



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

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Community Reinvestment Act Performance Evaluation

Zions First National Bank
Charter Number: 4341

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Salt Lake City, UT 84111

Office of the Comptroller of the Currency

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NOTE: This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

Table of Contents

General Information	2
Definitions and Common Abbreviations	3
Overall CRA Rating	6
Description of Institution	7
Scope of the Evaluation	8
Fair Lending Review	9
State Ratings	
State of Utah	10
State of Idaho	25
Appendix A: Scope of Examination	A-1
Appendix B: Summary of State Ratings	B-1
Appendix C: Market Profiles for Full-Scope Areas	C-1
Appendix D: Tables of Performance Data	D-1

General Information

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

*This document is an evaluation of the CRA performance of Zions First National Bank prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of December 29, 2003. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area (AA) evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. The definitions 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 by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Assessment Area (AA) – geography or area for which the bank’s performance is evaluated upon.

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

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

Community Development (CD) - Affordable housing for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration’s Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Community Reinvestment Act (CRA) - The statute that requires the OCC to evaluate a banks record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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

Geography - A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA) - The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, withdrawn).

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

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

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

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

Median Family Income (MFI) - The median income determined by the United States Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

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

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

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

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

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

Tier 1 Capital - The total of common shareholders' equity, perpetual preferred shareholder's equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Overall CRA Rating

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

The following table 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		X	X
High Satisfactory	X		
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- A significant level of community development lending in Utah, which had a positive impact on the Lending Test rating.
- Good geographic distribution of lending in Utah and adequate in Idaho.
- Good borrower distribution of lending in Utah and Idaho.
- Use of innovative and flexible loan programs to help meet credit needs of its AAs in Utah and Idaho, which had a positive impact on the Lending Test rating.
- Investment activity that represents an excellent response in Utah and good response in Idaho.
- Excellent branch office distribution, particularly in low- and moderate-income geographies, in Utah.
- An excellent provision of CD services in Utah and a good provision in Idaho.

Description of Institution

Zions First National Bank (ZFNB) is an interstate bank and a subsidiary of Zions Bancorporation (ZB), both of which are headquartered in Salt Lake City, Utah. ZB is a multi-bank holding company with six banking subsidiaries. ZB conducts business in the states of Arizona, California, Colorado, Idaho, Nevada, New Mexico, Utah, and Washington.

ZFNB operates with the assistance of 147 branches in both Utah and Idaho. Its primary market, however, is Utah where an overwhelming share of its deposits and branch offices are gathered and where most of its lending activity occurs. As of June 30, 2003, the bank's total assets totaled \$11 billion and net Tier I capital was \$616 million.

ZFNB is a full-service financial institution that offers various banking, trust, investment, leasing, mortgages, and cash management products and services to commercial enterprises and to individual customers. While ZFNB offers a variety of home mortgage loan products, its primary business strategy and focus is on small business lending. ZFNB has been ranked the top Small Business Administration Lender in Utah for the past nine years and has ranked highly in Idaho as well, including the top ranking for 2002.

ZFNB's CRA strategy includes a committee structure to help manage its efforts. It includes involvement by its bank management at various levels through three committees. The composition of each committee membership varies and one includes non-bank individuals representing various ethnic/community backgrounds to gain an inside perspective on community affairs and needs. A second committee consists of bank managers and officers from various areas of the bank to assist its CRA unit in utilizing the bank's many 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 its community's needs.

Competition in the state is very heavy. There are a number of large bank institutions, industrial loan corporations, and credit unions competing in the Salt Lake City-Ogden MA. These entities have all been vying for a part of the community development opportunities.

There are no legal, financial, or other factors impeding the bank's ability to help to meet credit needs in its AAs.

The most recent previous evaluation of the bank's CRA performance is dated

October 23, 2000 whereby the bank received a "Satisfactory" rating.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This evaluation considered ZFNB's HMDA-reportable loans, small loans to businesses, and small loans to farms for the calendar years 2000, 2001, and 2002. Community development lending, community development investments, and retail and community development services were evaluated for the period beginning October 23, 2000 (the date of the previous CRA evaluation), and ending December 29, 2003.

