



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **Public Disclosure**

October 2, 2006

# **Community Reinvestment Act Performance Evaluation**

**Zions First National Bank  
Charter Number: 4341**

**One South Main Street  
Salt Lake City, Utah 84111**

**Office of the Comptroller of the Currency  
Large Bank Supervision  
250 E Street, SW, Mail Stop 6-1  
Washington, DC 20219-0001**

**NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

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## Overall CRA Rating

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

The following table indicates the performance level of **Zions First National Bank** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Zions First National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		√	√
High Satisfactory	√		
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- Zions First National Bank has demonstrated excellent responsiveness to credit needs in its assessment areas. The bank’s geographic distribution of loans in the state of Utah is good, while overall geographic distribution performance in the state of Idaho is poor. The distribution of loans by borrower income is adequate in both states.
- Zions First National Bank originated an excellent level of CD loans, which has a positive impact on the bank’s overall Lending Test performance.
- Zions First National Bank originated an excellent volume of qualified investments in the evaluation period. Through those investments, the bank demonstrated excellent responsiveness to the identified investment needs of its communities, particularly in the areas of economic development and affordable housing for low- and moderate-income individuals.
- Zions First National Bank’s service delivery systems, including branches and automated teller machines, are readily accessible to geographies and individuals of different income levels. The bank has provided a high level of CD services to low- and moderate-income families in the state of Utah, and an adequate level in the state of Idaho.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet 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.

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

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

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that 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 the race, gender, and the income of applications, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement, and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

**Median Family Income (MFI):** The median income determined by the U.S. 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 Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division (MD):** As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an

employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

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

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

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

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

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

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

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

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

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

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

## Description of Institution

Zions First National Bank (“ZFNB” or “bank”) is an interstate banking subsidiary of Zions Bancorporation (“ZB”), both of which are headquartered in Salt Lake City, Utah. ZB is a multi-bank holding company with over \$40 billion in assets and seven other banking subsidiaries. ZB conducts business in the states of Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Texas, Utah, and Washington.

ZFNB is a full-service financial institution that offers various banking, trust, investment, leasing, mortgage, and cash management products and services to commercial enterprises and individual customers. As of the evaluation date, ZFNB operates 135 branches and has Automated Teller Machines (“ATM”) in 164 locations in the states of Utah and Idaho. The bank’s primary market continues to be Utah, where the vast majority its deposits, branch offices, and ATMs are located, and where most of its lending activity occurs. As of June 30, 2006, ZFNB’s assets totaled \$13.6 billion, 68% of which were in net loans and leases. Tier 1 Capital was \$900 million.

While ZFNB is a full service bank offering a wide variety of commercial and consumer products and services, its primary focus is on lending to businesses of all sizes. In 2005, ZFNB ranked as Utah’s top Small Business Administration Lender for the 12th consecutive year. ZFNB also ranked first in Idaho’s Boise District for the fourth consecutive year.

ZFNB’s CRA strategy includes a committee structure to help manage its efforts. It includes involvement by bank management at various levels through three committees. One committee membership includes non-bank individuals representing various ethnic/community backgrounds to gain a perspective on community affairs and needs. A second committee consists of bank managers and officers from various areas of the bank to assist the CRA unit in utilizing the bank’s resources, products, and services to spark projects for the community. A third committee consists of executive bank management, including several Board members. This body is focused on the bank’s overall progress and direction in addressing community needs.

Competition in ZFNB’s home state is very heavy. There are a number of large banks, industrial loan corporations, and credit unions headquartered out of state, but competing for business in the Salt Lake City MSA. These entities all vie for CD opportunities. There are no known legal, financial, or other factors impeding the bank’s ability to help meet credit needs in the communities it serves.

The last evaluation of ZFNB’s CRA performance was dated December 29, 2003, in which the bank was rated “Outstanding.” No material changes have occurred, e.g., mergers or acquisitions, since that previous evaluation that would affect ZFNB’s CRA performance in this evaluation period. ZFNB did not request consideration of any affiliate activities in relation to this CRA evaluation.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

We evaluated ZFNB's CRA performance using Large Bank Tests in the CRA regulation. For the Lending Test, we considered ZFNB's Home Mortgage Disclosure Act (HMDA) loans and CRA data (small loans to businesses) for the period of January 1, 2003, to December 31, 2005. Market comparisons were based on 2005 HMDA peer data and 2005 CRA peer data because these were the most current years available at the time of our evaluation. The evaluation period for CD loans, CD services, and qualified investments is December 30, 2003 (prior CRA evaluation), to October 2, 2006. The branch and automated teller machine (ATM) information covers the period from January 1, 2004, through October 2, 2006. Table 1a in Appendix D of this evaluation contains HMDA and CRA data for 2003, 2004, and 2005, and all CD lending for the evaluation period. Table 1 and Tables 2 through 12 contain only 2004 and 2005 data because of census tract and MSA changes that occurred during the evaluation period. Nonetheless, our analysis included 2003, 2004, and 2005 reported data and when performance significantly differed from one year to the next, it is discussed in the narrative comments of this evaluation.

### Data Integrity

Examiners performed a data integrity examination during February 2006 to determine the accuracy of the bank's home mortgage lending data that is required to be publicly reported pursuant to the Home Mortgage Disclosure Act (HMDA). We also reviewed small business lending and CD activities. We relied primarily on the internal audit reviews of the home mortgage and small business lending data that were performed for the previous three years. The lending data was determined to be substantially accurate for use in this evaluation. For CD activities, we selected a sample of transactions for review to ensure each activity has CD as its primary purpose. Some items submitted by the bank for consideration were excluded as they were not primarily CD.

### Selection of Areas for Full-Scope Review

ZFNB has numerous assessment areas (AA) in the states of Idaho and Utah. Examiners selected a representative sample of AAs in each state for full-scope reviews. In the state of Idaho, the two full-scope AAs selected for review were the Boise City MSA and Idaho Falls MSA. In the state of Utah, three full-scope AAs were selected for full reviews, which included the Ogden-Clearfield MSA, Provo-Orem MSA, and Salt Lake City MSA. These full-scope AAs are the bank's largest single AAs by deposits and loans. For purposes of this evaluation, we combined all of the bank's non-MSA AAs in each respective state into one AA for the state. The combination of AAs appears as if the AA's loan and deposit volumes are significant. Refer to the "Scope" section under each state rating for details regarding how the areas were selected and why they are representative.

## Ratings

The overall Lending, Investment, and Service Test ratings are based primarily on conclusions drawn on the AAs that received full-scope reviews, but were also influenced by performance in limited-scope areas. When determining the Lending Test conclusions by AA, ZFNB's small loans to businesses were weighted more heavily than HMDA reported lending based on volume and the bank's strategic focus. Small farm loans are so few in number that little weight is given in this evaluation. Within the bank's HMDA lending, home purchase, home improvement, and mortgage refinance lending is also weighed based on volume. Geographic and borrower distribution of HMDA and small business and small farm loans are weighed equally and have the most impact on AA Lending Test conclusions. Qualitative factors such as complexity, innovation, responsiveness, and flexible lending programs are given consideration.

CD lending is considered a neutral or positive impact to overall Lending Test ratings, based on volume, complexity, and community impact of the transactions.

The term "allocated Tier 1 Capital" is used to describe the portion of capital that is equal to the portion of deposits a specific AA represents in relation to total bank deposits. It is used only as a reference. The term is used in relation to ZFNB's CD lending and qualified investments.

The Service Test analysis focuses on ZFNB's distribution of branches by income level of the geography. However, there were instances where a branch located in a middle- or upper-income census tract was actually right on or near the border with a low- or moderate-income tract. Accordingly, our analysis considered the benefit these "bordering branches" provided to their respective communities. Changes in branch locations and CD services received a lesser amount of weight to overall conclusions. CD services, if significant, can have a positive impact on overall Service Test ratings.

The bank's overall rating is based on the weighted ratings for each state it operates in. Performance in the state of Utah was weighed the heaviest in arriving at the bank's overall rating. The state of Utah accounts for 94% of the bank's deposit base. The state of Idaho accounts for the remaining 6%.

Refer to the "Scope" section under each state rating for further details regarding how the areas were weighted in arriving at the overall state rating.

## Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## State Rating

### State of Utah

#### CRA Rating for Utah: “Outstanding”

The Lending Test is rated: “High Satisfactory”

The Investment Test is rated: “Outstanding”

The Service Test is rated: “Outstanding”

The major factors that support this rating include:

- ZFNB originated/purchased an excellent level of home mortgage, small business, small farm, and CD loans within the state of Utah.
- The geographic distribution of ZFNB’s loans is good and the distribution of loans by borrower income is adequate. CD lending in the state is excellent, which positively impacted the bank’s overall Lending Test rating.
- ZFNB’s CD investment volume in the state of Utah is excellent, which primarily addresses the affordable housing needs of individuals and families.
- ZFNB’s service delivery systems, including branches and automated teller machines, are readily accessible to geographies and individuals of different income levels. The bank provides a high level of CD services to its communities.

### Description of Institution’s Operations in Utah

ZFNB’s primary market is the state of Utah. ZFNB is the fifth largest depository financial institution operating in the state. As of the bank’s June 30, 2006 Report of Condition and Income, as published by the Federal Deposit Insurance Corporation (FDIC), ZFNB maintained \$8.4 billion in deposits in the state of Utah. As of the evaluation date, ZFNB operated 112 branches and 140 ATMs. These deposits represent 94% of the bank’s total deposits. ZFNB competes for deposits with 82 depository financial institutions. The two largest financial institutions serving the state are Merrill Lynch Bank, USA with \$52.3 billion in deposits (36.53% market share), followed by UBS Bank, USA with \$16.0 billion in deposits (11.19% market share). ZFNB has 5.85% of the state’s deposit base. In contrast to ZFNB’s retail branch network, each of the two largest depository financial institutions receives deposits from customers throughout the nation, yet operates from a single branch. ZFNB also competes with a number of state-chartered Industrial Banks (“IB”), which are subject to the same regulatory oversight as state-chartered commercial banks. IBs make consumer and commercial loans and accept federally insured deposits. Demand deposits are not permitted if the IB has assets totaling more than \$100 million. Some very large and well-known corporations have established IBs, including the state’s two largest depository financial institutions. Because IBs are evaluated only on their CD activities, competition for available CD projects is fierce.

Refer to the Market Profiles for the state of Utah in Appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

## Scope of Evaluation in Utah

We performed full-scope reviews of the Ogden-Clearfield MSA, Provo-Orem MSA, and Salt Lake City MSA AAs. Within the state of Utah, the Salt Lake City MSA AA is the most significant AA. This AA comprises 64% of ZFNB's statewide deposits and 34% of its home mortgage, small business, and small farm loans. As a result, we gave the Salt Lake City MSA AA the most weight in arriving at the overall ratings for the state of Utah.

In arriving at our conclusions for the Lending Test, we placed more weight on ZFNB's lending to small businesses as described in the "Ratings" section. Commercial lending is ZFNB's primary lending focus. Small business lending is also one of the major credit needs in the AAs as confirmed through our discussions with community organizations. Due to the low volume of small loans to farms, we placed the least weight on this product. Secondary emphasis was placed on home mortgage lending. Within home mortgage lending, we placed more weight on home refinance lending, followed by home purchase lending, and home improvement lending. Home mortgage lending is another credit need identified in the AAs. Most of the bank's home mortgage loans during the period were for home refinance purposes. As mortgage rates fell to all-time lows, more homeowners refinanced their existing mortgages than purchased new homes. The bank's home refinance mortgage product is targeted to middle- and upper-income borrowers. Given its 10 to 15 year amortization period, the product generally has higher payments than other mortgage products making it more difficult for low- and moderate-income individuals to afford. The number of loans for multifamily properties were too insignificant to provide any meaningful analyses, and therefore were not considered in our analyses.

During 2004, ZFNB created a revolving loan fund with Salt Lake City to attract new small businesses in the downtown area. As shop patrons began frequenting stores located in the newer Gateway shopping district and suburban locations during the late 1990s and early 2000s, the downtown area declined. The Main Street Corridor between South Temple and 900 South was the hardest hit area. Many of the businesses that left the area continued to pay their leases on the empty storefronts. As a result, building owners were discouraged from looking for new tenants to fill those spaces and the area continued to decline. ZFNB will forgive half of the total business loan for businesses that locate on the Main Street Corridor and remain there for at least five years.

We met with nine local community organizations to help identify the various credit needs within the bank's AAs. These organizations included local housing agencies, CD departments, and small business development corporations. According to these contacts, affordable housing, particularly for the homeless, is the primary need, followed by small business training and development.

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

ZFNB's performance under the Lending Test in Utah is rated "High Satisfactory." Based on full-scope reviews, the bank's performance in the Salt Lake City MSA is good, in the Ogden-Clearfield MSA it is good, and in the Provo-Orem MSA it is good.

## Lending Activity

Refer to Tables 1 and 1a Lending Volume in the state of Utah section of Appendix D for the facts and data used to evaluate the bank's lending activity.

The bank's overall lending activity in the state of Utah is excellent. During the evaluation period, ZFNB originated more than 13,000 home mortgage loans totaling \$1.8 billion and nearly 17,000 loans to small businesses also totaling \$1.8 billion.

### *Salt Lake City MSA*

ZFNB's lending activity in the Salt Lake City MSA AA is excellent, considering the competition for reportable home mortgage loans and small loans to businesses. In the Salt Lake City MSA AA, ZFNB originated/purchased 10,794 home mortgage, small business, small farm, and CD loans during the evaluation period totaling \$1.43 billion. Small loans to businesses accounted for 67% of the total volume and 54% of the dollars. Home mortgage lending, at 33% of total volume, accounted for the bulk of the remaining loans. The volume of small loans to farms represented less than 1% of the total volume.

In home mortgage lending in 2005, ZFNB ranks 29<sup>th</sup> out of 515 mortgage lenders operating in the AA. Its market share in numbers of home mortgage loans is 0.83%, compared to 4.44% market share for deposits, where it ranked 5<sup>th</sup> out of 61 depository financial institutions. The dominant mortgage lender in the AA is Countrywide Home Loans, with a market share of 11.36%. In small business lending, ZFNB ranked 4<sup>th</sup> out of 89 small business lenders in number of loans for a market share of 10.78%. By contrast, ZFNB ranked 1<sup>st</sup> in terms of small business loan dollar volume for a market share of 28.52%, indicating excellent lending activity.

### *Ogden-Clearfield MSA*

ZFNB's lending activity in the Ogden-Clearfield MSA AA is excellent. The bank originated/purchased 3,595 home mortgage, small business, small farm, and CD loans in this AA during the evaluation period totaling \$470 million. Small loans to businesses accounted for 62% of the total volume and 52% of the dollars. Home mortgage and small farm lending accounted for 37% and 1% of the total volume, respectively. Small farm lending in this AA is an insignificant loan category by volume. Therefore, it received little consideration in the overall lending activity.

In home mortgage lending in 2005, ZFNB ranks 34<sup>th</sup> out of 384 mortgage lenders operating in the AA. Its market share in numbers of home mortgage loans is 0.71%, compared to its deposit share of 3.42% where it ranked 4<sup>th</sup> out of 19 depository financial institutions. Countrywide Home Loans is also the dominant mortgage lender in this AA with an overall market share of 10.36%. In small business lending, ZFNB ranked 5<sup>th</sup> in the number of loans originated/purchased for a market share of 8.78%. By contrast, the bank ranked 1<sup>st</sup> in terms of small business loan dollar volume for a market share of 31.69%, indicating excellent lending activity.

