387	11	1,029	1	130	696	79,807	60
Limited-Scope :												
Deschutes County	16	184	17,689	39	2,858	0	0	0	0	223	20,547	19
Washington County-Lake Oswego	6	95	12,825	27	2,389	3	60	1	3,000	126	18,274	11
Corvallis City	10	58	7,589	53	4,330	0	0	0	0	111	11,919	10

\* Community Development Loans include all CD loans from the third quarter of 1996 through the first quarter of 1999.

**Table 1d. Lending Volume**

LENDING VOLUME State: WYOMING Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998												
MSA /Assessment Area	% of Total bank Deposits in Rated Area	Home Mortgage		Small Business		Small Farms		Community Development*		Total Reported Loans		% of Total reported Bank Loans in Rated Area
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full-Scope :												
Wyoming Partial Non-MSA	100	924	73,086	323	23,347	114	5,138	3	625	1,364	102,196	100

\* Community Development Loans include all CD loans from the third quarter of 1996 through the first quarter of 1999.

**Table 2a. Geographic Distribution of HMDA Home Purchase Loan Originations**

Geographic Distribution: HOME PURCHASE State: UTAH Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Salt Lake-Ogden MSA	.8	2.0	14.9	20.7	59.1	59.0	25.1	18.3	6	3.5	6.7	4.8	3.3	2.8	2,551	59
Utah Non-MSA	1.3	0.0	14.7	9.7	67.2	61.1	16.8	28.0	4	6.9	0.0	7.1	7.7	5.2	1,117	26
<b>Limited-Scope :</b>																
Provo-Orem MSA	1.4	1.4	5.7	5.4	58.6	72.7	34.3	20.5	5	3.9	1.4	3.7	4.7	2.6	634	15

(\* ) Based on 1997 Aggregate HMDA Data only.

**Table 2b. Geographic Distribution of HMDA Home Purchase Loan Originations**

Geographic Distribution: HOME PURCHASE State: IDAHO Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Boise-Nampa MSA	1.1	0.3	15.1	8.3	55.5	65.6	28.4	25.8	8	3.9	2.4	3.2	3.9	4.4	1,270	25
Idaho Non-MSA	N/A	N/A	10.2	8.2	74.2	70.8	15.6	21.1	1	17.4	N/A	16.7	17.2	18.4	3,255	64
<b>Limited-Scope :</b>																
Pocatello MSA	N/A	N/A	14.7	16.0	64.8	58.1	20.5	25.9	2	21.1	N/A	18.6	21.4	22.1	525	11

(\* ) Based on 1997 Aggregate HMDA Data only.

**Table 2c. Geographic Distribution of HMDA Home Purchase Loan Originations**

Geographic Distribution: HOME PURCHASE State: OREGON Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Salem MSA	N/A	N/A	7.0	7.4	71.2	66.8	21.8	25.8	20	1.3	N/A	1.2	1.3	1.3	244	62
<b>Limited-Scope :</b>																
Deschutes County	N/A	N/A	5.8	3.3	49.9	54.4	44.4	42.2	20	1.1	N/A	0.6	1.5	0.8	90	23
Washington County-Lake Oswego	N/A	N/A	1.9	2.9	52.8	61.8	45.3	35.3	83	0.1	N/A	0.0	0.2	0.1	34	8
Corvallis City	N/A	N/A	4.5	3.7	45.1	44.4	50.3	51.9	36	0.3	N/A	0.0	0.7	0.0	27	7

(\*) Based on 1997 Aggregate HMDA Data only.

**Table 2d. Geographic Distribution of HMDA Home Purchase Loan Originations**

Geographic Distribution: HOME PURCHASE State: WYOMING Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Wyoming Partial Non-MSA	N/A	N/A	1.8	1.3	46.5	41.9	51.8	56.8	1	22.8	N/A	0.0	22.9	23.0	387	100

(\*) Based on 1997 Aggregate HMDA Data only.



**Table 3a. Geographic Distribution of Home Improvement Loan Originations**

Geographic Distribution: HOME IMPROVEMENT State: UTAH Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Salt Lake-Ogden MSA	0.8	0.0	14.9	19.4	59.1	61.3	25.1	19.4	44	0.3	0.0	0.0	0.4	0.2	31	46
Utah Non-MSA	1.3	0.0	14.7	20.7	67.2	69.0	16.8	10.3	6	2.7	N/A	3.2	2.9	1.2	29	43
<b>Limited-Scope :</b>																
Provo-Orem MSA	1.4	0.0	5.7	14.3	58.6	57.1	34.3	28.6	20	1.0	0.0	0.0	0.9	1.4	7	11

(\*). Based on 1997 Aggregate HMDA Data only.

**Table 3b. Geographic Distribution of Home Improvement Loan Originations**

Geographic Distribution: HOME IMPROVEMENT State: IDAHO Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Boise-Nampa MSA	1.1	0.3	15.1	15.8	55.5	56.1	28.4	27.7	2	10.5	3.8	14.6	10.5	9.0	303	50
Idaho Non-MSA	N/A	N/A	10.2	15.1	74.2	73.3	15.6	11.6	5	6.9	N/A	11.3	6.7	5.6	251	42
<b>Limited-Scope :</b>																
Pocatello MSA	N/A	N/A	14.7	14.6	64.8	66.7	20.5	18.8	2	17.3	N/A	10.0	19.5	14.3	48	8

(\*). Based on 1997 Aggregate HMDA Data only.