Data Integrity

We reviewed the bank's system for testing the accuracy of publicly reported HMDA and CRA loan data. The bank's corporate compliance unit performs data integrity reviews that are comparable to the OCC's data integrity review. Their testing revealed some errors for which corrective actions, including additional training, were implemented. A subsequent review by the bank's corporate compliance unit revealed improvement and a lower error rate such that the data was accepted for our analysis.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, a sample of AAs within that state was selected for full-scope reviews. The selection of such AAs was driven primarily by the extent to where ZFNB's deposits are gathered, as well as, where its respective lending activities occur and where its branch offices are located.

Ratings

The bank's overall rating is a blend of the state ratings. However, performance in Utah was weighted considerably more heavily than that in Idaho because of the large proportion of the bank's deposit gatherings from that state. In addition, the bank's lending activity and branch offices are concentrated heavily in Utah.

The state ratings are influenced most by those areas that received full-scope reviews. This again is due to the full-scope AAs having more significant deposit gatherings, followed by loan and branch office activity. Refer to the Scope section under each State Rating for details regarding how the areas were weighted in arriving at the overall state rating.

Fair Lending Review

We found no evidence of illegal discrimination or other illegal credit practices.

State Rating

CRA Rating for Utah:	<u>"Outstanding"</u>
The Lending Test is rated:	<u>"Outstanding"</u>
The Investment Test is rated:	<u>"Outstanding"</u>
The Service Test is rated:	<u>"Outstanding"</u>

The major factors that support this rating include:

- Significant CD lending that had a positive impact on ZFNB's AAs.
- An excellent geographic distribution of small loans to businesses.
- Good overall borrower distribution of lending.
- Use of innovative and flexible loan programs to help meet AA credit needs.
- An excellent level of CD investments.
- Excellent branch office distribution, particularly in low-and moderate income areas.
- An excellent level of CD services.

Description of Institution's Operations in Utah

ZFNB is the second largest deposit-taking financial institution in Utah (as of June 30, 2003) with 7.5% of the state's total deposit base. Merrill Lynch Bank, USA ranked first with 64% and Wells Fargo Bank Northwest, N.A. third with 6% of the deposits. ZFNB's presence in Utah is significant and is its primary market. An overwhelming majority of ZFNB's deposits (95%), reportable loan volume (84%), and branch offices (85%) reside in Utah.

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

Full-scope reviews were performed for the Salt Lake City-Ogden MA and the Utah Non-MA AAs. Combined, ZFNB obtained 89% of its deposits and about 86% of its originated/purchased reportable loan volume in these AAs. Consequently, these AAs are representative of the bank's activities in Utah, and the state ratings are

based primarily upon results in these AAs. The Salt Lake City-Ogden MA AA carried more weight in the final conclusions than the Utah Non-MA AA given its higher percentage of deposit gatherings at 65% compared to 24% respectively.

In evaluating the bank's lending performance, more weight was placed upon small loans to businesses. This is the bank's primary lending focus and the loan category represents nearly half of the bank's loan volume. Small business lending also is one of the major credit needs identified in the bank's AAs as confirmed by community groups and related organizations in the state of Utah. We placed secondary emphasis on home mortgage loans and within this, greater weight was placed on home purchase lending in arriving at our conclusions. This was another identified need in the bank's AAs. It is noted, however, that only 11% of the bank's number of loans was in this home purchase category, further reflecting on its small business loan focus. We placed the least weight on small loans to farms as this represents the smallest level of the bank's activity and was the least identified of the credit needs within the CRA loan categories evaluated. Loans for multifamily units were insignificant and thus not considered in our analysis.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in Utah is rated "Outstanding". Based on full-scope reviews, the bank's performance is excellent in both the Salt Lake City-Ogden MA and Utah Non-MA AAs.

Lending Activity

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

The bank reported 11,400 originated/purchased loans in the Salt Lake City-Ogden MA during the evaluation period. These were comprised of 42% home mortgage loans and 57% small loans to businesses. Small loans to farms were insignificant in volume, representing 1%, or 49 loans, of the total reported loans. Thus, analysis of these small loans to farms is not meaningful and not given consideration in the analysis of the bank's lending in the Salt Lake City-Ogden MA AA.

Home mortgage loan originations/purchases consist of 22% home purchase loans, 12% home improvement loans, and 66% home refinance loans.

ZFNB's lending activity is good in the Salt Lake City-Ogden MA, particularly considering the competition for both HMDA reportable loans, and small loans to

businesses in this AA. The bank ranks third in deposit share, fifth in small loans to businesses, and third in small loans to farms, based on 2002 market data. Also, based on 2002 HMDA-reportable loan market data, the bank is ranked thirty-first in originations/purchases of loans for home purchase, fifth for home improvement, and seventeenth for home refinance.