*Provo-Orem MSA*

ZFNB's lending activity in the Provo-Orem MSA AA is excellent. In this AA, the bank originated/purchased 4,097 home mortgage, small business, small farm, and CD loans during the evaluation period totaling \$508 million. ZFNB's small loans to businesses accounted for 60% of the total volume and 53% of the dollars. Home mortgage and small farm lending accounted for 36% and 3% of the total volume, respectively. Small farm lending in this AA is an insignificant loan category by volume. Therefore, it received little consideration in the overall lending activity.

In home mortgage lending in 2005, ZFNB ranks 31<sup>st</sup> out of 366 mortgage lenders operating in the Provo-Orem MSA AA. The bank's market share of home mortgage loans by number is 0.88%, compared to its deposit market share of 26.27%, where it ranked 1<sup>st</sup> out of 16 depository financial institutions. Countrywide Home Loans is the dominant mortgage lender in this AA with an overall market share of 10.99%. In small business lending, ZFNB ranked 5<sup>th</sup> out of 46 lenders in the number of loans originated/purchased for a market share of 9.22%. By contrast, ZFNB ranked 1<sup>st</sup> in the dollar volume of small loans to businesses for an overall market share of 30.33%, indicating excellent lending activity.

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

The overall geographic distribution of ZFNB's home mortgage and small business loans is good and the geographic distribution of small loans to farms is adequate. Performance is good in the Salt Lake City MSA, adequate in the Provo-Orem MSA, and adequate in the Ogden-Clearfield MSA.

***Home Mortgage Loans***

Refer to Tables 2, 3, 4 and 5 in the state of Utah section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

The overall geographic distribution of ZFNB's home mortgage loans is good. The bank's geographic distribution of home mortgage loans is good in the Salt Lake City MSA, good in the Provo-Orem MSA, and poor in the Ogden-Clearfield MSA. Multifamily lending volumes were too nominal to provide any meaningful analyses. Therefore, no geographic distribution analysis of this product was performed.

*Salt Lake City MSA*

In the Salt Lake City MSA AA, the geographic distribution of ZFNB's home purchase loans is adequate. The bank's percentage of home purchase loans in low-income geographies significantly exceeds the percentage of owner-occupied housing units in those geographies indicating excellent performance. However, the number of owner-occupied housing units is low in the low-income geographies. ZFNB's market share in low-income geographies significantly exceeds its overall market share also indicating excellent performance. In moderate-income geographies, the bank's percentage of home purchase loans is lower than

the distribution of owner-occupied housing units indicating poor performance. Its market share in moderate-income geographies is significantly below its overall market share, indicating poor performance by market share.

ZFNB's geographic distribution of home refinance loans is good. The bank's home refinance lending in low-income geographies significantly exceeds the percentage of owner-occupied housing units indicating excellent performance. ZFNB's market share in low-income geographies significantly exceeds its overall market share, indicating excellent performance. However, there is nominal housing activity in low-income geographies. In the moderate-income geographies, the bank's percentage of home refinance loans is lower than the percentage of owner-occupied housing units indicating poor performance, and its market share substantially meets its overall market share indicating good performance.

ZFNB's geographic distribution of home improvement loans is good. The bank's improvement lending in low-income geographies significantly exceeds the demographic, indicating excellent performance. ZFNB's market share in low-income geographies significantly exceeds its overall market share also indicating excellent performance. However, the number of owner-occupied housing units in low-income geographies is low. In moderate-income geographies, ZFNB's lending is somewhat lower than the demographic indicating adequate performance. ZFNB's market share in moderate-income geographies significantly exceeds its overall market share indicating excellent performance by market share.

#### *Provo-Orem MSA*

In the Provo-Orem MSA AA, the geographic distribution of ZFNB's home purchase loans is adequate. The bank's percentage of home purchase loans in low-income geographies significantly exceeds the percentage of owner-occupied housing units in those geographies, which indicates excellent performance. However, housing activity is nominal. Its market share in low-income geographies is below its overall market share indicating adequate performance. In moderate-income geographies, ZFNB's home purchase lending is lower than the percentage of owner-occupied housing units indicating poor performance. Its market share is below its overall market share, which is considered adequate performance.

The geographic distribution of home refinance loans is good. ZFNB's home refinance lending in low-income geographies exceeds the percentage of owner-occupied housing units indicating excellent performance. However, the number of owner-occupied housing units in low-income geographies is low. ZFNB's market share in low-income geographies significantly exceeds its overall market share, indicating excellent performance by market share. In the moderate-income geographies, the bank's percentage of home refinance loans is somewhat lower than the percentage of owner-occupied housing units indicating adequate performance. ZFNB's market share in moderate-income geographies significantly exceeds its overall market share, which is considered excellent performance by market share.

ZFNB's geographic distribution of home improvement loans is good. The bank's home improvement lending in low-income geographies significantly exceeds the demographic, indicating excellent performance. The bank's market share in low-income geographies significantly exceeds its overall market share also indicating excellent performance. In moderate-income geographies, the bank's percentage of lending is somewhat lower than the demographics indicating adequate performance. However, ZFNB's market share in moderate-

income geographies significantly exceeds its overall market share indicating excellent performance by market share.

#### *Ogden-Clearfield MSA*

In the Ogden-Clearfield MSA AA, the geographic distribution of ZFNB's home purchase loans is adequate. While the bank's percentage of home purchase loans in low-income geographies exceeds the percentage of owner-occupied housing units in those geographies, indicating excellent performance, housing activity is minimal. ZFNB's market share in low-income geographies exceeds its overall market share, also indicating excellent performance by market share. In moderate-income geographies, ZFNB's home purchase lending is lower than the percentage of owner-occupied housing units indicating poor performance. ZFNB's market share in moderate-income geographies is significantly below its overall market share, indicating very poor performance by market share.

ZFNB's geographic distribution of home refinance loans is very poor. While low-income geographies only contain less than one percent of the owner-occupied housing units, ZFNB did not originate or purchase any home refinance loans in these geographies. In the moderate-income geographies, ZFNB's percentage of home refinance loans is significantly lower than the percentage of owner-occupied housing units, indicating very poor performance. The bank's market share is significantly below its overall market share, also indicating very poor performance by market share. Considering home mortgage lending is not the bank's primary lending focus, the geographic distribution of home refinance loans is poor.

ZFNB's geographic distribution of home improvement loans is adequate. The bank did not originate or purchase any home improvement loans in low-income geographies, which is considered very poor performance. In moderate-income geographies, performance is somewhat lower than the demographics indicating adequate performance. However, ZFNB's market share in moderate-income geographies significantly exceeds its overall market share indicating excellent performance by market share.

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

Refer to Table 6 in the state of Utah section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of ZFNB's small loans to businesses is excellent in the Salt Lake City MSA, adequate in the Provo-Orem MSA, and excellent in the Ogden-Clearfield MSA.

#### *Salt Lake City MSA*

The overall geographic distribution of ZFNB's small loans to businesses is excellent in low- and moderate-income geographies. The percentages of ZFNB's small loans to businesses in low- and moderate-income geographies significantly exceed the percentages of small businesses in low- and moderate-income geographies, indicating excellent performance. Furthermore, ZFNB's market shares of small loans to businesses in low- and moderate-income geographies significantly exceed its overall market share, indicating excellent performance in lending to small businesses in low- and moderate-income geographies.

*Provo-Orem MSA*

ZFNB's geographic distribution of small loans to businesses is adequate. In low-income geographies, the bank's percentage of lending is significantly lower than the demographic, indicating very poor performance. ZFNB's market share of these loans in low-income geographies is significantly below its overall market share. However, only 4% of the businesses are located in these geographies, which is an indicator of limited lending opportunities. ZFNB's lending to businesses located in moderate-income geographies is stronger. There, the bank's lending is near to the percentage of businesses in those geographies, indicating good performance. Its market share in moderate-income geographies significantly exceeds its overall market share, indicating excellent market share performance. The overall geographic distribution of small loans to businesses in the AA is considered adequate.

*Ogden-Clearfield MSA*

ZFNB's geographic distribution of small loans to businesses in low- and moderate-income geographies is excellent. The bank's percentages of small loans to businesses in low- and moderate-income geographies significantly exceed the percentage of small businesses in low- and moderate-income geographies, indicating excellent performance. Furthermore, the bank's market share of small loans to businesses in low- and moderate-income geographies significantly exceeds its overall market share, also indicating excellent performance in lending to small businesses in low- and moderate-income geographies.

***Small Loans to Farms***

Refer to Table 7 in the state of Utah section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

The geographic distribution of ZFNB's small loans to farms is adequate. Performance is adequate in the Salt Lake City MSA, very poor in the Provo-Orem MSA, and poor in the Ogden-Clearfield MSA. Due to the nominal volume of these loans, performance in making small loans to farms received little weight.

*Salt Lake City MSA*

The geographic distribution of ZFNB's small loans to farms is adequate in low- and moderate-income geographies. The bank's percentage of small loans to farms in low-income geographies is near to the percentage of farms, indicating good performance. ZFNB has no market share of these loans in low-income geographies. In moderate-income geographies, ZFNB's small farm lending is near to the demographics, which indicate good performance. The bank has no market share in moderate-income geographies. Due to the low market shares, small farm lending is considered adequate.

*Provo-Orem MSA*

ZFNB's geographic distribution of small loans to farms in the Provo-Orem MSA is very poor. No loans were made in low-income geographies. ZFNB's lending in moderate-income geographies is significantly lower than the percentage of small farms, indicating very poor performance.

*Ogden-Clearfield MSA*

The geographic distribution of ZFNB's small loans to farms in the Ogden-Clearfield MSA is adequate. While the bank's lending significantly exceeded the demographic in low-income geographies, the bank made no loans in moderate-income geographies. Overall lending is considered adequate.

***Lending Gap Analysis***

We analyzed ZFNB's home mortgage and small business lending patterns using maps and other reports. We found no conspicuous gaps or geographic areas with abnormally low loan penetration that could not be adequately explained.

***Inside/Outside Ratio***

A substantial volume of ZFNB's lending occurred within its combined AAs in the states of Idaho and Utah. During the three year evaluation period, the percentages of lending within all AAs by product are: home purchase (62%), home refinance (82%), home improvement (94%), multifamily (47%), small loans to businesses (89%), and small loans to farms (79%).

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

The overall borrower distribution of ZFNB's home mortgage, small business, and small farm loans is adequate. Performance is adequate in the Salt Lake City MSA, adequate in the Provo-Orem MSA, and adequate in the Ogden-Clearfield MSA.

***Home Mortgage Loans***

Refer to Tables 8, 9 and 10 in the state of Utah section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The borrower distribution of ZFNB's home mortgage loans is good in the Salt Lake City MSA, adequate in the Provo-Orem MSA, and adequate in the Ogden-Clearfield MSA. Note that the expectation for the percentage of lending to low-income borrowers is not as high as for moderate-income borrowers because of impediments caused by the lack of affordable housing and a high percentage of the population living below the poverty level.

*Salt Lake City MSA*

In the Salt Lake City MSA AA, the borrower distribution of ZFNB's home purchase loans is adequate. The bank's percentage of home purchase loans to low-income families is significantly lower than the percentage of low-income families, indicating very poor performance. ZFNB's market share of lending to low-income families is below its overall market share, indicating adequate performance. For moderate-income borrowers, the bank's percentage of home purchase loans is near to the percentage of moderate-income families indicating good performance. However, its market share to moderate-income families is below its overall market share, indicating adequate performance.

ZFNB's home refinance lending by borrower income is good. The bank's home refinance lending to low-income families is lower than the percentage of low-income families indicating poor performance. However, the bank's market share of lending to low-income families significantly exceeds its overall market share, indicating excellent market share performance. For moderate-income families, ZFNB's percentage of home refinance loans is near to the percentage of moderate-income families, indicating good performance. However, its market share of lending to moderate-income families is below the demographics, indicating adequate performance.

ZFNB's home improvement lending by borrower income is excellent. The bank's home improvement lending to low-income families is somewhat lower than the demographics, indicating adequate performance. However, the bank's market share in lending to low-income families significantly exceeds its overall market share, indicating excellent market share performance. ZFNB's lending to moderate-income families significantly exceeds the demographics, indicating excellent performance. Its market share in lending to moderate-income families substantially meets the demographics, indicating good performance.

*Provo-Orem MSA*

In the Provo-Orem MSA AA, the borrower distribution of ZFNB's home purchase loans is adequate. The bank's performance in making home purchase loans to low-income families is very poor. ZFNB's percentage of loans to low-income families is significantly lower than the percentage of low-income families in the AA. The bank's market share of home purchase loans to low-income families is below its overall market share, indicating adequate market share performance. For moderate-income families, ZFNB's home purchase lending is near to the percentage of moderate-income families, indicating good performance. The bank's market share of home purchase loans to moderate-income families is below its overall market share, indicating adequate market share performance. Overall home purchase lending to low- and moderate-income families is adequate.

ZFNB's home refinance lending by borrower income is good. The bank's home refinance lending to low-income families is lower than the demographic, indicating adequate performance. The market share of home refinance loans to low-income families significantly exceeds its overall market share, indicating excellent market share performance. ZFNB's lending to moderate-income families is somewhat lower than the demographics, which indicates adequate performance. Its market share of these loans to moderate-income families substantially meets its overall market share, thus indicating good market share performance. Overall home refinance lending to low- and moderate-income families is good.

ZFNB's home improvement lending by borrower income is adequate. The bank's home improvement lending to low-income families is lower than the demographic, indicating poor performance. However, ZFNB's market share in lending to low-income families significantly exceeds its overall market share, indicating excellent market share performance. The bank's lending to moderate-income families is somewhat lower than the demographics, indicating adequate performance. Its market share in lending to moderate-income families substantially meets its overall market share, indicating good performance by market share. Considering home improvement lending is not the bank's primary lending focus, overall home improvement lending is adequate.

*Ogden-Clearfield MSA*

ZFNB's home purchase lending by borrower income is adequate. The bank's home purchase lending to low-income families is significantly lower than the percentage of low-income families, which indicates very poor performance. The bank's market share of lending to low-income families is significantly below its overall market share, indicating poor market share performance. Performance is better for moderate-income families. ZFNB's lending to moderate-income families exceeds the demographics, indicating excellent performance. In contrast, the bank's market share of lending to moderate-income families is significantly below its overall market share. This indicates poor market share performance. Overall home purchase lending to low- and moderate-income families is considered adequate.

ZFNB's home refinance lending by borrower income is good. The bank's home refinance lending to low-income families is lower than the demographic, thus indicating poor performance. However, the bank's market share of lending to low-income families exceeds its overall market share, indicating excellent market share performance. ZFNB's lending to moderate-income families is somewhat lower than the demographics, indicating adequate performance. The market share of lending to moderate-income families substantially meets the bank's overall market share, indicating good market share performance. Overall home refinance lending to low- and moderate-income families is good.

ZFNB's home improvement lending by borrower income is adequate. The bank's home improvement lending to low-income families is near to the demographic, indicating good performance. However, the bank's market share in lending to low-income families is significantly below its overall market share, indicating poor market share performance. ZFNB's lending to moderate-income families is somewhat lower than the demographics, indicating adequate performance. Its market share in lending to moderate-income families is significantly below its overall market share, indicating very poor performance by market share. Overall home improvement lending by borrower income is adequate.