**Table 3c. Geographic Distribution of Home Improvement Loan Originations**

Geographic Distribution: HOME IMPROVEMENT State: OREGON Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
Full-Scope :																
Salem MSA	N/A	N/A	7.0	0.0	71.2	33.3	21.8	66.7	N/A	0.0	N/A	0.0	0.0	0.0	3	33
Limited-Scope :																
Deschutes County	N/A	N/A	5.8	0.0	49.9	60.0	44.4	40.0	13	0.5	N/A	0.0	0.9	0.0	5	56
Washington County-Lake Oswego	N/A	N/A	1.9	N/A	52.8	N/A	45.3	N/A	N/A	0.0	N/A	0.0	0.0	0.0	0	0
Corvallis City	N/A	N/A	4.5	0.0	45.1	100	50.3	0.0	10	0.8	N/A	0.0	1.6	0.0	1	11

(\* ) Based on 1997 Aggregate HMDA Data only.

**Table 3d. Geographic Distribution of Home Improvement Loan Originations**

Geographic Distribution: HOME IMPROVEMENT State: WYOMING Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
Full-Scope :																
Wyoming Partial MSA	N/A	N/A	1.8	0.0	46.5	50.0	51.8	50.0	N/A	0.0	N/A	0.0	0.0	0.0	4	100

(\* ) Based on 1997 Aggregate HMDA Data only.

**Table 4a. Geographic Distribution of Home Mortgage Refinance Loan Originations**

Geographic Distribution: REFINANCE State: UTAH Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
Full-Scope :																
Salt Lake-Ogden MSA	0.8	0.4	14.9	8.9	59.1	58.0	25.1	32.7	12	1.8	1.0	1.6	1.6	2.6	3,384	50
Utah Non-MSA	1.3	0.0	14.7	8.4	67.2	67.9	16.8	23.7	3	5.6	N/A	3.8	6.3	5.2	2,113	31
Limited-Scope :																
Provo-Orem MSA	1.4	0.7	5.7	2.2	58.6	68.5	34.3	28.6	6	3.3	1.5	3.2	3.6	2.9	1,295	19

(\* ) Based on 1997 Aggregate HMDA Data only.

**Table 4b. Geographic Distribution of Home Mortgage Refinance Loan Originations**

Geographic Distribution: REFINANCE State: IDAHO Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
Full-Scope :																
Boise-Nampa MSA	1.1	0.3	15.1	6.7	55.5	54.2	28.4	38.9	5	2.7	3.1	2.4	2.3	3.6	1,006	21
Idaho Non-MSA	N/A	N/A	10.2	7.6	74.2	68.8	15.6	23.6	2	8.5	N/A	9.6	7.9	10.5	3,343	70
Limited-Scope :																
Pocatello MSA	N/A	N/A	14.7	5.4	64.8	58.4	20.5	36.2	1	12.1	N/A	4.8	12.8	13.3	423	9

(\* ) Based on 1997 Aggregate HMDA Data only.

**Table 4c. Geographic Distribution of Home Mortgage Refinance Loan Originations**

Geographic Distribution: REFINANCE State: OREGON Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
Full-Scope :																
Salem MSA	N/A	N/A	7.0	4.0	71.2	72.3	21.8	23.7	32	1.0	N/A	0.6	1.1	0.8	224	57
Limited Scope:																
Deschutes County	N/A	N/A	5.8	1.1	49.9	48.3	44.4	50.6	23	1.1	N/A	0.0	0.7	1.5	89	22
Washington County-Lake Oswego	N/A	N/A	1.9	0.0	52.8	68.9	45.3	31.1	121	0.1	N/A	0.0	0.2	0.1	61	15
Corvallis City	N/A	N/A	4.5	16.0	45.1	56.0	50.3	28.0	16	1.3	N/A	2.9	1.7	0.4	25	6

(\*) Based on 1997 Aggregate HMDA Data only.

**Table 4d. Geographic Distribution of Home Mortgage Refinance Loan Originations**

Geographic Distribution: REFINANCE State: WYOMING Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
Full-Scope :																
Wyoming Partial Non-MSA	N/A	N/A	1.8	0.8	46.5	41.5	51.8	57.8	1	19.3	N/A	0.0	19.3	19.4	533	100

(\*) Based on 1997 Aggregate HMDA Data only.

**Table 5a. Geographic Distribution of Small Business Loan Originations**

Geographic Distribution: SMALL BUSINESS State: UTAH Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Bus.	% BANK Loans	% of Bus.	% BANK Loans	% of Bus.	% BANK Loans	% of Bus.	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Salt Lake-Ogden MSA	6.7	7.3	29.3	27.7	45.1	40.6	19.0	24.4	4	12.2	10.6	10.4	12.0	16.6	1,847	40
Utah Non-MSA	.1	0.1	15.6	13.9	67.1	67.1	17.2	18.9	1	30.9	50.0	31.1	30.2	30.6	2,078	45
<b>Limited-Scope :</b>																
Provo-Orem MSA	3.7	2.1	11.8	8.2	59.7	61.5	24.7	28.2	3	20.1	8.9	11.2	21.6	22.3	673	15

(\* ) Based on 1997 Aggregate Small Business Data only.