In the Utah Non-MA AA, the bank reported 13,422 originated/purchased loans during the evaluation period. These were comprised of 57% home mortgage loans, 33% small loans to businesses, and 10% small loans to farms.

The composition of home mortgage loan originations/purchases was 22% home purchase, 15% home improvement, and 63% home refinance loans.

ZFNB's lending activity is good in the Utah Non-MA AA. The bank ranks first in deposit share and third in both small loans to businesses and small loans to farms, based on 2002 CRA aggregate data. Based on 2002 aggregate HMDA data, the bank is ranked third in originations/purchases of loans for home purchase, first for home improvement, and second for home refinance.

Distribution of Loans by Income Level of the Geography

The overall geographic distribution of the bank's lending is good in the Salt Lake City-Ogden MA AA and excellent in the Utah Non-MA AA.

Home Mortgage Loans

Refer to Tables 2, 3 and 4 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 geographic distribution of home mortgage loans is adequate in the Salt Lake City-Ogden MA AA and good in the Utah Non-MA AA.

Home purchase loan distribution is adequate in the Salt Lake City-Ogden MA AA and good in the Utah Non-MA AA. In the Salt Lake City-Ogden MA, the portion of home purchase loans made in both LMI geographies is below the portion of owner-occupied housing units there. The market share for loans made in these geographies is also below the bank's overall market share.

In the Utah Non-MA AA, lending performance in the low-income geographies must be viewed within the following context. Of the 117 census tracts in this AA, two are designated low-income. These two tracts are largely sovereign Native American territory. Bank management reports that home mortgage lending opportunities there have historically been hindered by mortgage lien related

obstacles. Since the previous examination, ZFNB has been working to address this issue. Recently, ZFNB and the Ute Tribe (Native American Indian) signed an agreement, which will give Ute tribal members increased access to affordable home mortgage loans (refer to Flexible or Innovative Loan Programs for detail). Accordingly, conclusions here are tempered and focused essentially on moderate-income geographies. The portion of home purchase loans made in moderate-income geographies is near to the portion of owner-occupied housing units there, and is good. Market share for loans made in moderate-income geographies exceeds the bank's overall market share.

Home improvement loan geographic distribution is adequate in the Salt Lake City-Ogden MA AA and excellent in the Utah Non-MA AA. In the low-income geographies in the Salt Lake City-Ogden MA AA, the bank's portion of loans is below the portion of owner-occupied units and slightly below in moderate-income geographies. The market share for loans made in low-income geographies is well below the bank's overall market share; in moderate-income geographies it is moderately below.

In the Utah Non-MA AA, both the portion of home improvement loans and the bank's market share in low-income geographies is influenced due to the reasons previously noted. In moderate-income geographies, the portion of loans made significantly exceeds the portion of owner-occupied housing units there. In addition, the market share for loans made in moderate-income geographies also significantly exceeds the bank's overall market share.

Home refinance loan geographic distribution is poor in the Salt Lake City-Ogden MA AA and excellent in the Utah Non-MA AA. In the Salt Lake City-Ogden MA AA, the portion of home refinance loans made in either low- or moderate-income geographies is well below the portion of owner-occupied housing units there. The market share for loans made in both low- and moderate-income geographies compared to the bank's overall market share is adequate. In the Utah Non-MA AA, the portion of home refinance loans made in moderate-income geographies significantly exceeds the portion of owner-occupied housing units there. The market share for loans made in these geographies also significantly exceeds the bank's overall market share.

Small Loans to Businesses

Refer to Table 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 origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is excellent in both full-scope AAs. In the Salt Lake City-Ogden MA AA, the portion of small loans to

businesses made in either low- or moderate-income geographies exceeds the portion of businesses located in those geographies. Likewise, the bank's market share for such loans in either low- or moderate-income geographies significantly exceeds the bank's overall market share. A comparable profile is noted for the bank's performance in the Utah Non-MA AA. However, both the demographics and the percentage of bank loans in low-income geographies are well below 1% in the Utah Non-MA AA indicating nominal lending opportunities.

Small Loans to Farms

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 farms.