***Small Loans to Businesses***

Refer to Table 11 in the state of Utah section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

Originating or purchasing small loans to businesses is adequate. In each of the full-scope AAs, the percentage of ZFNB's small loans to businesses with revenues less than \$1 million is

less than the demographic. The bank's market shares for businesses with revenues less than \$1 million in each full-scope AA are below the bank's overall market shares.

#### *Salt Lake City MSA*

ZFNB's performance in originating small loans to businesses is adequate in the Salt Lake City AA. The bank's percentage of small loans to businesses with revenues less than \$1 million is lower than the demographic. This indicates poor performance. The bank's market share of loans to businesses with revenues less than \$1 million is significantly below the bank's overall market share. This also indicates poor performance. However, ZFNB ranked 4<sup>th</sup> of 104 small business lenders in market share by numbers of loans to small businesses. The top three small business lenders had a combined market share of 50%. Two of the top three lenders had an average loan size of just \$4,000, compared with \$118,000 for ZFNB. This small loan size is indicative of financial institutions that are primarily engaged in credit card lending to small businesses. In contrast, ZFNB has a substantially larger market share based on dollar volume. ZFNB ranks second in dollar volume and it has a 24% market share. Considering the performance based on loan dollars coupled with skewed market share numbers from credit card lenders, overall performance in making small loans to businesses is considered adequate.

#### *Provo-Orem MSA*

ZFNB's performance in originating small loans to businesses in the AA is good. During 2004-2005, the bank's percentage of small loans to businesses with revenues less than \$1 million is somewhat lower than the demographic, indicating adequate performance. During 2003, the bank's performance exceeded the demographic, indicating excellent performance. Approximately 77% of the bank's loans were in amounts less than \$100,000, which may indicate many of these loans are to smaller businesses. ZFNB's market share of loans to businesses with revenues less than \$1 million is below the bank's overall market share, also indicating adequate performance. Overall performance in originating small loans to businesses is adequate.

#### *Ogden-Clearfield MSA*

ZFNB's lending to small businesses in the AA is adequate. The percentage of the bank's small loans to businesses with less than \$1 million in revenues is lower than the demographic, indicating poor performance. Its market share of lending to smaller businesses is below its overall market share, indicating adequate market share performance. Although the bank's percentage of loans to these businesses compares less favorably than demographics, approximately 77% of the loans are in amounts of \$100,000 or less, which may indicate many of these loans are to smaller businesses. Overall performance in originating small loans to businesses is adequate.

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

Refer to Table 12 in the state of Utah section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

ZFNB's lending to farms of different sizes is excellent. Performance is excellent in the Salt Lake City MSA, good in the Provo-Orem MSA, and good in the Ogden-Clearfield MSA.

#### *Salt Lake City MSA*

The distribution of ZFNB's small loans to farms by revenue size is excellent. The bank's lending exceeds the percentage of farms with revenues less than \$1 million, indicating excellent performance. The bank's market share of loans to farms with revenues less than \$1 million significantly exceeds its overall market share, indicating excellent performance by market share. Approximately 71% of the loans are in amounts of \$100,000 or less, which may indicate financing to smaller farms. The performance by loan amount is good. Overall lending to small farms is considered excellent.

#### *Provo-Orem MSA*

The distribution of ZFNB's small loans to farms by revenue size is good. The bank's lending is near to the percentage of farms with revenues less than \$1 million, which indicates good performance. The market share of small loans to farms with revenues less than \$1 million exceeds the bank's overall market share, indicating excellent market share performance. Approximately 68% of the loans are in amounts of \$100,000 or less. The performance by loan amount is considered adequate. Overall lending to small farms is good.

#### *Ogden-Clearfield MSA*

ZFNB's distribution of small loans to farms by revenue size is excellent. The bank's lending significantly exceeds the percentage of farms with revenues less than \$1 million, which indicates excellent performance. Its market share of these loans significantly exceeds the bank's overall market share, also indicating excellent performance. Overall lending to small farms is excellent.

### **Community Development Lending**

Refer to Tables 1 and 1a Lending Volume in the state of Utah section of Appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

ZFNB's CD lending in the Ogden-Clearfield and Provo-Orem MSAs had a very positive impact on lending performance, while CD lending in the Salt Lake City MSA had a positive impact on lending performance in the state of Utah. In the Ogden-Clearfield MSA, CD lending totaled \$13 million, or 27.0% of allocated Tier 1 Capital. In the Provo-Orem MSA, ZFNB originated \$16.8 million in CD loans, representing 20.0% of allocated Tier 1 Capital. In the Salt Lake City MSA, ZFNB originated \$42.8 million in CD loans, representing 7.8% of allocated Tier 1 Capital<sup>1</sup>. In all AAs, including limited-scope areas, ZFNB originated 28 loans totaling over \$76 million. This represents 9.1% of Tier 1 Capital allocated to these rating areas. Most of the

<sup>1</sup> Tier 1 Capital is allocated between the bank's assessment areas based on the percentage distribution of deposits as of June 30, 2006. This allows us to compare the respective community development loans and investments to the Tier 1 Capital allocated to each assessment area.

loans benefited programs to support revitalization, economic development, and affordable housing. Some examples of CD lending include:

- During 2004, ZFNB provided \$4.7 million in financing to construct a 100-unit affordable housing apartment complex in a moderate-income area of Salt Lake City. In 2006, the bank provided \$5 million in financing for a 72-unit affordable housing complex in the area. Both projects also created Low Income Housing Tax Credits, which were used to reduce the long-term financing needs for the projects.
- In early 2004, ZFNB provided \$15 million in funding through the New Markets Tax Credit program to expand and upgrade an existing medical health clinic in the Provo-Orem MSA. The clinic primarily serves the elderly population within a 200-mile radius and it employs 625 persons.
- In 2005, ZFNB provided \$1.2 million in construction financing for two group homes in the Salt Lake City MSA that house troubled girls from low- and moderate-income families.
- In 2005, ZFNB provided \$2.5 million in financing to acquire a vacant building in a highly distressed area of Salt Lake City. The area poverty rate is 25%. The building was renovated to accommodate 100 employees, and it included a community learning center targeted to disadvantaged youth in the area. Renovation of the building helped to revitalize/stabilize the area.

### **Product Innovation and Flexibility**

Working in partnerships with various federal, state, and local governments during the evaluation period, ZFNB has initiated efforts to help meet the affordable housing needs of low- and moderate-income Native American populations on Tribal lands through the development of flexible lending programs. No loans have been funded through these programs to date. ZFNB has also worked with various housing agencies to provide programs for first-time and low- and moderate-income homebuyers. During the evaluation period, ZFNB has funded 182 such loans in Utah and 16 in Idaho, totaling \$23.4 million.

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

Based on limited-scope reviews, ZFNB's performance under the Lending Test in the Logan UT-ID MSA is not inconsistent with the bank's overall "High Satisfactory" performance in the state. The bank's performance in the St. George MSA and the non-MSA Utah is weaker than the bank's overall "High Satisfactory" performance in the state. In the limited-scope areas, the bank's geographic distribution performance was weaker than in the full-scope areas, while its borrower income distribution performance was stronger. CD lending in the limited-scope areas had a neutral impact on overall lending performance in those areas. Refer to the Tables 1 through 11 in the state of Utah section of Appendix D for the facts and data that support these conclusions.

## INVESTMENT TEST

### Conclusions for Areas Receiving Full-Scope Reviews

ZFNB's Investment Test performance in the state of Utah is rated "Outstanding." Based on full-scope reviews, the bank's performance in the Ogden-Clearfield MSA, Provo-Orem MSA, and Salt Lake City MSA is excellent. ZFNB's level of qualified investments represents excellent responsiveness to the identified needs of the AAs, particularly as it relates to affordable housing and economic development.

The predominant investment vehicle in each AA was ZFNB's purchase of Utah Housing Authority bonds, which address the need for affordable housing in its Utah communities.

Another major investment vehicle was the New Markets Tax Credit (NMTC) program. In 2004, the U.S. Treasury's CD Financial Institutions (CDFI) Fund allocated \$100 million in NMTC authority to ZFNB's Zions Community Investment Corporation (ZCIC), a certified CD entity (CDE). This means ZCIC may issue up to \$100 million in equity to investors who, in return, receive a tax credit equal to 39% of their investment.

As of September 30, 2006, ZFNB has committed to funding \$80.6 million of that equity. Of the commitment, \$33 million directly benefited the Utah and Idaho AAs, while \$47.6 million benefited other communities within the state of Utah that are not part of the bank's AAs. The \$47.6 million was positively considered in ZFNB's investment rating due to its excellent performance within its AAs. In accordance with the NMTC program, the NMTCs were used for economic development of low-income communities throughout ZFNB's AAs. ZFNB's participation in this program displays a leadership role in economic development.

ZFNB also contributes to small business development through its investments in Zions SBIC. During the evaluation period, \$8 million was invested in the SBIC that benefited the full scope AAs.

#### *Salt Lake City MSA*

ZFNB's investment volume in the Salt Lake City MSA is excellent. During the evaluation period, the bank made 115 qualified investments and grants totaling over \$95.7 million. These investments represent 17.75% of the allocated Tier 1 Capital for the area. In addition, the bank has \$15 million in unfunded investment commitments.

#### *Provo-Orem MSA*

ZFNB's investment volume in the Provo-Orem MSA is excellent. During the evaluation period, the bank made 22 qualified investments and grants totaling over \$14 million. These investments represent 17.06% of the allocated Tier 1 Capital for the AA.

*Ogden-Clearfield MSA*

ZFNB's investment volume in the Ogden-Clearfield MSA is excellent. During the evaluation period, the bank made 30 qualified investments and grants totaling over \$8.1 million. These investments represent 17.12% of the allocated Tier 1 Capital for this area.

Refer to Table 14 in the state of Utah section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

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

Based on limited-scope reviews, ZFNB's performance under the Investment Test in the Logan UT-ID MSA, St. George MSA, and the non-MSA Utah is not inconsistent with the bank's overall "Outstanding" performance under the Investment Test in Utah. Investments in the limited scope areas were similar to those in the full-scope areas, including the NMTCs, Utah Housing Authority bonds, and SBIC investments. Refer to the Table 14 in the state of Utah section of Appendix D for the facts and data that support these conclusions.

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

ZFNB's performance under the Service Test in the state of Utah is rated "Outstanding." Based on full-scope reviews, the bank's performance in the Salt Lake City MSA is excellent, in the Ogden MSA it is excellent, and Provo MSA it is good.

**Retail Banking Services**

Refer to Table 15 in the state of Utah section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

*Salt Lake City MSA*

ZFNB's branch distribution in the Salt Lake City MSA is excellent. The distribution of ZFNB's branches in low-income geographies significantly exceeds the percentage of the population in low-income geographies, and the distribution of branches in moderate-income geographies is slightly less than the percentage of the population in moderate-income geographies. The distributions of ZFNB's ATMs in low- and moderate-income geographies in the Salt Lake City MSA exceed the percentages of the populations in low- and moderate-income geographies.

*Provo-Orem MSA*

ZFNB's branch distribution in the Provo-Orem MSA is good. ZFNB has no branches in low-income geographies. The distribution of ZFNB's branches in moderate-income geographies significantly exceeds the population in moderate-income geographies. The distributions of ZFNB's ATMs in low- and moderate-income geographies in the Provo-Orem MSA exceed the percentages of the populations in low- and moderate-income geographies.

*Ogden-Clearfield MSA*

ZFNB's branch distribution in the Ogden-Clearfield MSA is excellent. The distributions of branches in low- and moderate-income geographies exceed the percentages of the populations in low- and moderate-income geographies. The distribution of ZFNB's ATMs in low-income geographies in the Ogden-Clearfield MSA exceeds the percentage of the population in low-income geographies, while the distribution of ATMs in moderate-income geographies is significantly less than the percentage of the population in moderate-income geographies.

*Branch Openings/Closings*

Openings and closings of ZFNB's branches have not significantly affected the overall accessibility of delivery systems. ZFNB's activity in this area resulted in one additional branch in its moderate-income geographies in the Salt Lake City MSA. ZFNB's activities also resulted in one less branch in its moderate-income geographies in the Ogden-Clearfield MSA, but the bank's distribution of branches remains above the percentage of moderate-income population. As a result of the expiration of a lease agreement, ZFNB closed its only branch located in a low-income geography in the Provo-Orem MSA. However, this branch was consolidated with an existing branch less than 0.2 miles away and does not significantly affect the accessibility of the bank's delivery systems.

*Alternative Delivery Systems*

ZFNB's ATM network enhances the bank's delivery system for delivering retail banking services. In each full-scope AA, except for moderate-income geographies in the Ogden-Clearfield MSA, the bank's percentage of ATMs in either low- or moderate-income geographies significantly exceeds the percentage of the population in low- or moderate-income geographies.

In addition, ZFNB's alternative banking systems include 24-hour telephone banking and 24-hour Internet banking services. ZFNB customers are able to obtain deposit and loan account information, pay bills electronically, and transfers funds from remote locations. All of this makes banking services accessible to a wide geographical area. However, bank management does not maintain data indicating the extent to which low- and moderate-income individuals or geographies have been impacted by these alternative delivery systems. Accordingly, we did not place significant weight on this when arriving at our overall conclusions.

*Hours, Products, and Services*

ZFNB's branch hours do not vary in a way that inconveniences certain portions of the area, particularly low- and moderate-income geographies or individuals. Banking hours generally range between 9 a.m. to 6 p.m., Monday through Friday with expanded hours in the grocery store offices.

ZFNB offers a wide array of products and services through many of its branch locations. Services in the AAs are comparable, regardless of the income level of the geography. For individuals with proof that they have satisfied prior obligations, ZFNB offers a "Fresh Start" checking account for individuals whose accounts have been closed and charged-off by ZFNB

or another institution due to excessive overdrafts. In the spring of 2006, ZFNB also began a pilot program designed to encourage unbanked individuals using high cost non-bank check cashing facilities to use ZFNB's lower cost check cashing service and eventually develop a deposit relationship.

ZFNB also offers Individual Development Accounts (IDA). The IDA account is innovative and designed to assist low- and moderate-income families in accumulating funds necessary to purchase their first home, start a business, or finance a post-secondary education. ZFNB waives all fees and minimum balance requirements. The IDA also accrues interest and savings funds are matched by a participating agency at the end of the authorized time period. ZFNB is the first bank in the state of Utah to offer IDAs.

## **Community Development Services**

The level of CD services provided by ZFNB is excellent in each full-scope AA. In the Salt Lake City MSA, Provo-Orem MSA, and Ogden-Clearfield MSA AAs, ZFNB provided over 243 CD services. Members of management and employees of the bank contributed well over 800 hours of service to a wide array of community service and non-profit organizations, often times in leadership capacities as chairperson of the board, other board member, or member of a finance or loan committee. The following are examples of CD services the bank provided:

- Sponsoring and facilitating a statewide program targeted to low- and moderate-income individuals as a means to reach economic self-sufficiency. A ZFNB team member serves on various board or executive committees of the organization. The bank provides technical assistance on creating policies and procedures, and development of a financial literacy-training program for use by participating non-profits to educate their clients, including how to secure funding for the bank's IDA program.
- Providing financial resources, serving as the board chair, vice chair, treasurer, and serving on the finance committee of a large statewide non-profit mortgage banking corporation that develops innovative CD financing programs and provides critical private-sector financial leverage to develop affordable housing throughout the state.
- Providing financial and technical expertise, as well as, sponsoring and facilitating a community program that provides free tax filing and tax preparation services to low- and moderate-income individuals.
- Sponsoring, facilitating, and providing financial expertise as the lead bank on a consortium with other financial lenders that provides micro-loans for small business owners that do not qualify for conventional bank financing. ZFNB team members also serve on the loan committee and board of directors.
- Providing financial services/advice to an organization whose mission is to build caring communities by responding to basic human needs. The services are targeted to low- and moderate-income individuals, and include a food bank for those in need of emergency food provisions, as well as, a Life Care bank that assists seniors and the disabled with minor home repairs, visiting services, and prescription assistance.