**Table 5b. Geographic Distribution of Small Business Loan Originations**

Geographic Distribution: SMALL BUSINESS State: IDAHO Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Bus.	% BANK Loans	% of Bus.	% BANK Loans	% of Bus.	% BANK Loans	% of Bus.	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Boise-Nampa MSA	11.5	12.5	15.4	12.7	55.7	57.7	17.4	17.2	3	15.6	17.4	14.4	15.0	17.6	1,299	32
Idaho Non-MSA	N/A	N/A	20.8	17.3	64.2	66.8	15.1	15.9	2	16.3	N/A	18.0	16.4	14.5	2,622	65
<b>Limited-Scope :</b>																
Pocatello MSA	N/A	N/A	36.4	39.4	55.1	51.5	8.5	9.1	3	11.8	N/A	12.5	12.1	9.2	132	3

(\* ) Based on 1997 Aggregate Small Business Data only.

**Table 5c. Geographic Distribution of Small Business Loan Originations**

Geographic Distribution: SMALL BUSINESS State: OREGON Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Bus.	% BANK Loans	% of Bus.	% BANK Loans	% of Bus.	% BANK Loans	% of Bus.	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Salem MSA	N/A	N/A	20.5	14.2	66.5	70.3	13.1	15.6	7	4.7	N/A	3.9	5.2	3.9	212	64
<b>Limited-Scope :</b>																
Deschutes County	N/A	N/A	2.2	0.0	66.7	41.0	31.1	59.0	8	1.4	N/A	0.0	0.9	2.4	39	12
Washington County-Lake Oswego	N/A	N/A	3.5	0.0	58.8	63.0	37.7	37.0	18	0.2	N/A	0.0	0.3	0.1	27	8
Corvallis City	N/A	N/A	29.3	34.0	50.6	35.8	20.2	30.2	5	10.2	N/A	11.5	8.6	12.3	53	16

(\* ) Based on 1997 Aggregate Small Business Data only.

**Table 5d. Geographic Distribution of Small Business Loan Originations**

Geographic Distribution: SMALL BUSINESS State: UTAH Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Bus.	% BANK Loans	% of Bus.	% BANK Loans	% of Bus.	% BANK Loans	% of Bus.	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Wyoming Partial Non-MSA	N/A	N/A	.7	0.3	55.0	62.8	44.3	36.8	1	42.8	N/A	10.0	44.6	41.7	323	100

(\* ) Based on 1997 Aggregate Small Business Data only.

**Table 6a. Geographic Distribution of Small Farm Loan Originations**

Geographic Distribution: SMALL FARM State: UTAH Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans	
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Salt Lake-Ogden MSA	3.5	0.0	15.8	8.5	60.0	57.6	20.7	33.9	2	29.4	0.0	14.3	33.3	32.5	59	5
Utah Non-MSA	0.0	0.0	17.7	16.7	67.1	78.1	15.2	5.2	1	45.8	N/A	33.5	46.8	57.3	1,115	90
<b>Limited-Scope :</b>																
Provo-Orem MSA	0.0	0.0	4.4	0.0	69.5	78.3	26.1	21.7	2	31.6	N/A	0.0	29.5	42.4	69	5

(\* ) Based on 1997 Aggregate Small Farm Data only.

**Table 6b. Geographic Distribution of Small Farm Loan Originations**

Geographic Distribution: SMALL FARM State: IDAHO Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans	
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Boise-Nampa MSA	2.5	0.5	23.0	16.2	60.2	78.8	14.3	4.5	2	14.6	0.0	6.1	19.8	10.0	198	8
Idaho Non-MSA	N/A	N/A	11.1	7.6	79.9	88.3	9.0	4.1	2	25.8	N/A	24.6	27.6	12.4	2,196	91
<b>Limited-Scope :</b>																
Pocatello MSA	N/A	N/A	19.2	0.0	65.4	68.4	15.4	31.6	2	21.2	N/A	0.0	18.9	36.4	19	1

(\* ) Based on 1997 Aggregate Small Farm Data only.

**Table 6c. Geographic Distribution of Small Farm Loan Originations**

Geographic Distribution: SMALL FARM State: OREGON Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans	
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Salem MSA	N/A	N/A	20.5	0.0	66.5	90.0	13.1	10.0	7	1.5	N/A	0.0	1.5	2.1	10	77
<b>Limited-Scope :</b>																
Deschutes County	N/A	N/A	2.2	N/A	66.7	N/A	31.1	N/A	N/A	0.0	N/A	0.0	0.0	0.0	0	0
Washington County-Lake Oswego	N/A	N/A	3.5	0.0	58.8	33.3	37.7	66.7	5	3.1	N/A	0.0	2.0	6.3	3	23
Corvallis City	N/A	N/A	29.3	N/A	50.6	N/A	20.2	N/A	N/A	0.0	N/A	0.0	0.0	0.0	0	0

(\*) Based on 1997 Aggregate Small Farm Data only.

**Table 6d. Geographic Distribution of Small Farm Loan Originations**

Geographic Distribution: SMALL FARM State: WYOMING Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans	
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Wyoming Partial Non-MSA	N/A	N/A	6.6	5.3	59.0	71.9	34.4	22.8	1	72.8	N/A	18.2	84.1	69.0	114	100

(\*) Based on 1997 Aggregate Small Farm Data only.