The geographic distribution of small loans to farms is excellent in the Utah Non-MA AA. The geographic distribution of small loans to farms in moderate-income census tracts significantly exceeds demographics. ZFNB's market share of such loans also significantly exceeds its overall market share. Given the nominal level of small farms located in low-income geographies in this AA, analysis of such lending is not meaningful. Also, analysis of the geographic distribution of small loans to farms in the Salt Lake City-Ogden MA AA is not meaningful due to the insignificant volume of small loans to farms originated/purchased in this AA.

Lending Gap Analysis

Analysis of the bank's overall lending activity did not reveal any conspicuous gaps in the geographic distribution of loans that would warrant concerns in the full-scope AAs.

Inside/Outside Ratio

A majority of the bank's loans were originated within its AAs. During the evaluation period, 91% of the small loans to businesses, 80% of the small loans to farms, and 76% of the bank's home mortgage loans were originated within its AAs.

Distribution of Loans by Income Level of the Borrower

The overall borrower distribution of the bank's lending is good in each full-scope AA.

It is noted that in each of the bank's full-scope AAs in Utah, households below the poverty level are significant at 10% for the Salt Lake City MA AA and 14% for the Utah Non-MA AA. According to 1990 census data, the median housing costs in

these two AA's are \$73,000 and \$63,000 respectively. These values make affordability difficult for low-income persons, as they would be earning less than \$28,600 and \$21,450 respectively in these AAs. Based on these factors, the potential lending distribution to low-income borrowers is significantly hindered and thus the conclusions that follow are tempered accordingly.

Home Mortgage Loans

Refer to Tables 7, 8 and 9 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 overall borrower distribution of home mortgage loans is good in both the Salt Lake City-Ogden MA and in the Utah Non-MA AAs.

Home purchase borrower distribution is good in the Salt Lake City-Ogden MA AA and adequate in the Utah Non-MA AA. In the Salt Lake City-Ogden MA, the portion of home purchase loans made to low-income borrowers is below the portion of such families, however, the respective market share of loans to such borrowers significantly exceeds the bank's overall market share. The bank's portion of loans made to moderate-income borrowers significantly exceeds the portion of borrowers defined as such. The market share for loans made to moderate-income families is below the bank's overall market share. The bank's performance in the Utah Non-MA AA is adequate for loans to low-income borrowers given the pre-mentioned performance context. The portion of home purchase loans to moderate-income borrowers compared to demographics is excellent. Market share of loans to both LMI borrowers in the Utah Non MA AA compared to overall market share is adequate.

The borrower distribution of home improvement loans is excellent in the Salt Lake City-Ogden MA AA and good in the Utah Non-MA AA. In the Salt Lake City-Ogden MA AA, the portion of home improvement loans made to low-income borrowers is near to the portion of families defined as such; and the respective market share of loans to such borrowers significantly exceeds the bank's overall market share. The bank's portion of loans made to moderate-income borrowers significantly exceeds the portion of borrowers so defined, and the respective market share of loans made to such borrowers exceeds the bank's overall market share. In the Utah Non-MA AA, the portion of home improvement loans made to low-income borrowers is well below the portion of families defined as such; however, the respective market share of loans to such borrowers exceeds the bank's overall market share. The portion of lending to moderate-income borrowers equals the portion of such families, and the respective market share exceeds ZFNB's overall market share.

The borrower distribution of home refinance loans is good in both the Salt Lake

City-Ogden MA and the Utah Non-MA AAs. In the Salt Lake City-Ogden MA AA, the portion of home refinance loans made to low-income borrowers is well below the portion of families defined as such (again, tempered due to performance context) and the respective market share of loans to such borrowers significantly exceeds the bank's overall market share. The bank's portion of loans made to moderate-income borrowers is close to the portion of borrowers so defined. The market share for home refinance loans made to moderate-income families is below the bank's overall market share. In the Utah Non-MA AA, the portion of home refinance loans to low-income borrowers is well below demographics (again, tempered due to performance context) and the portion of loans to moderate-income borrowers is slightly below demographics. The market share for both LMI borrowers significantly exceeds overall market share.

Small Loans to Businesses

Refer to Table 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 origination and purchase of small loans to businesses.