- In response to the closure of the local Small Business Administration office due to budget reasons, ZFNB opened a new Business Resource Center during January 2006. The Business Resource Center offers small business owners and managers convenient access to information, seminars, and workshops. The Center provides multi-media business resources, including a computer lab for research and writing business plans, and a library of business startup guides and other publications. The Center helps empower business owners to improve their success during their formative startup years, and will help established companies explore growth strategies, including international trade opportunities.

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

Based on limited-scope reviews, ZFNB's performance under the Service Test in the Logan UT-ID MSA and St. George MSA AAs is not inconsistent with the bank's overall "Outstanding" performance under the Service Test in Utah. In the non-MSA Utah AA, performance is weaker than the bank's overall performance in Utah. This is due to the lack of branch and ATM facilities in low-income geographies. However, this weaker performance is not significant enough to result in adjustment of the bank's overall rating. Refer to Table 13 in the state of Utah section of Appendix D for the facts and data that support these conclusions.

## State Rating

### State of Idaho

#### CRA Rating for Idaho: “Satisfactory”

The Lending Test is rated: “Low Satisfactory”

The Investment Test is rated: “Outstanding”

The Service Test is rated: “Outstanding”

The major factors that support this rating include:

- ZFNB has originated/purchased an excellent volume of home mortgage, small business, small farm, and CD loans.
- The overall geographic distribution of ZFNB’s loans is poor, while the distribution of loans by borrower income is adequate. CD lending is excellent, which positively impacted the overall Lending Test rating.
- ZFNB’s level of CD investments is excellent, which represents excellent responsiveness to the identified credit needs of its communities.
- ZFNB’s service delivery systems, including branches and automated teller machines, are readily accessible to geographies and individuals of different income levels in the AAs. The bank has provided an adequate level of CD services, which are targeted to low- and moderate-income persons.

### Description of Institution’s Operations in Idaho

ZFNB has a small presence in the state of Idaho. Less than 6% of the bank’s total deposits are from the state of Idaho. According to FDIC deposit data as of June 30, 2006, ZFNB has \$531 million in deposits in the state, representing only 3.15% of the state’s total deposits. As of the evaluation date, ZFNB operates 23 branches in the state. The bank’s primary market in the state of Idaho is the Idaho Falls AA, which represents 21% of the bank’s deposits in the state. ZFNB competes with 34 financial institutions for deposits. The two largest financial institutions serving Idaho are Wells Fargo Bank with \$3.4 billion in deposits (20.42% market share), followed by U.S. Bank with \$3 billion in deposits (18.15% market share).

Refer to the Market Profiles for the state of Idaho in Appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

### Scope of Evaluation in Idaho

We performed full-scope reviews of the Boise City-Nampa MSA and Idaho Falls MSA AAs. In the state of Idaho, the Idaho Falls MSA is the most significant single AA. This AA comprises 21% of ZFNB’s statewide deposits and 27% of its home mortgage, small business, and small farm loans. As a result, we placed more weight on the Idaho Falls MSA in arriving at the overall ratings for the state of Idaho.

As in the state of Utah, we placed more weight on ZFNB's lending to small businesses in arriving at the overall conclusions for the Lending Test. Small loans to businesses accounted for 41% of the number of reportable loans and 39% by dollar volume. Home mortgage lending accounted for 43% of the total and 45% of the dollar volume. Although home mortgage loan volume was higher than small business volume, most of the volume resulted from existing borrowers refinancing at lower interest rates. Commercial lending remains ZFNB's primary lending focus. Through discussions with local community organizations, small business lending was also identified as one of the major credit needs. Within home mortgage lending, we placed more weight on home refinance lending, followed by home purchase lending and home improvement lending. We placed little weight on lending to farms given the overall low volume of these loans, and the category was the least identified credit need in the AAs.

We met with nine local community organizations to help identify the various credit needs within the bank's AAs. These organizations included local housing agencies, CD departments, and small business development corporations. According to these contacts, affordable housing, particularly for the homeless, is the primary need, followed by small business training and development.

## **LENDING TEST**

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

ZFNB's performance under the Lending Test in Idaho is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance is poor in the Idaho Falls MSA and good in the Boise City-Nampa MSA.

### **Lending Activity**

Refer to Tables 1 and 1a Lending Volume in the state of Idaho section of Appendix D for the facts and data used to evaluate the bank's lending activity.

ZFNB's overall lending activity in the state of Idaho is excellent. During the evaluation period, ZFNB originated more than 2,900 home mortgage loans totaling \$324 million, and more than 2,800 small loans to businesses totaling \$281 million.

#### *Idaho Falls MSA*

ZFNB's lending activity in the Idaho Falls MSA is excellent, considering the strong competition for reportable home mortgage loans and small loans to businesses. In the Idaho Falls MSA, ZFNB originated/purchased 1,885 home mortgage, small business, small farm, and CD loans totaling \$222 million. Home mortgage lending accounted for 46% of the number and 50% of the dollar volume, followed by small loans to businesses at 36%, and small loans to farms at 18%.

In home mortgage lending in 2005, ZFNB ranks 8<sup>th</sup> of 242 mortgage lenders in the AA. The bank's market share in numbers of home mortgage loans is 2.70% compared to its 10.28% market share for deposits. In small business lending, ZFNB ranked 6<sup>th</sup> out of 31 small

business lenders in number of loans for a market share of 7.33%. The top four dominant small business lenders are Wells Fargo Bank (16.19%), Capital One (15.36%), GE Capital (13.20%), and Citibank (12.51%). ZFNB's market share of small loans to businesses by dollar volume is 26.76% compared to its 10.28% market share of deposits. In terms of dollar volume, ZFNB's lending activity is excellent.

### *Boise City-Nampa MSA*

ZFNB's lending activity in the Boise City-Nampa MSA is excellent, also considering the strong competition for reportable home mortgage loans and small loans to businesses. In the Boise City-Nampa MSA, the bank originated/purchased 1,167 home mortgage, small business, small farm, and CD loans totaling \$156 million. Small loans to businesses accounted for 56% of the number and 58% of the dollar volume. Home mortgage loans accounted for the bulk of the remainder.

In home mortgage lending in 2005, ZFNB ranks 92<sup>nd</sup> out of 465 mortgage lenders in the AA. Its market share in numbers of home mortgage loans is 0.12% compared to its 1.07% market share for deposits. The dominant mortgage lenders include Countrywide Home Loans (14.42% market share), First Horizon Home Loan Corp (9.21% market share), and Wells Fargo Bank (5.37% market share). In small business lending, ZFNB ranked 14<sup>th</sup> out of 52 small business lenders for a market share of 1.62% by numbers. The top three dominant small business lenders in the AA include Wells Fargo Bank (16.52% market share), Citibank (16.52% market share), and Capital One (14.82% market share). ZFNB's market share by dollar volume is 5.99% compared to its 1.07% share of deposits indicates excellent lending activity.

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

The overall geographic distribution of ZFNB's home mortgage, small business, and small farm loans is poor. The performance is poor in the Idaho Falls MSA and adequate in the Boise City-Nampa MSA.

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

Refer to Tables 2, 3, 4 and 5 in the state of Idaho section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

The overall geographic distribution of ZFNB's home mortgage loans is poor. The bank's geographic distribution of home mortgage loans is very poor in the Idaho Falls MSA and adequate in the Boise City-Nampa MSA. Multifamily loan volumes were too nominal to provide any meaningful analyses. Therefore, no geographic distribution analysis of this product was performed.

*Idaho Falls MSA*

In the Idaho Falls MSA, the geographic distribution of ZFNB's home purchase loans is very poor. Because the Idaho Falls MSA has no low-income geographies, all weight was placed on performance in moderate-income geographies, where performance is very poor. Only 1.45% of the bank's home purchase loans were made in moderate-income geographies, which has 10.92% of the area's owner-occupied housing units. The bank's market share in moderate-income geographies was too low to provide any meaningful analysis.

The geographic distribution of ZFNB's home refinance loans is very poor. The bank's home refinance lending in moderate-income geographies is significantly lower than the percentage of owner-occupied housing units in moderate-income geographies, indicating very poor performance. The bank's market share of loans in moderate-income geographies is significantly below its overall market share, indicating very poor market share performance. Overall home refinance lending is very poor.

ZFNB's geographic distribution of home improvement loans is adequate. The bank's home improvement lending in moderate-income geographies is lower than the demographics, indicating poor performance. However, the bank's market share in moderate-income geographies substantially meets its overall market share, indicating good performance by market share. Overall geographic distribution of home improvement loans is considered adequate.

*Boise City-Nampa MSA*

In the Boise City-Nampa MSA, the geographic distribution of ZFNB's home purchase loans is adequate. The bank originated no home purchase loans in low-income geographies, indicating very poor performance. However, low-income geographies contained very few owner-occupied housing units. Performance in moderate-income geographies is somewhat lower than the demographics, indicating adequate performance. However, the bank's market share in moderate-income geographies significantly exceeds its overall market share, which indicates excellent market share performance. Overall home purchase lending in low- and moderate-income geographies is considered adequate.

The geographic distribution of ZFNB's home refinance lending is adequate. The bank originated no home refinance loans in low-income geographies, indicating very poor performance. However, very few owner-occupied housing units are located in low-income geographies. Performance in moderate-income geographies significantly exceeds the demographics indicating excellent performance. The bank's market share of home refinance loans in moderate-income geographies significantly exceeds its overall market share, indicating excellent market share performance. Overall geographic performance is considered adequate.

The geographic distribution of ZFNB's home improvement loans is adequate. The bank originated no home improvement loans in low-income geographies, indicating very poor performance. However, very few owner-occupied housing units are located in low-income geographies. Home improvement lending in moderate-income geographies significantly exceeds the demographic, indicating excellent performance. The bank's market share of home improvement loans in moderate-income geographies significantly exceeds its overall

market share, indicating excellent performance by market share. Overall geographic distribution of home improvement loans is adequate.

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

Refer to Table 6 in the state of Idaho section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of ZFNB's small loans to businesses is poor in the Idaho Falls MSA and good in the Boise City-Nampa MSA.

#### *Idaho Falls MSA*

ZFNB's performance in making small loans to businesses in low- and moderate-income geographies is poor. Since the AA has no low-income census tracts, all weight was placed on performance in the moderate-income geographies. The bank's lending in moderate-income geographies is lower than the percentage of small businesses in these geographies, indicating poor performance. The bank's market share of these loans in moderate-income geographies is significantly below its overall market share, further indicating poor performance.

#### *Boise City-Nampa MSA*

ZFNB's geographic distribution of small loans to businesses is good in low- and moderate-income geographies. In low-income geographies, the bank's lending exceeds the demographics, indicating excellent performance. However, the bank's market share of small loans to businesses in low-income geographies is significantly below its overall market share, indicating very poor performance by market share. The bank's lending in moderate-income geographies significantly exceeds the demographics, indicating excellent performance. In addition, the bank's market share of small loans to businesses in moderate-income geographies significantly exceeds its overall market share, indicating excellent performance by market share. Overall geographic distribution is considered good.

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

Refer to Table 7 in the state of Idaho section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

#### *Idaho Falls MSA*

The geographic distribution of ZFNB's small loans to farms is very poor. There are no low-income geographies in the AA. The bank originated no small loans to farms in moderate-income geographies, indicating very poor performance.

*Boise City-Nampa MSA*

The geographic distribution of ZFNB's small loans to farms is adequate. The bank originated no small loans to farms in low-income geographies, which indicates very poor performance. Lending in moderate-income geographies significantly exceeds the demographics, indicating excellent performance in moderate-income geographies. The bank's market share of small loans to farms in moderate-income geographies significantly exceeds its overall market share, which indicates excellent performance by market share. The geographic distribution in low- and moderate-income geographies is adequate.

***Lending Gap Analysis***

We analyzed ZFNB's home mortgage and small business lending patterns using maps and other reports. We found no conspicuous gaps or geographic areas with abnormally low loan penetration that could not be adequately explained.

***Inside/Outside Ratio***

As discussed in the state of Utah section, a substantial volume of ZFNB's lending occurred within its combined AAs in the states of Idaho and Utah. During the three year evaluation period, the percentages of lending within all AAs by product are: home purchase (62%), home refinance (82%), home improvement (94%), multifamily (47%), small loans to businesses (89%), and small loans to farms (79%).

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

The overall borrower income distributions of ZFNB's home mortgage, small business, and small farm loans are adequate in the Idaho Falls MSA and Boise City-Nampa MSA.

***Home Mortgage Loans***

Refer to Tables 8, 9 and 10 in the state of Idaho section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

ZFNB's distribution of home mortgage loans by borrower income is adequate in the Idaho Falls MSA and adequate in the Boise City-Nampa MSA. The bank's market shares in the Boise City-Nampa MSA are too insignificant to gauge the bank's performance. Note that the expectation for the percentage of lending to low-income borrowers is not as high as for moderate-income borrowers because of impediments caused by lack of affordable housing and a high percentage of the population living below the poverty level.

***Idaho Falls MSA***

In the Idaho Falls MSA, ZFNB's borrower distribution of home purchase loans is adequate. The bank's lending to low-income families is significantly lower than the demographics and is considered very poor. The bank's market share of home purchase loans to low-income families is significantly below its overall market share, which is poor market share

performance. The bank's lending to moderate-income families significantly exceeds the demographics and is considered excellent. ZFNB's market share to moderate-income families is below its overall market share, indicating adequate performance by market share. Overall home purchase lending by borrower income is adequate.

ZFNB's home refinance lending by borrower income is adequate. The bank's lending to low-income families is significantly lower than the demographics, indicating very poor performance. The bank's market share of home refinance loans to low-income families is below its overall market share, indicating adequate market share performance. The distribution of ZFNB's home refinance loans to moderate-income borrowers is somewhat lower than the demographics, indicating adequate performance. The bank's market share of home refinance loans to moderate-income families is below the bank's overall market share, also indicating adequate performance. Overall home refinance lending to low- and moderate-income families is adequate, when considering the affordability barriers discussed earlier.

ZFNB's home improvement lending by borrower income is good. The bank's lending to low-income families is somewhat lower than the demographics, indicating adequate performance. The bank's market share of home improvement loans to low-income families is below its overall market share, indicating adequate market share performance. ZFNB's lending to moderate-income families is near to the demographics, which indicates good performance. The bank's market share of home improvement loans to moderate-income families exceeds its overall market share, thus indicating excellent market share performance. Overall home improvement lending to low- and moderate-income families is good.