**Table 7a. Borrower Distribution of Home Purchase Loan Originations**

Borrower Distribution: HMDA HOME PURCHASE State: UTAH Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Purchase Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Salt Lake-Ogden MSA	16.6	10.0	19.6	28.5	26.6	29.3	37.2	32.2	6	3.5	7.5	4.9	3.7	4.1	2,551	59
Utah Non-MSA	18.7	5.4	18.9	24.1	24.4	31.3	38.0	39.2	3	6.8	7.1	10.1	7.7	7.3	1,117	26
<b>Limited-Scope :</b>																
Provo-Orem MSA	19.2	3.3	18.4	22.0	24.3	34.0	38.1	40.7	4	3.9	5.8	6.0	5.1	4.0	634	15

(\*) As a percentage of loans with borrower income information available. No information was available for 0.8% of loans originated by BANK.

(\*\*) Based on 1997 Aggregate HMDA Data only.

**Table 7b. Borrower Distribution of Home Purchase Loan Originations**

Borrower Distribution: HMDA HOME PURCHASE State: IDAHO Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Purchase Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Boise-Nampa MSA	16.8	9.9	19.7	24.0	24.3	23.9	39.2	42.1	7	3.9	4.0	3.5	3.8	6.9	1,270	25
Idaho Non-MSA	18.3	3.8	19.8	19.5	23.9	31.4	38.0	45.3	1	17.4	12.0	19.5	19.6	21.4	3,255	64
<b>Limited-Scope :</b>																
Pocatello MSA	19.9	7.0	17.5	27.0	25.4	28.0	37.3	37.9	2	21.1	14.5	24.8	22.3	22.5	525	11

(\*) As a percentage of loans with borrower income information available. No information was available for 0.5% of loans originated by BANK.

(\*\*) Based on 1997 Aggregate HMDA Data only.

**Table 7c. Borrower Distribution of Home Purchase Loan Originations**

Borrower Distribution: HMDA HOME PURCHASE State: OREGON Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Purchase Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Salem MSA	17.8	8.7	19.5	29.0	24.4	30.7	38.3	31.5	19	1.3	2.0	2.5	1.3	1.1	244	62
<b>Limited-Scope :</b>																
Deschutes County	14.8	12.2	16.8	26.7	23.8	25.6	44.5	35.6	17	1.1	4.9	3.1	1.7	0.5	90	23
Washington County-Lake Oswego	12.2	0.0	15.3	21.9	24.2	37.5	48.3	40.6	66	0.1	0.0	0.2	0.2	0.1	34	8
Corvallis City	14.1	3.7	14.3	7.4	20.0	29.6	51.6	59.3	29	0.3	0.0	1.9	0.0	0.4	27	7

(\*) As a percentage of loans with borrower income information available. No information was available for 1.3% of loans originated by BANK.

(\*\*) Based on 1997 Aggregate HMDA Data only.

**Table 7d. Borrower Distribution of Home Purchase Loan Originations**

Borrower Distribution: HMDA HOME PURCHASE State: WYOMING Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Purchase Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Wyoming Partial Non-MSA	14.4	4.2	14.3	27.8	22.1	34.3	49.3	33.8	1	22.8	13.9	28.9	25.9	25.2	387	100

(\*) As a percentage of loans with borrower income information available. No information was available for 0.5% of loans originated by BANK.

(\*\*) Based on 1997 Aggregate HMDA Data only.

**Table 8a. Borrower Distribution of Home Improvement Loan Originations**

Borrower Distribution: HMDA HOME IMPROVEMENT State: UTAH Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Improvement Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Salt Lake-Ogden MSA	16.6	13.3	19.6	30.0	26.6	36.7	37.2	20.0	44	0.3	0.6	0.3	0.5	0.1	31	46
Utah Non-MSA	18.7	6.9	18.9	31.0	24.4	31.0	38.0	31.0	6	2.7	2.6	4.5	3.6	1.6	29	43
<b>Limited-Scope :</b>																
Provo-Orem MSA	19.2	14.3	18.4	14.3	24.3	0.0	38.1	71.4	20	1.0	3.8	1.7	0.0	1.5	7	11

(\*) As a percentage of loans with borrower income information available. No information was available for 1.5% of loans originated by BANK.

(\*\*) Based on 1997 Aggregate HMDA Data only.

**Table 8b. Borrower Distribution of Home Improvement Loan Originations**

Borrower Distribution: HMDA HOME IMPROVEMENT State: IDAHO Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Improvement Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Boise-Nampa MSA	16.8	9.9	19.7	20.5	24.3	37.0	39.2	32.7	2	10.5	11.9	9.2	12.1	10.2	303	50
Idaho Non-MSA	18.3	12.0	19.8	15.6	23.9	27.2	37.9	45.2	5	6.9	13.2	6.1	6.3	6.8	251	42
<b>Limited-Scope :</b>																
Pocatello MSA	19.9	8.3	17.5	6.3	25.4	33.3	37.3	52.1	2	17.3	17.6	3.3	24.0	19.4	48	8

(\*) As a percentage of loans with borrower income information available. No information was available for 0.2% of loans originated by BANK.

(\*\*) Based on 1997 Aggregate HMDA Data only.