Borrower distribution of small loans to businesses is good in both the Salt Lake City-Ogden MA and Utah Non-MA AAs. In the Salt Lake City-Ogden MA AA, ZFNB's portion of loans made to small businesses (businesses with annual revenues of \$1 million or less) is below the portion of such businesses. However, the bank's market share of such loans significantly exceeds its overall market share. In the Utah Non-MA AA, the portion of small loans made to small businesses substantially meets the portion of such businesses. The respective market share of loans to such borrowers significantly exceeds the bank's overall market share. It is noted that ZFNB uses a credit scoring system to process its loans to small businesses. As such, revenue data is not retrieved in many cases. Therefore, these loans are not reflected in the loans we analyzed for borrower distribution. Bank management determined that many such loans are small in dollar size and that this is a good proxy to indicate that many such loans are actually loans to smaller sized businesses.

Small Loans to Farms

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/purchase of small loans to farms.

In the Utah Non-MA AA, the borrower distribution of small loans to farms is excellent. The portion of small loans to farms with annual revenues of \$1 million or less exceeds the portion of farms defined as such in this AA. The respective market share of loans to small farms also exceeds the bank's overall market share.

An analysis of the borrower distribution of small loans to farms in the Salt Lake City-Ogden MA AA is not meaningful due to the small volume of loans the bank originated/purchased in this AA.

Community Development Lending

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

CD lending in Utah had a positive impact upon the bank's performance in both the Salt Lake City-Ogden MA and in the Utah Non-MA AAs.

During the evaluation period, the bank provided 16 CD loans totaling a substantial \$89 million in the Salt Lake City-Ogden AA and six loans totaling a substantial \$13 million in the Utah Non-MA AA. Additionally, ZFNB has one loan totaling over \$5 million that benefits the entire state of Utah, including its AAs. This level of CD loans is sizeable in each full-scope AA and represents a significant percentage of the bank's Tier One capital position. ZFNB focused much of its CD loans on activities that promote economic development, revitalizing LMI areas, and affordable housing. The bank has also taken on leadership roles in many of their CD lending efforts by being the first in the respective initiative and/or largest contributor of funds. Some examples of the bank's loans include:

- A \$15 million loan to finance a mixed-use development project that included retail, office, entertainment, housing and restaurants in downtown Salt Lake City. The project helps to revitalize this low-income area targeted for redevelopment by the city. The project provides permanent jobs for LMI individuals who live nearby. The development also includes a portion of affordable housing for LMI individuals.
- A \$5.4 million loan to a community reinvestment corporation that has as a primary purpose to provide flexible financing statewide for multifamily rental projects that focus on low-income Utah residents.
- \$5.7 million in revitalization funds to rehabilitate and convert an old building to a full-service hotel in a low-income area. The hotel area is targeted for redevelopment by the city of Ogden.
- \$1.8 million in funds to purchase a building located in a low-income CT. The building will house agencies that provide legal assistance to LMI families that could not otherwise afford legal services.
- \$850 thousand for bridge financing for a low-income housing tax project. The organization is constructing a mixed income, 155-unit apartment

complex that will offer both low-income and market rents.

- \$250 thousand in funds to a non-profit organization to build a Head Start facility that will serve low- and moderate-income children and their families.
- A \$5 million loan to a statewide community reinvestment corporation that benefits the entire state of Utah, including the bank's AAs. The mission of the corporation is to foster development of quality affordable housing by providing flexible financing for multifamily rental projects that serve lower-income Utah residents. 24 banks in the state organized the corporation. ZFNB and another bank were the two lead institutions in the commitment of time and funds to this initiative. This organization targets those who are underserved by the current housing market, including those in rural areas, the elderly, larger families, and others with special needs.

Product Innovation and Flexibility

The bank's loan product innovation and flexibility had a positive impact on ZFNB's Lending Test conclusions. A number of ZFNB's loan programs possess either flexible underwriting or leadership qualities. These include:

- At present, ZFNB is one of very few banks working with low-income Native American Indian Tribes in Utah to help secure lending and other banking needs. During the evaluation period, the bank signed a historic agreement with the Ute Tribe and the Department of Housing and Urban Development (HUD), to provide home loans on the reservation. The program offers flexible loan terms and a homebuyer education program and does not require private mortgage insurance. This is the first program of its kind in the state, as tribal laws previously restricted this type of loan.
- The economic decline of downtown Salt Lake City led its mayor and the Salt Lake City Redevelopment Agency toward revitalization efforts. ZFNB is one of the only financial institutions to assist in this endeavor by committing \$10 million in loan funds to compliment the city loan program. The bank's loan program includes flexible repayment terms for businesses that stay at least five years in downtown Salt Lake City. The city considers this to be a major component in its revitalization efforts addressing this low-income geography.
- In 2002, bank members provided numerous hours and resources to approve a loan to a low-income Native American Tribe in one of its AAs. This was a complex transaction and involved a large grant from the Department of Housing and Urban Development (HUD) and a guaranty from the Bureau of Indian Affairs. The bank's agricultural department provided significant time and technical

assistance before the loan was finally approved.