### *Boise City-Nampa MSA*

In the Boise City-Nampa MSA, the borrower distribution of ZFNB's home purchase loans is adequate. The bank's home purchase lending to low-income families is significantly lower than the demographics, indicating very poor performance. However, the bank's market share of home purchase loans to low-income families significantly exceeds its overall market share, thus indicating excellent market share performance. Lending to moderate-income families is somewhat lower than the demographics, indicating adequate performance. The bank's market share of home purchase loans to moderate-income families is significantly below its overall market share, indicating poor market share performance. Overall home purchase lending to low- and moderate-income families is adequate.

ZFNB's home refinance lending by borrower income is good. The bank's home refinance lending to low-income families is lower than the demographics, indicating poor performance. The bank's market share is too low to be meaningful. Lending to moderate-income families significantly exceeds the demographics and is considered excellent. The bank's market share of home refinance loans to moderate-income families significantly exceeds its overall market share, indicating excellent market share performance. Overall home refinance lending to low- and moderate-income families is good.

ZFNB's home improvement lending by borrower income is adequate. The bank's lending to low-income families is significantly lower than the demographics, indicating very poor performance. However, the bank's market share of home improvement loans to low-income families significantly exceeds its overall market share, indicating excellent market share performance. Lending to moderate-income families is also significantly lower than the

demographics, which indicates very poor performance. The bank's market share of home improvement loans to moderate-income families is significantly below its overall market share, thus indicating poor market share performance. Overall home improvement lending to low- and moderate-income families is adequate, when considering the affordability barriers discussed earlier.

***Small Loans to Businesses***

Refer to Table 11 in the state of Idaho section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

ZFNB's overall lending to small businesses is good. Performance is good in the Idaho Falls MSA and Boise City-Nampa MSA.

*Idaho Falls MSA*

Performance in the Idaho Falls MSA is good. ZFNB's small business lending is near to the demographics, which indicates good performance. The bank's market share of small loans to businesses with revenues of \$1 million or less significantly exceeds its overall market share. This indicates excellent market share performance. Approximately 74% of the loans are in amounts of \$100,000 or less, which is considered good performance. Overall lending to businesses of different sizes is good.

*Boise City-Nampa MSA*

ZFNB's lending to small businesses in the Boise City-Nampa MSA is good. The bank's lending to businesses with revenues of \$1 million or less is near to the demographics, which indicates good performance. The bank's market share of small loans to these businesses exceeds its overall market share, indicating excellent market share performance. Approximately 61% of the loans are in amounts of \$100,000 or less, which indicates financing for smaller businesses. Performance by loan amount is considered adequate. Overall lending to businesses of different sizes is good.

***Small Loans to Farms***

Refer to Table 12 in the state of Idaho section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

*Idaho Falls MSA*

ZFNB's lending to farms of different sizes is excellent. The bank's lending to farms with revenues of \$1 million or less exceeds the demographic and is considered excellent performance. The bank's market share of small loans to farms with revenues of \$1 million or less exceeds its overall market share, which indicates excellent market share performance.

*Boise City-Nampa MSA*

ZFNB's lending to farms of different sizes is good. The bank's percentage of small loans to farms with revenues of \$1 million or less is near to the demographics, which indicates good performance. The bank's market share of these loans exceeds its overall market share, indicating excellent market share performance. Approximately 77% of the loans are in amounts of \$100,000 or less. Performance by loan amount is considered good. Overall lending to farms of different sizes is good.

### **Community Development Lending**

Refer to Tables 1 and 1a Lending Volume in the state of Idaho section of Appendix D for the facts and data used to evaluate the bank's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

ZFNB's CD lending, particularly in the Boise City-Nampa MSA, is excellent and it had a positive impact on lending performance in the state of Idaho. No CD loans were made in the Idaho Falls MSA. In the Boise City-Nampa MSA, the bank's CD lending totaled \$2.4 million, or 29.8% of allocated Tier 1 Capital. Approximately 62% of the loan dollars benefited programs to support revitalization and economic development of low- and moderate-income neighborhoods. While revitalization and economic development were not the primary credit needs identified through our contacts with community organizations, it does create jobs and play an important roll in helping to improve home affordability.

### **Product Innovation and Flexibility**

As discussed under the state of Utah, ZFNB has a few innovative and/or flexible loan programs in operation or development. Working in partnerships with various federal, state, and local governments during the evaluation period, ZFNB has initiated efforts to help meet the affordable housing needs of low- and moderate-income Native American populations on Tribal lands through the development of flexible lending programs. No loans have been funded through these programs to date. ZFNB has also worked with various housing agencies to provide programs for first-time and low- and moderate-income homebuyers. During the evaluation period, ZFNB has funded 182 such loans in Utah and 16 in Idaho, totaling \$23.4 million.

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

Based on limited-scope reviews, ZFNB's performance under the Lending Test in the Lewiston ID-WA MSA, Pocatello MSA, and the non-MSA Idaho AA is not inconsistent with the bank's overall "low satisfactory" performance under the Lending Test in Idaho. Refer to Tables 1 through 11 in the state of Idaho section of Appendix D for the facts and data that support these conclusions.

## INVESTMENT TEST

### Conclusions for Areas Receiving Full-Scope Reviews

ZFNB's performance under the Investment Test in the state of Idaho is rated "Outstanding." Based on a full-scope review, the bank's performances in the Boise City-Nampa and Idaho Falls MSAs are excellent. ZFNB's level of qualified investments represents excellent responsiveness to the identified needs of the AAs, particularly as it relates to economic development. The predominant investment vehicle was the NMTC, which is described in the state of Utah section. Of the \$100 million to which ZFNB committed to funding, \$4.3 million was funded that directly benefited Idaho AAs. ZFNB also contributes to small business development through its investments in Zions SBIC. During the evaluation period, the bank invested \$500,000 in the SBIC that benefited the Idaho AAs.

#### *Idaho Falls MSA*

ZFNB's investment volume in the Idaho Falls MSA is excellent. During the evaluation period, the bank made nine qualified investments and grants totaling \$1 million, which represents 8.98% of the allocated Tier 1 Capital for the AA.

#### *Boise City-Nampa MSA*

ZFNB's investment volume in the Boise City-Nampa MSA is excellent. During the evaluation period, ZFNB originated 22 investments and grants totaling \$771,000 in the Boise City-Nampa MSA, representing 9.78% of allocated Tier 1 Capital.

Refer to Table 14 in the state of Idaho section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

### Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, ZFNB's performance under the Investment Test in the Lewiston ID-WA MSA, Pocatello MSA, and the non-MSA Idaho AA, is not inconsistent with the bank's overall "Outstanding" performance under the Investment Test in Idaho. Investments in the limited scope areas were similar to those in the full-scope areas, including the NMTCs and SBIC investments.

Refer to Table 14 in the state of Idaho section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

## SERVICE TEST

### Conclusions for Areas Receiving Full-Scope Reviews

ZFNB's performance under the Service Test in Idaho is rated "Outstanding." Based on full-scope reviews, the bank's performance is good in the Boise City-Nampa MSA and excellent in the Idaho Falls MSA.

#### Retail Banking Services

Refer to Table 15 in the state of Idaho section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

##### *Idaho Falls MSA*

ZFNB's branch distribution in the Idaho Falls MSA is excellent. There are no low-income geographies in this AA. In moderate-income geographies the distribution of ZFNB's branches and ATMs significantly exceeds the percentage of persons in moderate-income geographies.

##### *Boise City-Nampa MSA*

ZFNB's branch distribution in the Boise City-Nampa MSA is good. The bank has no branches or ATMs in low-income geographies. However, only 1.56% of the population resides in low-income geographies. In moderate-income geographies the distribution of ZFNB's branches and ATMs exceeds the percentage of persons in moderate-income geographies.

##### *Branch Openings/Closings*

The openings and closings of ZFNB's branches has positively affected the overall accessibility of delivery systems. The bank's activity in this area resulted in two additional branches in moderate-income geographies in the Boise City-Nampa MSA.

##### *Alternative Delivery Systems*

ZFNB's ATM network enhances the bank's delivery system for delivering retail banking services. In each full-scope AA, except for the low-income geographies in the Boise City-Nampa MSA, the bank's percentage of ATMs in moderate-income geographies significantly exceeds the percentage of the population in moderate-income geographies.

In addition, ZFNB's alternative banking systems include 24-hour telephone banking and 24-hour Internet banking services. ZFNB customers are able to obtain deposit and loan account information, pay bills electronically, and transfers funds from remote locations. All of this makes banking services accessible to a wide geographical area. However, bank management does not maintain data indicating the extent to which low- and moderate-income individuals or geographies have been impacted by these alternative delivery systems. Accordingly, we did not place significant weight on this when arriving at our overall conclusions.

### *Hours, Products, and Services*

ZFNB's hours and services offered throughout each full-scope AA do not vary in a way that inconveniences certain portions of the area, particularly low- and moderate-income geographies or individuals. Banking hours generally range between 9 a.m. to 6 p.m., Monday through Friday. Services in the AAs are comparable, regardless of the income level of the geography.

As in the state of Utah, ZFNB offers a wide array of products and services through many of its branch locations. Services in the AAs are comparable, regardless of the income level of the geography. For individuals with proof that they have satisfied prior obligations, ZFNB offers a "Fresh Start" checking account for individuals whose accounts have been closed and charged-off by ZFNB or another institution due to excessive overdrafts. In the spring of 2006, ZFNB also began a pilot program designed to encourage unbanked individuals using high cost non-bank check cashing facilities to use ZFNB's lower cost check cashing service and eventually develop a deposit relationship.

ZFNB also offers the IDA account in the state of Idaho. The IDA account is innovative and designed to assist low- and moderate-income families in accumulating the funds necessary to purchase their first home, start a business, or finance a post-secondary education. ZFNB waives all fees and minimum balance requirements. The IDA also accrues interest and savings funds are matched by a participating agency at the end of the authorized time period.

### **Community Development Services**

ZFNB provided an adequate level of CD services in the Idaho Falls MSA and an excellent level of CD services in the Boise City-Nampa MSA.

In the Idaho Falls MSA, ZFNB management and employees contributed their financial and technical expertise to three community organizations. The staff:

- Serves on a committee to obtain CD block grant funds to support a downtown revitalization effort.
- Serves on the executive committee and the finance committee for a community action agency overseeing food banks, affordable housing programs, and homeless shelters for nine counties in eastern Idaho.
- Serves on the board and the housing committee for an organization that oversees multifamily affordable housing, a head start program for low- and moderate-income children, and a self help affordable housing program.

In the Boise City-Nampa MSA, bank management and employees contributed their financial and technical expertise to twelve community organizations. The staff:

- Serves as vice chairman, financial services instructor and on the human resources committee for a non-profit financial services organization that provides credit counseling and credit repair for low- and moderate-income individuals.

- Serves on the family selection committee for a self help affordable housing organization that provided homeownership opportunities for low-income individuals.
- Serves on the loan committee for a micro-loan revolving loan fund that provides technical assistance and start up funding to assist low- and moderate-income individuals in starting a small business.
- Serves on the business advisory board for a small business development program that provides technical assistance and financial guidance to low- and moderate-income individuals interested in starting a small business.

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

Based on limited-scope reviews, the bank's performance under the Service Test in the Lewiston ID-WA MSA, Pocatello MSA, and non-MSA Idaho AA is not inconsistent with ZFNB's overall "Outstanding" performance under the Service Test in Idaho. Refer to Table 13 in the state of Idaho section of Appendix D for the facts and data that support these conclusions.

## 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 non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): 1/01/03 to 12/31/05 Investment and Service Tests and CD Loans: 12/30/03 to 10/02/06	
<b>Financial Institution</b>		<b>Products Reviewed</b>
Zions First National Bank Salt Lake City, Utah		Home mortgage purchase, home improvement, home refinance, small business, small farm loans, and community development loans.
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>IDAHO</b> Boise City-Nampa, ID MSA #14260 Idaho Falls, ID MSA #26820 Lewiston ID-WA MSA #30300 Pocatello, ID MSA #38540 Idaho Non-MSA  <b>UTAH</b> Ogden-Clearfield, UT MSA #36260 Provo-Orem, UT MSA #39340 Salt Lake City, UT MSA #41620 Logan UT-ID MSA #30860 St. George, UT MSA #41100 Utah Non-MSA	Full-Scope Full-Scope Limited-Scope Limited-Scope Limited-Scope  Full-Scope Full-Scope Full-Scope Limited-Scope Limited-Scope Limited-Scope	Idaho Non-MSA counties: Bear Lake, Bingham, Blaine, Cassia, Gooding, Latah, Madison, Payette, Twin Falls, and Washington.  Utah Non-MSA counties: Box Elder, Carbon, Duchesne, Emery, Garfield, Grand, Iron, Kane, Millard, Rich, San Juan, Sanpete, Sevier, Uintah, and Wasatch.



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

### State of Idaho Full-Scope Areas

#### Boise City-Nampa ID MSA #14260

Demographic Information for Full Scope Area: Boise City-Nampa ID MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	80	3.75	23.75	47.50	25.00	0.00
Population by Geography	464,840	1.56	20.97	47.20	30.27	0.00
Owner-Occupied Housing by Geography	122,329	0.81	16.94	48.94	33.31	0.00
Business by Geography	46,207	1.03	27.35	42.31	29.30	0.00
Farms by Geography	2,279	0.61	22.99	55.99	20.40	0.00
Family Distribution by Income Level	121,252	17.91	19.17	23.63	39.29	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	44,952	2.60	29.10	50.59	17.71	0.00
Median Family Income HUD Adjusted Median Family Income for 2005 Households Below Poverty Level		48,340 56,400 9%	Median Housing Value Unemployment Rate (2000 US Census)		114,991 2.37%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 US Census and 2005 HUD updated MFI

ZFNB's deposit market share in the state of Idaho is much smaller than the bank's deposit market share in the state of Utah. At 3%, Zions ranks ninth in statewide deposit share.

ZFNB's deposits in the Boise City-Nampa MSA AA represent 14.69% of ZFNB's total deposits in the state of Idaho. At 1.07%, ZFNB has the 16<sup>th</sup> largest deposit market share of 21 depository financial institutions. Six of the bank's branches and six of the bank's ATMs are located within this AA, which represents 26% of the bank's branches and 25% of the bank's ATMs in the state of Idaho. There is strong bank competition in this AA from 21 financial institutions with 174 branch facilities in the market.

The AA is comprised of five counties: Ada, Boise, Canyon, Gem, and Owyhee Counties located in southwest Idaho. These five counties represent 33% of the state's population. The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income geographies.

The two largest cities in the AA, Boise and Nampa, have a combined population of 258,779, which represents 56% of the population in the AA. The economy of the Boise City-Nampa MSA continues to expand at a pace well ahead of the national average and above state trends. The strongest industries are financial services, leisure/hospitality, retail and the government sector. The unemployment rate is at 3% and is expected to remain constant. Strengths in the economy include a large high-tech manufacturing base, above average employment and population growth, and a reliable low-cost energy supply. Weaknesses include high volatility due to cyclical high-tech industries and a relatively high tax burden. The

median family income of \$48,340 would support conventional mortgage financing for a home priced at the median housing value of \$114,991, which creates affordable homeownership opportunities for families earning close to 80% of the median family income.

As part of this evaluation, consideration was given to information received from community based organizations providing economic and small business development. The contacts expressed a continuing need for affordable housing, and capital and technical support for small business expansion. The contacts also stated that ZFNB is responsive to its community's financial needs. There are continuing opportunities to finance affordable housing and small businesses.