**Table 8c. Borrower Distribution of Home Improvement Loan Originations**

Borrower Distribution: HMDA HOME IMPROVEMENT State: OREGON Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Improvement Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Salem MSA	17.8	0.0	19.5	50.0	24.4	0.0	38.3	50.0	N/A	N/A	N/A	N/A	N/A	N/A	3	33
<b>Limited-Scope :</b>																
Deschutes County	14.8	0.0	16.8	0.0	23.8	0.0	44.5	100.0	13	0.5	0.0	0.0	0.0	0.8	5	56
Washington County-Lake Oswego	12.2	N/A	15.3	N/A	24.2	N/A	48.3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0
Corvallis City	14.1	0.0	14.3	0.0	20.0	0.0	51.6	100	10	0.8	0.0	0.0	0.0	1.2	1	11

(\*) As a percentage of loans with borrower income information available. No information was available for 11.1% of loans originated by BANK.

(\*\*) Based on 1997 Aggregate HMDA Data only.

The N/A applies to those instances where the bank made did not make any loans for the category.

**Table 8d. Borrower Distribution of Home Improvement Loan Originations**

Borrower Distribution: HMDA HOME IMPROVEMENT State: WYOMING Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Improvement Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Wyoming Partial Non-MSA	14.4	25.0	14.3	0.0	22.1	25.0	49.3	50.0	N/A	N/A	N/A	N/A	N/A	N/A	4	100

(\*) As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated by BANK.

(\*\*) Based on 1997 Aggregate HMDA Data only.

The N/A applies to those instances where the bank made did not make any loans for the category.

**Table 9a. Borrower Distribution of Home Mortgage Refinance Loan Originations**

Borrower Distribution: HMDA REFINANCE State: UTAH Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Salt Lake-Ogden MSA	16.6	6.5	19.6	18.0	26.6	29.1	37.2	46.4	12	1.8	2.6	1.8	2.0	2.8	3,384	50
Utah Non-MSA	18.7	4.1	18.9	13.4	24.4	28.5	38.0	54.0	3	5.6	7.3	7.4	6.0	6.7	2,113	31
<b>Limited-Scope :</b>																
Provo-Orem MSA	19.2	2.5	18.4	12.8	24.3	34.5	38.1	50.3	6	3.3	3.9	3.4	4.1	4.1	1,295	19

(\* ) As a percentage of loans with borrower income information available. No information was available for 1.3% of loans originated by BANK.

(\*\*) Based on 1997 Aggregate HMDA Data only.

**Table 9b. Borrower Distribution of Home Mortgage Refinance Loan Originations**

Borrower Distribution: HMDA REFINANCE State: IDAHO Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Boise-Nampa MSA	16.8	5.8	19.7	15.8	24.3	21.9	39.2	56.5	5	2.7	2.4	1.9	2.7	4.5	1,006	21
Idaho Non-MSA	18.3	2.5	19.8	11.6	23.9	24.5	37.9	61.3	2	8.5	5.8	7.3	9.0	11.1	3,343	70
<b>Limited-Scope :</b>																
Pocatello MSA	19.9	4.5	17.5	9.7	25.4	25.8	37.3	60.0	1	12.1	15.3	8.8	14.0	15.6	423	9

(\* ) As a percentage of loans with borrower income information available. No information was available for 1.2% of loans originated by BANK.

(\*\*) Based on 1997 Aggregate HMDA Data only.

**Table 9c. Borrower Distribution of Home Mortgage Refinance Loan Originations**

Borrower Distribution: HMDA REFINANCE State: OREGON Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Salem MSA	17.8	4.9	19.5	19.3	24.4	26.9	38.3	48.9	32	1.0	1.7	1.5	0.8	1.1	224	57
<b>Limited-Scope :</b>																
Deschutes County	14.8	5.7	16.8	25.0	23.8	20.5	44.5	48.9	23	1.1	0.0	2.5	1.4	1.1	89	22
Washington County-Lake Oswego	12.2	5.0	15.3	15.0	24.2	26.7	48.3	53.5	121	0.1	0.7	0.2	0.1	0.1	61	15
Corvallis City	14.1	0.0	14.3	16.0	20.0	24.0	51.6	60.0	16	1.3	0.0	0.0	3.9	1.0	25	6

(\*) As a percentage of loans with borrower income information available. No information was available for 0.8% of loans originated by BANK.

(\*\*) Based on 1997 Aggregate HMDA Data only.

**Table 9c. Borrower Distribution of Home Mortgage Refinance Loan Originations**

Borrower Distribution: HMDA REFINANCE State: WYOMING Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998																
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upper	#	% of Total
<b>Full-Scope :</b>																
Wyoming Partial Non-MSA	14.4	2.3	14.3	10.9	22.1	31.5	49.3	55.3	1	19.3	26.7	26.2	18.6	25.4	533	100

(\*) As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated by BANK.

(\*\*) Based on 1997 Aggregate HMDA Data only.

**Table 10a. Borrower Distribution of Small Business Loan Originations**

Borrower Distribution: SMALL BUSINESS State: UTAH Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998											
MSA /Assessment Area	Business with Revenues of \$1 million or less			Loans by Original Amount regardless of Business Size			Market Share****		Total Small Business Loans		
	% of Businesses*	% BANK Loans**	% Market Loans***	\$100,000 or Less	>\$100,00 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size
<b>Full-Scope :</b>											
Salt Lake-Ogden MSA	88.1	74.2	30.9	65.3	19.7	15.0	12.2	24.8	1,847	40	133
Utah Non-MSA	91.6	86.5	40.7	79.8	12.4	7.7	30.9	48.6	2,078	45	85
<b>Limited-Scope :</b>											
Provo-Orem MSA	89.2	80.5	35.6	70.3	18.6	11.1	20.1	36.0	673	15	107

(\*) As a percentage of businesses with known revenues.