- ZFNB demonstrated flexibility in offering loans that meet the needs of its AA when it made a non-traditional small business loan, which did not meet SBA guidelines. The loan will help fund an economic development project for a low-income Native American Tribe in the bank's Non-MA AA.
- ZFNB also offers flexible underwriting for automobile loans under its Zions Advantage Program (ZAP) to help LMI individuals and families. The program targets individuals who cannot qualify for traditional financing.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Provo-Orem MA AA is weaker than the bank's overall "Outstanding" performance under the Lending Test in Utah. This weaker performance is due to the overall poor home mortgage geographic distribution. However, this AA was not weighted heavily given its nominal deposit representation and did not result in a change to ZFNB's overall rating. In the Flagstaff MA, the bank's lending activity was insignificant to result in any meaningful conclusions. 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

The bank's performance under the Investment Test in Utah is rated "Outstanding". Based on full-scope reviews, the bank's performance is excellent in the Salt Lake City-Ogden MA and good in the Utah Non-MA AAs. Refer to Table 12 in Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Information received from various community groups and bank management reveals that the overall level of opportunities for investments in the bank's Utah AAs is good, although very competitive. These include a variety of categories associated with affordable housing, area revitalization, and small business opportunities.

In the Salt Lake City-Ogden MA AA, the bank has a significant level of investments, many with active participation and leadership characteristics. ZFNB's direct qualified investments here totaled \$23 million, all of which were made during the current evaluation period. In addition, ZFNB invested \$42 million toward various Small Business Investment Corporations (SBIC). These SBICs are focused on developing/maintaining small business growth statewide with a significant portion in the bank's AAs. Both the quantity and quality of these transactions

were very responsive to identified community needs.

Highlights of these investments include:

- Bond financing for \$4 million to purchase and revitalize an apartment complex in order to provide affordable housing to LMI families. The apartment complex was distressed, in a high crime area, and in need of major repairs. It is reported that ZFNB was the only financial institution to step forward with this funding. During the grand opening conference, a local community council member announced that the complex is now an asset to the community.
- Bond financing for \$16 million to enable a local housing authority to refinance its loan balances on several section eight housing projects and to provide certain improvements. ZFNB took significant initiatives in approaching the housing authority to enable the transaction to materialize. The funding enabled the agency to realize substantial savings in credit and other related fees.

As stated, ZFNB also invested into several statewide and regional SBICs. These SBICs target several western states, however a vast majority of the businesses that benefited are within the bank's AAs. Among all investing institutions, ZFNB held the lead in contributions in the majority of the funds, and two are operated by ZFNB.

ZFNB's performance in the Utah-Non MA is good. During the evaluation period, the bank had investments and donations of \$4.5 million in addition to the previously noted \$42 million in SBIC investments.

Highlights of these investments include:

- A \$1.6 million investment into a health facility located in southern Utah. The health facility provides at no cost, medical services to LMI families and to the low-income groups of the Navaho Nation. It is reported that this is the only such facility in southern Utah and that ZFNB is the only large bank to initiate funding for this project.
- \$1.8 million in bond financing to benefit school districts in LMI areas by providing lower cost financing to help meet their budget requirements.
- \$1 million in qualified mortgage-backed securities whereby the underlying mortgage loans were originated in LMI geographies within ZFNB's AAs.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Provo-Orem MA and Flagstaff AAs was weaker than the bank's overall "Outstanding" performance under the Investment Test. This is due to the lower level of direct investments. However, this weaker performance did not result in any change to the bank's rating. Refer to Table 12 in Appendix D for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in Utah is rated "Outstanding". Based on full-scope reviews, the bank's performance in the Salt Lake City-Ogden MA and in the Utah Non-MA AAs is excellent.

Retail Banking Services

Refer to Table 13 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.