# State of Idaho Full-Scope Areas

## Idaho Falls ID MSA #26820

Demographic Information for Full Scope Area: Idaho Falls ID MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	26	0.00	11.54	69.23	19.23	0.00
Population by Geography	101,677	0.00	13.54	66.55	19.91	0.00
Owner-Occupied Housing by Geography	26,475	0.00	10.92	67.32	21.76	0.00
Business by Geography	9,542	0.00	22.32	55.03	22.65	0.00
Farms by Geography	582	0.00	6.01	77.84	16.15	0.00
Family Distribution by Income Level	26,384	18.07	18.91	23.84	39.18	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	9,758	0.00	20.54	68.62	10.84	0.00
Median Family Income HUD Adjusted Median Family Income for 2005 Households Below Poverty Level		46,692 55,150 10%	Median Housing Value Unemployment Rate (2000 US Census)	93,007 2.35%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 US Census and 2005 HUD updated MFI

ZFNB's deposits in the Idaho Falls MSA AA represent 20.91% of ZFNB's total deposits in the state of Idaho. At 10%, ZFNB has the fourth largest deposit market share in the AA. Two of the bank's branches and three of the bank's ATMs are located within this AA, which represents 9% of the bank's branches and 13% of the bank's ATMs in the state of Idaho. There is strong bank competition in this AA from 11 financial institutions with 31 branch facilities in the market.

The AA is comprised of two counties; Bonneville and Jefferson Counties located in southeast Idaho. These two counties represent 7% of the state's population. The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income geographies.

The largest city in the AA, Idaho Falls, has a population of 50,730, which represents 50% of the population in the AA. The unemployment rate in the Idaho Falls MSA has remained below the Idaho state average of 3% for the past 10 years. Strengths in the economy include growing light manufacturing, a reliable low-cost energy supply, and strong population growth. Farmers in the rural portions of the MSA have experienced weak and volatile crop prices. The median family income of \$46,692 would support conventional mortgage financing for a home priced at the median housing value of \$93,007, which creates affordable homeownership opportunities for families earning close to 80% of the median family income.

As part of this evaluation, consideration was given to information received from community based organizations providing economic and small business development. The contacts expressed a continuing need for affordable housing, and capital and technical support for small business expansion. The contacts also stated that ZFNB is responsive to its community's

financial needs. There are continuing opportunities to finance affordable housing and small businesses. Opportunities for CD investments are somewhat limited.

# State of Utah Full-Scope Areas

## Ogden-Clearfield UT MSA #36260

Demographic Information for Full Scope Area: Ogden-Clearfield UT MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	93	4.30	18.28	53.76	23.66	0.00
Population by Geography	442,656	2.29	16.87	55.98	24.85	0.00
Owner-Occupied Housing by Geography	106,246	0.84	13.51	59.46	26.19	0.00
Business by Geography	38,130	5.22	16.37	51.58	26.82	0.00
Farms by Geography	849	2.71	12.25	60.90	24.15	0.00
Family Distribution by Income Level	111,216	15.92	20.34	25.67	38.07	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	40,331	3.89	27.62	55.53	12.96	0.00
Median Family Income HUD Adjusted Median Family Income for 2005 Households Below Poverty Level		54,158 61,400 7%	Median Housing Value Unemployment Rate (2000 US Census)		140,439 2.51%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census and 2005 HUD updated MFI.

ZFNB's deposits in the Ogden-Clearfield MSA AA represent 5.66% of ZFNB's total deposits in the state of Utah. At 3%, ZFNB has the fourth largest deposit market share in the AA. Within this AA, the bank has 11 branches and 12 ATMs, which represents 10% of the bank's branches and 12% of the bank's ATMs in the state of Utah. There is strong bank competition in this AA from 19 financial institutions with 96 branch facilities in the market.

The AA is comprised of three counties; Davis, Morgan, and Weber Counties located in north central Utah, north of the Salt Lake City MSA. These three counties represent 18% of the state's population. The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income geographies.

The two largest cities in the AA, Ogden and Clearfield, have a combined population of 106,317, which represents 24% of the population in the AA. The economy of the Ogden-Clearfield MSA is mixed. The unemployment rate in Davis County has increased from 3% to 4%, in Morgan County it is unchanged at 3%, and in Weber it is unchanged at 5%. Strengths in the economy include strong demographics, including a young population and low office rents. Weaknesses include a relatively low level of productivity, below average per capita income, and a high bankruptcy rate. The median family income of \$54,158 would support conventional mortgage financing for a home priced at the median housing value of \$140,439, which creates affordable homeownership opportunities for families earning close to 80% of the median family income.

As part of this evaluation, consideration was given to information received from community based organizations providing affordable housing, economic and small business development.

The contacts expressed a continuing need for affordable housing, capital and technical support for small business expansion, and increased financial literacy training for low- and moderate-income individuals. The contacts also stated that ZFNB exhibits a strong commitment to its community and is responsive to its communities' financial needs. There are continuing opportunities to finance affordable housing and small businesses. Opportunities for CD investments are somewhat limited.

# State of Utah Full-Scope Areas

## Provo-Orem UT MSA #39340

Demographic Information for Full Scope Area: Provo-Orem UT MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	87	8.05	13.79	47.13	27.59	3.45
Population by Geography	376,774	8.86	14.60	48.47	27.91	0.15
Owner-Occupied Housing by Geography	68,756	1.40	10.97	54.53	33.10	0.00
Business by Geography	39,206	4.05	15.25	48.74	31.92	0.04
Farms by Geography	891	2.13	9.54	60.61	27.72	0.00
Family Distribution by Income Level	83,646	17.85	19.45	24.56	38.14	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	31,195	13.36	23.88	48.30	14.46	0.00
Median Family Income		50,010	Median Housing Value		153,007	
HUD Adjusted Median Family Income for 2005		56,150	Unemployment Rate (2000 US Census)		2.24%	
Households Below Poverty Level		11%				

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2000 U.S. Census and 2005 HUD updated MFI.

ZFNB's deposits in the Provo-Orem MSA AA represent 9.86% of ZFNB's total deposits in the state of Utah. At 26%, ZFNB has the largest deposit market share in the AA. The bank has 13 branches and 17 ATMs located within this AA which represents 12% of the bank's branches and 12% of the bank's ATMs in the state of Utah. There is strong bank competition in this AA from 16 financial institutions with 85 branch facilities in the market.

The AA is comprised of two counties; Juab and Utah Counties located in north central Utah, south of the Salt Lake City MSA. These two counties represent 16% of the state's population. The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income geographies.

The two largest cities in the AA, Provo and Orem, have a combined population of 186,780, which represents 50% of the population in the AA. The economy of the Provo-Orem MSA is improving. The unemployment rate in the metro area has fallen from 6% in 2002 to 3% currently. Strengths in the economy include a stable employment base provided by large universities, strong population growth creating a demand for residential construction, and a large and active high-tech industry. Weaknesses include increasing interest rates that are resulting in a slow down of residential construction, very low per capita income, and a high bankruptcy rate. Even considering increasing interest rates and the very low per capita income, the median family income of \$50,010 would support conventional mortgage financing for a home priced at the median housing value of \$153,007, which creates affordable homeownership opportunities for families earning close to 80% of the median family income.

As part of this evaluation, consideration was given to information received from community based organizations providing affordable housing, economic and small business development. The contacts expressed a continuing need for affordable housing, capital and technical support

for small business expansion, and increased financial literacy training for low- and moderate-income individuals. The contacts also stated that ZFNB exhibits a strong commitment to its community and is responsive to its communities' financial needs. There are continuing opportunities to finance affordable housing and small businesses. Opportunities for CD investments are somewhat limited.

# State of Utah Full-Scope Areas

## Salt Lake City UT MSA #41620

Demographic Information for Full Scope Area: Salt Lake City UT MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	205	2.44	21.95	47.32	28.29	0.00
Population by Geography	968,858	0.79	22.59	49.65	26.97	0.00
Owner-Occupied Housing by Geography	221,417	0.20	16.53	52.75	30.52	0.00
Business by Geography	110,144	8.13	21.64	39.93	30.30	0.00
Farms by Geography	1,840	2.72	16.09	47.01	34.18	0.00
Family Distribution by Income Level	233,707	16.76	19.97	24.84	38.44	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	85,825	1.45	34.25	50.67	13.62	0.00
Median Family Income		54,586	Median Housing Value		170,522	
HUD Adjusted Median Family Income for 2005		61,550	Unemployment Rate (2000 US Census)		2.35%	
Households Below Poverty Level		8%				

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census and 2005 HUD updated MFI.

ZFNB's presence in Utah and in the Salt Lake City MSA AA is significant. Deposits in the Salt Lake City MSA AA represent 64.45% of ZFNB's total deposits in the state of Utah. ZFNB, with 4.4% market share of deposits, ranks 5th in the AA. Forty nine of the bank's branches and sixty one of the bank's ATMs are located within this AA, which represents 43% of the bank's branches and 45% of the bank's ATMs in the state of Utah. There is strong bank competition in this AA with many active insured financial institutions, including industrial loan corporations, local and regional banks competing for deposits and CD opportunities.

The AA is comprised of three counties; Salt Lake, Summit, and Tooele Counties located in north central Utah. These three counties represent 40% of the state's population. The majority of the AA's moderate-income census tracts are located in Salt Lake City. The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income geographies.

Salt Lake City is the state capital and largest city. The economy of the Salt Lake City MSA is improving with an unemployment rate of less than 5% for the past 18 months. There has been steady job growth primarily in professional and business services, residential housing construction, and the leisure and hospitality industries. At current interest rates, the median family income of \$54,586 would support conventional mortgage financing for a home priced at the median housing value of \$170,522, which creates affordable homeownership opportunities for families earning close to 80% of the median family income.

As part of this evaluation, consideration was given to information received from community based organizations providing affordable housing, economic and small business development. The contacts expressed a continuing need for affordable housing, capital and technical support for small business expansion, and increased financial literacy training for low- and moderate-

income individuals. The contacts also stated that ZFNB exhibits a strong commitment to its community and is responsive to its community's financial needs. There are continuing opportunities to finance affordable housing and small businesses.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1a. Lending Volume** - Summarizes the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/AA.
- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank from January 1, 2004, to December 31, 2005 by MA/AA. CD loans to statewide or regional entities or made outside the bank’s AA may receive positive CRA consideration. Refer to Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to

businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.

- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/AA. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased 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. In addition, the table presents the percentage distribution of the number of loans originated and purchased 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 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased 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. In addition, the table presents the percentage distribution of the number of loans originated and purchased 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 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within

each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/AA.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's AA. See Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item in the MA/AA column, and record the corresponding numbers and amounts in the "Qualified Investments" column with the appropriate caption, such as: "Statewide/Regional," "Statewide/Regional with potential benefit to one or more AAs" or "Out of AA." "Out of the AA" is used ONLY if the bank has otherwise adequately met the qualified investment needs of its AA.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

## Tables of Performance Data

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**State of Utah**  
**State of Idaho**

**Table 1a. Lending Volume Summary Table (2003-2005)**

LENDING VOLUME												
Geography: STATE OF UTAH												
Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2005												
MA/Assessment Area (2005):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Ogden-Clearfield UT MSA 36260	11.34	1,333	209,521	2,216	244,225	39	3,411	6	13,027	3,594	470,184	5.66
Provo-Orem UT MSA 39340	12.93	1,485	208,935	2,467	268,501	143	14,688	2	16,800	4,097	508,924	9.86
Salt Lake City UT MSA 41620	34.07	3,534	603,514	7,187	776,097	56	5,184	17	42,794	10,794	1,427,403	64.45
<b>Limited Review:</b>												
Logan UT-ID MSA 30860	6.88	1,343	165,993	789	85,901	46	3,921	1	1,415	2,179	257,230	3.40
St George UT MSA 41100	7.58	1,407	174,501	974	122,984	21	2,051	0	0	2,402	299,539	6.01
Non-MSA UT	27.20	4,229	398,735	3,265	279,286	1,123	84,467	2	3,022	8,619	765,510	10.61

\* Loan Data covers the period January 1, 2003 through December 31, 2005. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from December 30, 2003 to October 2, 2006.

\*\*\* Deposit Data as of June 30, 2006. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Lending Volume**

LENDING VOLUME												
Geography: STATE OF UTAH												
Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005												
MA/Assessment Area (2005):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Ogden-Clearfield UT MSA	11.40	671	117,134	1,582	169,555	27	2,485	6	13,027	2,286	302,201	5.66
Provo-Orem UT MSA	12.97	749	118,442	1,764	186,952	87	9,643	2	16,800	2,602	331,837	9.86
Salt Lake City UT MSA	35.10	1,829	352,722	5,155	532,364	38	3,364	17	42,608	7,039	931,058	64.45
<b>Limited Review:</b>												
Logan UT-ID MSA	6.33	660	89,602	577	57,494	31	2,653	1	1,415	1,269	151,164	3.40
St George UT MSA	7.57	765	102,209	742	88,535	12	1,107	0	0	1,519	191,851	6.01
Non-MSA UT	26.63	2,260	236,949	2,329	201,325	749	54,103	2	3,022	5,340	495,399	10.61

\* Loan Data covers the period January 1, 2004, through December 31, 2005 only. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from December 30, 2003 to October 2, 2006.