(\*\*) As a percentage of loans with revenue information available. No information was available for 0.9% of loans originated by BANK.

(\*\*\*) The market consists of all other Small Business reporters in BANK's assessment area and is based on 1997 Aggregate Small Business Data only.

(\*\*\*\*) Based on 1997 Aggregate Small Business Data only.

**Table 10b. Borrower Distribution of Small Business Loan Originations**

Borrower Distribution: SMALL BUSINESS State: IDAHO Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998											
MSA /Assessment Area	Business with Revenues of \$1 million or less			Loans by Original Amount regardless of Business Size			Market Share****		Total Small Business Loans		
	% of Businesses*	% BANK Loans**	% Market Loans***	\$100,000 or Less	>\$100,00 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size
<b>Full-Scope :</b>											
Boise-Nampa MSA	89.9	74.5	49.9	67.4	19.2	13.4	15.6	21.8	1,299	32	123
Idaho Non-MSA	91.8	83.3	54.8	76.5	15.3	8.2	16.3	22.7	2,622	65	91
<b>Limited-Scope :</b>											
Pocatello MSA	89.7	77.3	37.4	78.0	11.4	10.6	11.8	22.1	132	3	91

(\*) As a percentage of businesses with known revenues.

(\*\*) As a percentage of loans with revenue information available. No information was available for 0.3% of loans originated by BANK.

(\*\*\*) The market consists of all other Small Business reporters in BANK's assessment area and is based on 1997 Aggregate Small Business Data only.

(\*\*\*\*) Based on 1997 Aggregate Small Business Data only.



**Table 10c. Borrower Distribution of Small Business Loan Originations**

Borrower Distribution: SMALL BUSINESS State: OREGON Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998											
MSA /Assessment Area	Business with Revenues of \$1 million or less			Loans by Original Amount regardless of Business Size			Market Share****		Total Small Business Loans		
	% of Businesses*	% BANK Loans**	% Market Loans***	\$100,000 or Less	>\$100,00 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size
Full-Scope :											
Salem MSA	90.3	79.2	50.0	59.9	25.5	14.6	4.7	7.4	212	64	148
Limited-Scope :											
Deschutes County	91.2	89.7	39.1	79.5	15.4	5.1	1.4	3.0	39	12	73
Washington County-Lake Oswego	86.1	96.3	44.3	85.2	7.4	7.4	0.2	0.5	27	8	88
Corvallis City	92.3	88.7	38.9	73.6	22.6	3.8	10.2	20.1	53	16	82

(\*) As a percentage of businesses with known revenues.

(\*\*) As a percentage of loans with revenue information available. No information was available for 0.0% of loans originated by BANK.

(\*\*\*) The market consists of all other Small Business reporters in BANK's assessment area and is based on 1997 Aggregate Small Business Data only.

(\*\*\*\*) Based on 1997 Aggregate Small Business Data only.

**Table 10d. Borrower Distribution of Small Business Loan Originations**

Borrower Distribution: SMALL BUSINESS State: WYOMING Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998											
MSA /Assessment Area	Business with Revenues of \$1 million or less			Loans by Original Amount regardless of Business Size			Market Share****		Total Small Business Loans		
	% of Businesses*	% BANK Loans**	% Market Loans***	\$100,000 or Less	>\$100,00 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size
Full-Scope :											
Wyoming Partial Non-MSA	92.3	86.3	60.8	85.1	9.6	5.3	42.8	51.5	323	100	72

(\*) As a percentage of businesses with known revenues.

(\*\*) As a percentage of loans with revenue information available. No information was available for 0.3% of loans originated by BANK.

(\*\*\*) The market consists of all other Small Business reporters in BANK's assessment area and is based on 1997 Aggregate Small Business Data only.

(\*\*\*\*) Based on 1997 Aggregate Small Business Data only.

**Table 11a. Borrower Distribution of Small Farm Loan Originations**

Borrower Distribution: SMALL FARM State: UTAH Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998											
MSA /Assessment Area	Farm with Revenues of \$1 million or less			Loans by Original Amount regardless of Farm Size			Market Share****		Total Small Farm Loans		
	% of Farms*	% BANK Loans**	% Market Loans***	\$100,000 or Less	>\$100,00 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size
<b>Full-Scope :</b>											
Salt Lake-Ogden MSA	96.7	93.2	61.9	66.1	23.7	10.2	29.4	38.1	59	5	97
Utah Non-MSA	97.3	96.2	79.2	87.3	9.3	3.4	45.8	50.1	1,115	90	53
<b>Limited-Scope :</b>											
Provo-Orem MSA	94.9	94.1	80.7	79.7	17.4	2.9	31.6	34.2	69	5	60

(\*) As a percentage of Farms with known revenues.

(\*\*) As a percentage of loans with revenue information available. No information was available for 1.2% of loans originated by BANK.