\*\*\* Deposit Data as of June 30, 2006. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: STATE OF UTAH				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005					Market Share (%) by Geography <sup>*</sup>				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans					
<b>Full Review:</b>															
Ogden-Clearfield UT MSA	347	12.24	0.84	0.86	13.51	7.49	59.46	53.03	26.19	38.62	0.74	0.81	0.21	0.61	1.47
Provo-Orem UT MSA	291	10.26	1.40	2.41	10.97	6.19	54.53	48.80	33.10	42.61	0.66	0.51	0.54	0.55	0.93
Salt Lake City UT MSA	697	24.58	0.20	0.72	16.53	9.33	52.75	41.46	30.52	48.49	0.65	1.61	0.43	0.53	0.97
<b>Limited Review:</b>															
Logan UT-ID MSA	343	12.09	0.27	0.29	17.81	20.41	50.26	41.98	31.66	37.32	4.68	12.50	3.62	4.14	6.33
St George UT MSA	344	12.13	0.00	0.00	9.35	9.30	71.27	66.86	19.38	23.84	1.89	0.00	1.67	1.83	2.17
Non-MSA UT	814	28.70	2.15	0.00	6.23	5.53	79.09	83.54	12.52	10.93	4.71	0.00	2.70	5.28	3.02

<sup>\*</sup> Based on 2005 Peer Mortgage Data (Western)

<sup>\*\*</sup> Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

<sup>\*\*\*\*</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: STATE OF UTAH					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005									
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>1</sup>					
	#	% of Total <sup>2</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Ogden-Clearfield UT MSA	60	6.02	0.84	0.00	13.51	8.33	59.46	41.67	26.19	50.00	1.96	0.00	3.54	0.92	4.17	
Provo-Orem UT MSA	110	11.04	1.40	1.82	10.97	7.27	54.53	59.09	33.10	31.82	6.38	18.18	7.69	7.42	4.45	
Salt Lake City UT MSA	226	22.69	0.20	1.33	16.53	12.83	52.75	52.21	30.52	33.63	3.73	33.33	4.53	3.60	3.42	
<b>Limited Review:</b>																
Logan UT-ID MSA	71	7.13	0.27	0.00	17.81	9.86	50.26	40.85	31.66	49.30	18.24	0.00	25.00	11.96	25.81	
St George UT MSA	87	8.73	0.00	0.00	9.35	2.30	71.27	82.76	19.38	14.94	12.44	0.00	4.55	13.52	10.84	
Non-MSA UT	442	44.38	2.15	0.23	6.23	4.75	79.09	87.33	12.52	7.69	27.12	0.00	15.69	30.03	15.31	

<sup>1</sup> Based on 2005 Peer Mortgage Data (Western)

<sup>2</sup> Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

<sup>3</sup> Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

<sup>4</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE      Geography: STATE OF UTAH      Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005															
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>				
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Ogden-Clearfield UT MSA	263	8.51	0.84	0.00	13.51	5.70	59.46	51.33	26.19	42.97	0.58	0.00	0.20	0.47	1.06
Provo-Orem UT MSA	347	11.23	1.40	1.44	10.97	8.07	54.53	53.89	33.10	36.60	0.92	1.11	1.04	0.89	0.94
Salt Lake City UT MSA	900	29.12	0.20	0.44	16.53	11.00	52.75	46.44	30.52	42.11	0.89	2.13	0.84	0.76	1.13
<b>Limited Review:</b>															
Logan UT-ID MSA	246	7.96	0.27	0.00	17.81	12.20	50.26	47.56	31.66	40.24	3.26	0.00	3.10	3.35	3.23
St George UT MSA	333	10.77	0.00	0.00	9.35	5.71	71.27	75.68	19.38	18.62	2.35	0.00	1.40	2.57	1.99
Non-MSA UT	1,002	32.42	2.15	0.00	6.23	3.89	79.09	83.83	12.52	12.28	5.53	0.00	4.04	5.84	4.62

<sup>\*</sup> Based on 2005 Peer Mortgage Data (Western)

<sup>\*\*</sup> Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

<sup>\*\*\*\*</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: STATE OF UTAH				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005						Market Share (%) by Geography				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
<b>Full Review:</b>																
Ogden-Clearfield UT MSA	1	9.09	10.09	0.00	37.76	100.00	43.01	0.00	9.14	0.00	1.89	0.00	8.33	0.00	0.00	
Provo-Orem UT MSA	1	9.09	37.41	0.00	29.69	0.00	28.80	100.00	4.10	0.00	3.45	0.00	0.00	9.09	0.00	
Salt Lake City UT MSA	6	54.55	3.14	16.67	49.56	33.33	36.55	33.33	10.76	16.67	3.45	25.00	1.03	5.13	20.00	
<b>Limited Review:</b>																
Logan UT-ID MSA	0	0.00	24.45	0.00	65.36	0.00	8.26	0.00	1.93	0.00	0.00	0.00	0.00	0.00	0.00	
St George UT MSA	1	9.09	0.00	0.00	17.60	0.00	80.02	100.00	2.38	0.00	12.50	0.00	0.00	16.67	0.00	
Non-MSA UT	2	18.18	0.66	0.00	10.06	50.00	82.24	50.00	7.04	0.00	9.52	0.00	33.33	5.88	0.00	

\* Based on 2005 Peer Mortgage Data (Western)

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: STATE OF UTAH					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>													
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Ogden-Clearfield UT MSA	1,582	13.02	5.22	13.08	16.37	19.41	51.58	46.52	26.82	20.99	8.75	20.32	11.20	7.99	6.88									
Provo-Orem UT MSA	1,762	14.51	4.05	1.31	15.25	14.93	48.74	52.50	31.92	31.27	9.04	5.65	11.88	9.62	7.99									
Salt Lake City UT MSA	5,155	42.44	8.13	11.64	21.64	25.94	39.93	34.18	30.30	28.24	10.80	16.78	13.71	9.01	10.45									
<b>Limited Review:</b>																								
Logan UT-ID MSA	577	4.75	1.19	0.17	33.62	32.76	40.39	45.75	24.81	21.32	12.25	11.11	14.21	10.84	12.50									
St George UT MSA	742	6.11	0.00	0.00	10.74	14.69	73.29	70.89	15.96	14.42	10.92	0.00	17.84	11.03	7.71									
Non-MSA UT	2,329	19.17	0.40	0.00	8.26	5.15	80.74	84.93	10.60	9.92	15.50	0.00	9.95	17.73	15.62									

\* Based on 2005 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2005).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS      Geography: STATE OF UTAH      Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005															
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>1</sup>				
	#	% of Total <sup>2</sup>	% of Farms <sup>3</sup>	% BANK Loans	% of Farms <sup>3</sup>	% BANK Loans	% of Farms <sup>3</sup>	% BANK Loans	% of Farms <sup>3</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Ogden-Clearfield UT MSA	27	2.86	2.71	3.70	12.25	0.00	60.90	96.30	24.15	0.00	12.68	0.00	0.00	18.37	0.00
Provo-Orem UT MSA	87	9.22	2.13	0.00	9.54	1.15	60.61	73.56	27.72	25.29	23.44	0.00	0.00	29.41	15.15
Salt Lake City UT MSA	38	4.03	2.72	2.63	16.09	15.79	47.01	60.53	34.18	21.05	7.65	0.00	0.00	13.25	4.26
<b>Limited Review:</b>															
Logan UT-ID MSA	31	3.28	0.39	0.00	11.72	0.00	68.36	83.87	19.53	16.13	7.14	0.00	0.00	6.43	17.65
St George UT MSA	12	1.27	0.00	0.00	9.80	0.00	70.26	50.00	19.93	50.00	3.92	0.00	0.00	2.56	12.50
Non-MSA UT	749	79.34	0.00	0.00	5.76	8.01	82.79	81.84	11.45	10.15	29.04	0.00	29.69	29.81	41.54

<sup>1</sup> Based on 2005 Peer Small Business Data -- US and PR

<sup>2</sup> Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

<sup>3</sup> Source Data - Dun and Bradstreet (2005).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE															
Geography: STATE OF UTAH															
Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005															
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>				
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>**</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Ogden-Clearfield UT MSA	347	12.24	15.92	6.16	20.34	21.11	25.67	26.98	38.07	45.75	0.83	0.57	0.53	0.67	1.38
Provo-Orem UT MSA	291	10.26	17.85	4.84	19.45	18.34	24.56	26.64	38.14	50.17	0.76	0.54	0.53	0.69	0.98
Salt Lake City UT MSA	697	24.58	16.76	5.92	19.97	18.93	24.84	21.01	38.44	54.14	0.73	0.62	0.52	0.59	0.98
<b>Limited Review:</b>															
Logan UT-ID MSA	343	12.09	16.92	7.02	20.71	23.10	24.02	32.16	38.35	37.72	5.50	5.75	4.30	5.69	6.19
St George UT MSA	344	12.13	16.37	6.18	19.57	15.88	25.69	22.94	38.37	55.00	2.19	6.02	3.35	2.29	1.89
Non-MSA UT	814	28.70	18.02	4.47	19.18	18.49	24.48	24.94	38.33	52.11	5.46	5.52	5.27	5.01	5.75

\* Based on 2005 Peer Mortgage Data (Western)

\*\* As a percentage of loans with borrower income information available. No information was available for 1.5% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT															Geography: STATE OF UTAH					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>1</sup>													
	#	% of Total <sup>2</sup>	% Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% Families <sup>3</sup>	% BANK Loans <sup>4</sup>	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Ogden-Clearfield UT MSA	60	6.02	15.92	14.55	20.34	14.55	25.67	30.91	38.07	40.00	1.87	1.15	0.69	2.20	2.59									
Provo-Orem UT MSA	110	11.04	17.85	8.65	19.45	16.35	24.56	31.73	38.14	43.27	6.35	15.91	5.83	6.07	5.59									
Salt Lake City UT MSA	226	22.69	16.76	13.68	19.97	22.64	24.84	25.47	38.44	38.21	3.60	9.94	3.36	3.30	2.79									
<b>Limited Review:</b>																								
Logan UT-ID MSA	71	7.13	16.92	5.71	20.71	20.00	24.02	24.29	38.35	50.00	18.79	11.11	29.17	15.87	18.84									
St George UT MSA	87	8.73	16.37	11.76	19.57	25.88	25.69	22.35	38.37	40.00	12.95	53.33	20.75	10.31	9.09									
Non-MSA UT	442	44.38	18.02	8.76	19.18	18.20	24.48	26.50	38.33	46.54	27.29	42.86	34.48	26.19	23.46									

<sup>1</sup> Based on 2005 Peer Mortgage Data (Western)

<sup>2</sup> As a percentage of loans with borrower income information available. No information was available for 3.6% of loans originated and purchased by bank.

<sup>3</sup> Percentage of Families is based on the 2000 Census information.

<sup>4</sup> Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

<sup>5</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: STATE OF UTAH					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>1</sup>													
	#	% of Total <sup>2</sup>	% Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% Families <sup>3</sup>	% BANK Loans <sup>4</sup>	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Ogden-Clearfield UT MSA	263	8.51	15.92	7.38	20.34	15.98	25.67	23.77	38.07	52.87	0.71	0.74	0.64	0.58	0.87									
Provo-Orem UT MSA	347	11.23	17.85	9.54	19.45	15.69	24.56	27.08	38.14	47.69	1.10	3.13	0.97	0.74	1.23									
Salt Lake City UT MSA	900	29.12	16.76	8.65	19.97	19.24	24.84	25.46	38.44	46.65	1.06	1.79	0.80	0.96	1.16									
<b>Limited Review:</b>																								
Logan UT-ID MSA	246	7.96	16.92	4.92	20.71	20.90	24.02	29.51	38.35	44.67	4.13	6.98	3.81	3.76	4.27									
St George UT MSA	333	10.77	16.37	6.79	19.57	20.99	25.69	24.07	38.37	48.15	2.67	9.71	4.31	2.43	2.21									
Non-MSA UT	1,002	32.42	18.02	5.98	19.18	14.29	24.48	26.95	38.33	52.79	6.54	10.36	5.08	6.76	6.54									

<sup>1</sup> Based on 2005 Peer Mortgage Data (Western)

<sup>2</sup> As a percentage of loans with borrower income information available. No information was available for 4.7% of loans originated and purchased by bank.

<sup>3</sup> Percentage of Families is based on the 2000 Census information.

<sup>4</sup> Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

<sup>5</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES									
			Geography: STATE OF UTAH		Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Ogden-Clearfield UT MSA	1,582	13.02	60.30	41.66	76.86	12.33	10.81	8.75	6.10
Provo-Orem UT MSA	1,764	14.52	61.34	47.85	76.87	12.87	10.26	9.04	6.80
Salt Lake City UT MSA	5,155	42.43	58.51	35.13	78.64	10.28	11.08	10.80	5.90
<b>Limited Review:</b>									
Logan UT-ID MSA	577	4.75	60.90	47.66	79.03	11.27	9.71	12.25	10.12
St George UT MSA	742	6.11	62.71	54.18	74.12	14.29	11.59	10.92	9.58
Non-MSA UT	2,329	19.17	60.58	56.89	79.99	11.98	8.03	15.50	14.00

<sup>\*</sup> Based on 2005 Peer Small Business Data -- US and PR

<sup>\*\*</sup> Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

<sup>\*\*\*</sup> Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2005).

<sup>\*\*\*\*</sup> Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 28.50% of small loans to businesses originated and purchased by the bank.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS									
Geography: STATE OF UTAH				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005					
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Ogden-Clearfield UT MSA	27	2.86	91.17	100.00	59.26	33.33	7.41	12.68	16.67
Provo-Orem UT MSA	87	9.22	88.33	86.21	67.82	18.39	13.79	23.44	23.58
Salt Lake City UT MSA	38	4.03	88.59	89.47	71.05	26.32	2.63	7.65	9.02
<b>Limited Review:</b>									
Logan UT-ID MSA	31	3.28	93.95	90.32	70.97	25.81	3.23	7.14	6.38
St George UT MSA	12	1.27	92.81	91.67	75.00	16.67	8.33	3.92	4.35
Non-MSA UT	749	79.34	93.26	95.19	80.11	15.22	4.67	29.04	31.89

<sup>\*</sup> Based on 2005 Peer Small Business Data -- US and PR

<sup>\*\*</sup> Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

<sup>\*\*\*</sup> Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2005).

<sup>\*\*\*\*</sup> Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 1.38% of small loans to farms originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
Geography: STATE OF UTAH			Evaluation Period: DECEMBER 30, 2003 TO OCTOBER 2, 2006						
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Ogden-Clearfield UT MSA	0	0	30	8,114	30	8,114	4.09	0	0
Provo-Orem UT MSA	0	0	22	14,079	22	14,079	7.09	0	0
Salt Lake City UT MSA	0	0	115	95,697	115	95,697	48.19	1	15,000
<b>Limited Review:</b>									
Logan UT-ID MSA	0	0	13	5,375	13	5,375	2.71	0	0
St George UT MSA	0	0	14	9,723	14	9,723	4.90	0	0
Non-MSA UT	0	0	18	18,001	18	18,001	9.06	0	0
Statewide/Regional	0	0	1	47,600	1	47,600	23.97	0	0

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

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

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS      Geography: STATE OF UTAH      Evaluation Period: JANUARY 1, 2004 TO OCTOBER 2, 2006																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Ogden-Clearfield UT MSA	5.66	11	9.82	9.09	18.18	45.45	27.27	1	5	0	- 1	- 2	- 1	2.29	16.87	55.98	24.85
Provo-Orem UT MSA	9.86	13	11.61	0.00	15.38	84.62	0.00	0	3	- 1	0	- 2	0	8.86	14.60	48.47	27.91
Salt Lake City UT MSA	64.45	48	42.86	6.25	20.83	43.75	29.17	1	6	0	1	- 3	- 3	0.79	22.59	49.65	26.97
<b>Limited Review:</b>																	
Logan UT-ID MSA	3.40	6	5.36	16.67	50.00	33.33	0.00	0	0	0	0	0	0	3.83	29.00	42.31	24.86
St George UT MSA	6.01	9	8.04	0.00	11.11	77.78	11.11	0	0	0	0	0	0	0.00	10.35	72.42	17.23
Non-MSA UT	10.61	25	22.32	0.00	4.00	84.00	12.00	1	4	0	0	- 3	0	2.46	7.40	78.25	11.89

**Table 1a. Lending Volume Summary Table (2003-2005)**

LENDING VOLUME												
Geography: STATE OF IDAHO												
Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2005												
MA/Assessment Area (2005):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Boise City-Nampa ID MSA	16.93	317	43,594	659	90,554	183	16,530	2	2,350	1,161	153,028	14.69
Idaho Falls ID MSA	27.49	860	112,057	684	76,884	341	33,311	0	0	1,885	222,212	20.91
<b>Limited Review:</b>												
Lewiston ID-WA MSA	4.84	218	19,099	105	8,963	9	943	0	0	332	29,005	6.05
Pocatello ID MSA	8.23	300	26,163	218	19,151	46	5,889	0	0	564	51,203	5.59
Non-MSA ID	42.51	1,230	123,447	1,178	85,657	507	55,666	0	0	2,915	264,770	52.76

\* Loan Data covers the period January 1, 2003 through December 31, 2005. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from December 30, 2003 to October 2, 2006.

\*\*\* Deposit Data as of June 30, 2006. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Lending Volume**

LENDING VOLUME												
Geography: STATE OF IDAHO												
Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005												
MA/Assessment Area (2005):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Boise City-Nampa ID MSA	18.21	141	21,212	530	71,254	117	10,389	2	2,350	790	105,205	14.69
Idaho Falls ID MSA	27.52	469	71,536	491	53,796	234	22,911	0	0	1,194	148,243	20.91
<b>Limited Review:</b>												
Lewiston ID-WA MSA	4.50	98	9,371	89	7,489	8	818	0	0	195	17,678	6.05
Pocatello ID MSA	7.84	144	14,734	156	13,712	40	5,543	0	0	340	33,989	5.59
Non-MSA ID	41.93	610	67,253	842	60,881	366	40,802	1	800	1,819	169,736	52.76

\* Loan Data covers the period January 1, 2004 through December 31, 2005 only. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from December 30, 2003 to October 2, 2006.

\*\*\* Deposit Data as of June 30, 2006. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: STATE OF IDAHO				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005						Market Share (%) by Geography				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Boise City-Nampa ID MSA	73	11.34	0.81	0.00	16.94	13.70	48.94	58.90	33.31	27.40	0.11	0.00	0.15	0.12	0.09	
Idaho Falls ID MSA	275	42.70	0.00	0.00	10.92	1.45	67.32	72.73	21.76	25.82	3.23	0.00	0.00	3.41	4.24	
<b>Limited Review:</b>																
Lewiston ID-WA MSA	23	3.57	0.00	0.00	8.13	17.39	42.83	34.78	49.04	47.83	1.68	0.00	3.06	1.39	1.67	
Pocatello ID MSA	49	7.61	0.00	0.00	18.36	12.24	52.28	40.82	29.37	46.94	1.17	0.00	0.36	1.10	1.92	
Non-MSA ID	224	34.78	0.00	0.00	5.66	1.34	72.29	82.59	22.05	16.07	1.74	0.00	0.23	2.10	1.22	

\* Based on 2005 Peer Mortgage Data (Western)

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: STATE OF IDAHO				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005					Market Share (%) by Geography				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans					
<b>Full Review:</b>															
Boise City-Nampa ID MSA	14	8.38	0.81	0.00	16.94	35.71	48.94	50.00	33.31	14.29	0.53	0.00	0.94	0.67	0.19
Idaho Falls ID MSA	38	22.75	0.00	0.00	10.92	5.26	67.32	92.11	21.76	2.63	3.21	0.00	3.03	4.55	0.00
<b>Limited Review:</b>															
Lewiston ID-WA MSA	23	13.77	0.00	0.00	8.13	8.70	42.83	26.09	49.04	65.22	8.47	0.00	11.11	6.67	9.38
Pocatello ID MSA	7	4.19	0.00	0.00	18.36	14.29	52.28	71.43	29.37	14.29	1.71	0.00	2.78	2.74	0.00
Non-MSA ID	85	50.90	0.00	0.00	5.66	2.35	72.29	92.94	22.05	4.71	6.86	0.00	3.70	8.64	1.99

\* Based on 2005 Peer Mortgage Data (Western)

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE      Geography: STATE OF IDAHO      Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005															
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>1</sup>				
	#	% of Total <sup>2</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Boise City-Nampa ID MSA	53	8.20	0.81	0.00	16.94	26.42	48.94	47.17	33.31	26.42	0.11	0.00	0.14	0.14	0.05
Idaho Falls ID MSA	156	24.15	0.00	0.00	10.92	3.85	67.32	69.87	21.76	26.28	1.79	0.00	0.73	2.00	1.56
<b>Limited Review:</b>															
Lewiston ID-WA MSA	52	8.05	0.00	0.00	8.13	5.77	42.83	38.46	49.04	55.77	1.83	0.00	1.14	3.09	1.21
Pocatello ID MSA	86	13.31	0.00	0.00	18.36	10.47	52.28	40.70	29.37	48.84	1.47	0.00	1.02	1.06	2.25
Non-MSA ID	299	46.28	0.00	0.00	5.66	2.68	72.29	86.62	22.05	10.70	1.97	0.00	2.34	2.57	0.84

<sup>1</sup> Based on 2005 Peer Mortgage Data (Western)

<sup>2</sup> Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

<sup>3</sup> Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

<sup>4</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY															Geography: STATE OF IDAHO					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography													
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Boise City-Nampa ID MSA	1	20.00	1.79	100.00	38.62	0.00	32.77	0.00	26.82	0.00	2.27	100.00	0.00	0.00	0.00									
Idaho Falls ID MSA	0	0.00	0.00	0.00	36.24	0.00	53.48	0.00	10.29	0.00	0.00	0.00	0.00	0.00	0.00									
<b>Limited Review:</b>																								
Lewiston ID-WA MSA	0	0.00	0.00	0.00	35.15	0.00	31.56	0.00	33.28	0.00	0.00	0.00	0.00	0.00	0.00									
Pocatello ID MSA	2	40.00	0.00	0.00	48.34	100.00	43.72	0.00	7.95	0.00	22.22	0.00	28.57	0.00	0.00									
Non-MSA ID	2	40.00	0.00	0.00	14.12	0.00	54.06	50.00	31.82	50.00	3.85	0.00	0.00	6.25	0.00									

\* Based on 2005 Peer Mortgage Data (Western)

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: STATE OF IDAHO					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>													
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Boise City-Nampa ID MSA	530	25.14	1.03	1.13	27.35	31.89	42.31	38.11	29.30	28.87	1.62	0.69	2.87	1.42	1.13									
Idaho Falls ID MSA	491	23.29	0.00	0.00	22.32	11.81	55.03	72.71	22.65	15.48	7.33	0.00	5.01	9.41	5.19									
<b>Limited Review:</b>																								
Lewiston ID-WA MSA	89	4.22	0.00	0.00	30.89	28.09	35.16	23.60	33.95	48.31	3.78	0.00	3.70	2.90	4.46									
Pocatello ID MSA	156	7.40	0.00	0.00	35.69	37.18	44.21	41.03	20.10	21.79	3.41	0.00	3.48	4.87	1.87									
Non-MSA ID	842	39.94	0.00	0.00	10.26	21.14	59.76	66.86	29.98	12.00	6.19	0.00	18.92	6.30	3.18									

\* Based on 2005 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2005).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS    Geography: STATE OF IDAHO    Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005															
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>1</sup>				
	#	% of Total <sup>2</sup>	% of Farms <sup>3</sup>	% BANK Loans	% of Farms <sup>3</sup>	% BANK Loans	% of Farms <sup>3</sup>	% BANK Loans	% of Farms <sup>3</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Boise City-Nampa ID MSA	117	15.29	0.61	0.00	22.99	54.70	55.99	39.32	20.40	5.98	8.02	0.00	13.79	5.02	4.29
Idaho Falls ID MSA	234	30.59	0.00	0.00	6.01	0.00	77.84	92.74	16.15	7.26	46.07	0.00	0.00	47.93	43.75
<b>Limited Review:</b>															
Lewiston ID-WA MSA	8	1.05	0.00	0.00	17.03	50.00	51.65	50.00	31.32	0.00	0.00	0.00	0.00	0.00	0.00
Pocatello ID MSA	40	5.23	0.00	0.00	7.95	5.00	77.18	95.00	14.87	0.00	20.00	0.00	0.00	24.42	0.00
Non-MSA ID	366	47.84	0.00	0.00	4.29	1.91	80.45	84.43	15.26	13.66	9.56	0.00	13.89	9.28	12.59

<sup>1</sup> Based on 2005 Peer Small Business Data -- US and PR

<sup>2</sup> Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

<sup>3</sup> Source Data - Dun and Bradstreet (2005).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE															
Geography: STATE OF IDAHO				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005											
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>1</sup>				
	#	% of Total <sup>2</sup>	% Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% Families <sup>1</sup>	% BANK Loans <sup>4</sup>	% Families <sup>2</sup>	% BANK Loans <sup>4</sup>	% Families <sup>3</sup>	% BANK Loans <sup>4</sup>	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Boise City-Nampa ID MSA	73	11.34	17.91	8.22	19.17	13.70	23.63	20.55	39.29	57.53	0.13	0.18	0.07	0.12	0.15
Idaho Falls ID MSA	275	42.70	18.07	5.86	18.91	22.71	23.84	27.11	39.18	44.32	3.63	2.40	3.05	3.95	4.16
<b>Limited Review:</b>															
Lewiston ID-WA MSA	23	3.57	17.21	13.64	19.54	18.18	20.62	18.18	42.63	50.00	1.92	3.77	0.94	1.32	2.71
Pocatello ID MSA	49	7.61	19.76	8.16	18.53	14.29	22.10	24.49	39.62	53.06	1.32	1.23	0.84	1.40	1.55
Non-MSA ID	224	34.78	16.57	3.15	18.28	14.86	22.83	30.18	42.32	51.80	1.97	0.00	1.61	2.53	1.97

<sup>1</sup> Based on 2005 Peer Mortgage Data (Western)

<sup>2</sup> As a percentage of loans with borrower income information available. No information was available for 0.8% of loans originated and purchased by bank.

<sup>3</sup> Percentage of Families is based on the 2000 Census information.

<sup>4</sup> Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

<sup>5</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT															Geography: STATE OF IDAHO					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>1</sup>													
	#	% of Total <sup>2</sup>	% Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% Families <sup>3</sup>	% BANK Loans <sup>4</sup>	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Boise City-Nampa ID MSA	14	8.38	17.91	7.69	19.17	7.69	23.63	38.46	39.29	46.15	0.56	0.65	0.32	0.93	0.37									
Idaho Falls ID MSA	38	22.75	18.07	13.16	18.91	18.42	23.84	23.68	39.18	44.74	3.31	2.70	3.39	4.76	2.60									
<b>Limited Review:</b>																								
Lewiston ID-WA MSA	23	13.77	17.21	4.35	19.54	17.39	20.62	21.74	42.63	56.52	8.77	0.00	4.55	8.70	11.48									
Pocatello ID MSA	7	4.19	19.76	0.00	18.53	14.29	22.10	0.00	39.62	85.71	1.74	0.00	4.17	0.00	2.67									
Non-MSA ID	85	50.90	16.57	4.76	18.28	17.86	22.83	23.81	42.32	53.57	7.17	6.25	6.93	6.79	7.52									

<sup>1</sup> Based on 2005 Peer Mortgage Data (Western)

<sup>2</sup> As a percentage of loans with borrower income information available. No information was available for 1.2% of loans originated and purchased by bank.

<sup>3</sup> Percentage of Families is based on the 2000 Census information.

<sup>4</sup> Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

<sup>5</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: STATE OF IDAHO					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>1</sup>													
	#	% of Total <sup>2</sup>	% Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% Families <sup>1</sup>	% BANK Loans <sup>4</sup>	% Families <sup>3</sup>	% BANK Loans <sup>4</sup>	% Families <sup>3</sup>	% BANK Loans <sup>4</sup>	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Boise City-Nampa ID MSA	53	8.20	17.91	10.00	19.17	24.00	23.63	24.00	39.29	42.00	0.12	0.00	0.14	0.10	0.14									
Idaho Falls ID MSA	156	24.15	18.07	4.55	18.91	15.58	23.84	24.68	39.18	55.19	2.03	1.49	1.55	1.45	2.78									
<b>Limited Review:</b>																								
Lewiston ID-WA MSA	52	8.05	17.21	14.00	19.54	14.00	20.62	24.00	42.63	48.00	2.12	2.22	0.85	2.18	2.54									
Pocatello ID MSA	86	13.31	19.76	5.95	18.53	14.29	22.10	29.76	39.62	50.00	1.65	1.31	1.94	1.96	1.40									
Non-MSA ID	299	46.28	16.57	6.19	18.28	12.71	22.83	24.74	42.32	56.36	2.32	2.94	2.15	2.63	2.18									

<sup>1</sup> Based on 2005 Peer Mortgage Data (Western)

<sup>2</sup> As a percentage of loans with borrower income information available. No information was available for 2.6% of loans originated and purchased by bank.

<sup>3</sup> Percentage of Families is based on the 2000 Census information.

<sup>4</sup> Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

<sup>5</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES									
Geography: STATE OF IDAHO				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005					
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Boise City-Nampa ID MSA	530	25.14	61.50	56.98	67.74	16.98	15.28	1.62	1.64
Idaho Falls ID MSA	491	23.29	59.19	57.84	71.08	18.94	9.98	7.33	8.70
<b>Limited Review:</b>									
Lewiston ID-WA MSA	89	4.22	59.56	69.66	76.40	16.85	6.74	3.78	4.09
Pocatello ID MSA	156	7.40	58.88	62.82	75.00	19.23	5.77	3.41	4.21
Non-MSA ID	842	39.94	59.82	51.07	83.02	12.11	4.87	6.19	5.17

<sup>\*</sup> Based on 2005 Peer Small Business Data -- US and PR

<sup>\*\*</sup> Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

<sup>\*\*\*</sup> Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2005).

<sup>\*\*\*\*</sup> Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 14.94% of small loans to businesses originated and purchased by the bank.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS									
Geography: STATE OF IDAHO				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005					
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Boise City-Nampa ID MSA	117	15.29	87.98	84.62	71.79	20.51	7.69	8.02	8.77
Idaho Falls ID MSA	234	30.59	86.77	89.32	69.23	20.51	10.26	46.07	49.04
<b>Limited Review:</b>									
Lewiston ID-WA MSA	8	1.05	93.96	100.00	50.00	37.50	12.50	0.00	0.00
Pocatello ID MSA	40	5.23	88.72	85.00	55.00	25.00	20.00	20.00	24.68
Non-MSA ID	366	47.84	87.73	88.52	65.57	23.77	10.66	9.56	9.91

<sup>\*</sup> Based on 2005 Peer Small Business Data -- US and PR

<sup>\*\*</sup> Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

<sup>\*\*\*</sup> Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2005).

<sup>\*\*\*\*</sup> Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.78% of small loans to farms originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
Geography: STATE OF IDAHO			Evaluation Period: DECEMBER 30, 2003 TO OCTOBER 2, 2006						
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Boise City-Nampa ID MSA	0	0	22	771	22	771	15.64	0	0
Idaho Falls ID MSA	0	0	9	1,007	9	1,007	20.43	0	0
<b>Limited Review:</b>									
Lewiston ID-WA MSA	0	0	9	300	9	300	6.09	0	0
Pocatello ID MSA	0	0	12	252	12	252	5.11	0	0
Non-MSA ID	0	0	11	2,600	11	2,600	52.74	0	0

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

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

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS    Geography: STATE OF IDAHO    Evaluation Period: JANUARY 1, 2004 TO OCTOBER 2, 2006																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Boise City-Nampa ID MSA	14.69	6	26.09	0.00	66.67	16.67	16.67	2	0	0	2	0	0	1.56	20.97	47.20	30.27
Idaho Falls ID MSA	20.91	2	8.70	0.00	50.00	50.00	0.00	0	0	0	0	0	0	0.00	13.54	66.55	19.91
<b>Limited Review:</b>																	
Lewiston ID-WA MSA	6.05	2	8.70	0.00	50.00	50.00	0.00	0	0	0	0	0	0	0.00	11.97	42.32	45.71
Pocatello ID MSA	5.59	2	8.70	0.00	50.00	50.00	0.00	1	0	0	1	0	0	0.00	21.77	51.13	27.10
Non-MSA ID	52.76	11	47.83	0.00	9.09	72.73	18.18	1	1	0	0	- 1	1	0.00	9.20	70.82	19.98