(\*\*\*) The market consists of all other Small Farm reporters in BANK's assessment area and is based on 1997 Aggregate Small Farm Data only.

(\*\*\*\*) Based on 1997 Aggregate Small Farm Data only.

Table 11b. Borrower Distribution of Small Farm Loan Originations

Borrower Distribution: SMALL FARM State: IDAHO Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998											
MSA /Assessment Area	Farm with Revenues of \$1 million or less			Loans by Original Amount regardless of Farm Size			Market Share****		Total Small Farm Loans		
	% of Farms*	% BANK Loans**	% Market Loans***	\$100,000 or Less	>\$100,00 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size
Full-Scope :											
Boise-Nampa MSA	92.3	92.4	86.9	56.6	29.3	14.1	14.6	15.6	198	8	118
Idaho Non-MSA	92.5	94.6	87.9	69.6	18.6	11.8	25.8	27.2	2,196	91	62
Limited-Scope :											
Pocatello MSA	98.0	94.7	92.7	73.7	15.8	10.5	21.2	20.8	19	1	81

(\*) As a percentage of Farms with known revenues.

(\*\*) As a percentage of loans with revenue information available. No information was available for 0.1% of loans originated by BANK.

(\*\*\*) The market consists of all other Small Farm reporters in BANK's assessment area and is based on 1997 Aggregate Small Farm Data only.

(\*\*\*\*) Based on 1997 Aggregate Small Farm Data only.

**Table 11c. Borrower Distribution of Small Farm Loan Originations**

Borrower Distribution: SMALL FARM State: OREGON Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998											
MSA /Assessment Area	Farm with Revenues of \$1 million or less			Loans by Original Amount regardless of Farm Size			Market Share****		Total Small Farm Loans		
	% of Farms*	% BANK Loans**	% Market Loans***	\$100,000 or Less	>\$100,00 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size
<b>Full-Scope :</b>											
Salem MSA	89.7	90.0	70.8	100.0	0.0	0.0	1.5	1.9	10	77	39
<b>Limited-Scope :</b>											
Deschutes County	99.0	N/A	100.0	N/A	N/A	N/A	0.0	0.0	0	0	N/A
Washington County-Lake Oswego	94.0	100.0	52.4	100.0	0.0	0.0	3.1	5.7	3	23	20
Corvallis City	93.5	N/A	57.7	N/A	N/A	N/A	0.0	0.0	0	0	N/A

(\*) As a percentage of Farms with known revenues.

(\*\*) As a percentage of loans with revenue information available. No information was available for 0.0% of loans originated by BANK.

(\*\*\*) The market consists of all other Small Farm reporters in BANK’s assessment area and is based on 1997 Aggregate Small Farm Data only.

(\*\*\*\*) Based on 1997 Aggregate Small Farm Data only.

**Table 11d. Borrower Distribution of Small Farm Loan Originations**

Borrower Distribution: SMALL FARM State: WYOMING Evaluation Period: JANUARY 1, 1997 to DECEMBER 31, 1998											
MSA /Assessment Area	Farm with Revenues of \$1 million or less			Loans by Original Amount regardless of Farm Size			Market Share****		Total Small Farm Loans		
	% of Farms*	% BANK Loans**	% Market Loans***	\$100,000 or Less	>\$100,00 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size
<b>Full-Scope :</b>											
Wyoming Partial Non-MSA	98.2	95.5	85.7	89.5	10.5	0.0	72.8	73.6	114	100	45

(\*) As a percentage of Farms with known revenues.

(\*\*) As a percentage of loans with revenue information available. No information was available for 2.6% of loans originated by BANK.

(\*\*\*) The market consists of all other Small Farm reporters in BANK’s assessment area and is based on 1997 Aggregate Small Farm Data only.

(\*\*\*\*) Based on 1997 Aggregate Small Farm Data only.

**Table 12a. Qualified Investments**

QUALIFIED INVESTMENTS State: UTAH Evaluation Period: JULY 1, 1996 to MAY 1, 1999									
MSA /Assessment Area	Prior Period Investments*			Current Period Investments			Total Investments		
	#	\$ (000's)	%**	#	\$ (000's)	%**	#	\$ (000's)	% of Total \$'s
Full-Scope :									
Salt Lake-Ogden MSA	13	6596	45%	42	8101	55%	55	14697	64%
Utah Non-MSA	2	1529	24%	8	4855	76%	10	6384	28%
Limited-Scope :									
Provo-Orem MSA	3	728	98	4	16	2%	7	743	3%
Statewide:	0	0	0%	12	1039	100%	12	1039	5%

(\*) "Prior Period Investments" means investments made in a previous evaluation period that remain outstanding.

(\*\*) Percentage of the dollars invested in that MSA/Assessment Area that are prior period investments or current period investments.

**Table 12b. Qualified Investments**

QUALIFIED INVESTMENTS State: IDAHO Evaluation Period: JULY 1, 1996 to MAY 1, 1999									
MSA /Assessment Area	Prior Period Investments*			Current Period Investments			Total Investments		
	#	\$ (000's)	%**	#	\$ (000's)	%**	#	\$ (000's)	% of Total \$'s
Full-Scope :									
Boise-Nampa MSA	1	606	93%	8	46	7%	9	652	1%
Idaho Non-MSA	4	3992	69%	3	1755	31%	7	5748	35%
Limited-Scope :									
Pocatello MSA	1	364	10%	4	3151	90%	5	3515	63%
Statewide:	0	0	0%	3	226	100%	3	226	5%

(\*) "Prior Period Investments" means investments made in a previous evaluation period that remain outstanding.

(\*\*) Percentage of the dollars invested in that MSA/Assessment Area that are prior period investments or current period investments.

**Table 12c. Qualified Investments**

QUALIFIED INVESTMENTS State: OREGON Evaluation Period: JULY 1, 1996 to MAY 1, 1999									
MSA /Assessment Area	Prior Period Investments*			Current Period Investments			Total Investments		
	#	\$ (000's)	%**	#	\$ (000's)	%**	#	\$ (000's)	% of Total \$'s
Full-Scope :									
Salem MSA	0	0	0%	20	801	100%	20	801	99.5%
Limited-Scope :									
Washington County - Lake Oswego	0	0	0%	2	1.5	100%	2	1.5	.1%
Deschutes County	0	0	0%	1	.5	100%	1	.5	NA
Corvallis City	0	0	0%	3	2	100%	3	2	.2%

(\*) "Prior Period Investments" means investments made in a previous evaluation period that remain outstanding.

(\*\*) Percentage of the dollars invested in that MSA/Assessment Area that are prior period investments or current period investments.

**Table 12d. Qualified Investments**

QUALIFIED INVESTMENTS State: WYOMING Evaluation Period: JULY 1, 1996 to MAY 1, 1999									
MSA /Assessment Area	Prior Period Investments*			Current Period Investments			Total Investments		
	#	\$ (000's)	%**	#	\$ (000's)	%**	#	\$ (000's)	% of Total \$'s
Full-Scope :									
Wyoming Partial Non-MSA	0	0	0%	4	6	100%	4	6	100%

(\*) "Prior Period Investments" means investments made in a previous evaluation period that remain outstanding.

(\*\*) Percentage of the dollars invested in that MSA/Assessment Area that are prior period investments or current period investments.

**Table 13a. Distribution of Branch and ATM Delivery System**

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM State: UTAH Evaluation Period: JULY 1, 1996 to May 3, 1999																	
MSA /Assessment Area	Deposits	Branches						ATMs						Population			
	% of Total BANK Deposit	# of BANK Branches	% of Total BANK Branches	% Location of Branches by Income of Geographies				# of BANK ATMs	% of Total BANK ATMs	% Location of ATMs by Income of Geographies				% of the Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full-Scope :</b>																	
Salt Lake-Ogden MSA	36.6	74	30	4	19	53	24	144	34	10	20	51	19	2	18	57	23
Utah Non-MSA	14.8	45	18	0	24	62	13	91	22	0	16	67	16	1	15	68	16
<b>Limited-Scope :</b>																	
Provo-Orem MSA	6.2	20	8	5	15	65	15	49	12	10	10	57	22	11	8	52	29

**Table 13b. Distribution of Branch and ATM Delivery System**

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM State: IDAHO Evaluation Period: JULY 1, 1996 to May 3, 1999																	
MSA /Assessment Area	Deposits	Branches						ATMs						Population			
	% of Total BANK Deposits	# of BANK Branches	% of Total BANK Branches	% Location of Branches by Income of Geographies				# of BANK ATMs	% of Total BANK ATMs	% Location of ATMs by Income of Geographies				% of the Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full-Scope :</b>																	
Boise-Nampa MSA	11.0	22	9	14	18	50	18	29	7	7	17	55	21	2	17	54	26
Idaho Non-MSA	22.6	62	25	0	24	63	13	70	17	0	27	61	11	0	12	52	15
<b>Limited-Scope :</b>																	
Pocatello MSA	1.5	4	2	0	75	25	0	7	2	0	43	57	0	0	16	64	19

**Table 13c. Distribution of Branch and ATM Delivery System**

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM State: OREGON Evaluation Period: JULY 1, 1996 to May 3, 1999																	
MSA /Assessment Area	Deposits	Branches						ATMs						Population			
	% of Total BANK Deposits	# of BANK Branches	% of Total BANK Branches	% Location of Branches by Income of Geographies				# of BANK ATMs	% of Total BANK ATMs	% Location of ATMs by Income of Geographies				% of the Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope :																	
Salem MSA	3.5	7	3	0	14	86	0	10	2	0	20	80	0	0	10	70	20
Limited-Scope :																	
Washington County-Lake Oswego	0.3	2	1	0	0	50	50	2	0	0	0	50	50	0	3	56	41
Deschutes County	0.8	3	1	0	0	100	0	4	1	0	0	75	25	0	5	52	43
Corvallis City	0.5	2	1	0	50	0	50	2	0	0	50	0	50	0	16	50	34

**Table 13d. Distribution of Branch and ATM Delivery System**

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM State: WYOMING Evaluation Period: JULY 1, 1996 to May 3, 1999																	
MSA /Assessment Area	Deposits	Branches						ATMs						Population			
	% of Total BANK Deposits	# of BANK Branches	% of Total BANK Branches	% Location of Branches by Income of Geographies				# of BANK ATMs	% of Total BANK ATMs	% Location of ATMs by Income of Geographies				% of the Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope :																	
Wyoming Partial Non-MSA	2.2	8	3	0	0	63	37	13	3	0	8	54	38	0	1	46	52