In the Salt Lake City-Ogden MA, the distribution of ZFNB's offices throughout low-income geographies significantly exceeds the proportion of the population living in such geographies. In moderate-income geographies, the bank's distribution of branches is near to the percentage of the population living there. In the Utah Non-MA AA, the distribution of branches significantly exceeds the respective population levels in both LMI geographies.

Branch openings and closings have not affected the overall accessibility of delivery systems. ZFNB's activity in this area resulted in one additional branch in its moderate-income geographies of the Salt Lake City-Ogden MA AA and one less branch in its moderate-income geographies of its Utah Non-MA AA.

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 LMI geographies or individuals. Services in the MA are comparable, regardless of the income level of the geography. Banking hours generally range between 9 a.m. to 6 p.m., Monday through Friday with expanded hours in the grocery store offices.

ZFNB's ATM network enhances the bank's delivery system for delivering retail

banking services. In each full-scope AA, the bank's percentage of ATMs in either low or moderate-income geographies significantly exceeds the respective population levels residing there.

ZFNB offers a wide array of products and services through many of its branch locations. 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 have 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 overall conclusions.

ZFNB also offers Individual Development Accounts (IDA). The IDA account is innovative and designed to assist LMI 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 saving 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-Ogden MA AA, ZFNB provided over 160 CD services. Members of management and employees of the bank contributed well over 700 hours of service with their vast financial and technical expertise to a wide array of community service and non-profit organizations, often times in leadership capacities as Board Member, Treasurer or other committee member. The following are samples of the CD services provided by the bank:

- Sponsoring and facilitating a statewide program targeted to LMI people as a means to reach economic self-sufficiency. A ZFNB team member serves on the Marketing, Policies, Procedures, and Financial Literacy Committees of this entity. 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 advice and sponsorship to ten affordable housing grant applications. The funds will be used to improve 24 single-family homes for LMI families on a Native American Indian Reservation

- Providing financial and technical expertise, as well as, sponsoring and facilitating a community program that provides free tax filing and tax preparation services to LMI 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.
- 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 LMI individuals and include a food bank for those in need of emergency food provisions, as well as, a Life Care bank that assists seniors/disabled with minor home repairs, visiting services, prescription assistance, and snow removal.

In the Utah Non MA AA, ZFNB provided 34 CD services and contributed well over 300 hours to a wide array of community organizations in the AA. The bank provided leadership guidance and direction through Board or other high-level committee membership in over two-thirds of its CD activities. The primary focus of services provided in the Utah Non-MA AA was affordable housing and economic development. The bank also partnered with non-profit organizations that provide CD services to LMI individuals and areas. The following CD services are highlighted:

- Serving as Chairperson of an organization that provides financing for acquisition, preservation and development of multi-family housing for LMI individuals and families.
- Financial advisor to an organization that provides financial literacy counseling services. In the capacity, the ZFNB team-member assisted LMI consumers in renegotiating credit terms, which resulted in more favorable credit terms, the timely debt repayment, and the ability to improve their credit rating.
- Sponsoring and facilitating via economic development an entrepreneur training class. A bank employee taught members of a low-income Native American Tribe and other LMI individuals on banking systems and how to start a business.
- Sponsoring, facilitating, and teaching LMI individuals, including members of the moderate-income UTE Native American Tribe, on banking, the importance of saving money and how to earn and maintain a good credit rating.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance in the Provo-Orem MA and Flagstaff AAs is weaker than the bank's overall "Outstanding" performance under the Service Test. This is due to the weaker branch distribution to low- or moderate-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 Appendix D for the facts and data that support these conclusions.

State Rating

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

The major factors that support this rating include:

- An overall poor geographic lending distribution and good borrower distribution.
- A good level and nature of CD investments.
- Excellent branch office distribution, particularly in moderate-income geographies.
- A good level of CD services in the Four Counties AA and an adequate level in the Six Counties AA.

Description of Institution's Operations in Idaho

ZFNB has a small presence in this state when compared to its operations in Utah. Only 5% of ZFNB's deposits are gathered from Idaho. In lending, 16% of the bank's reportable CRA loans and 15% of its branches are in Idaho. Over the years, ZFNB has continually been among the top SBA lenders in the state, including the top ranking in 2002. Like Utah, ZFNB's primary lending focus is on small businesses.

ZFNB entered the Idaho market in 1997 and is seventh among depository institutions in the state with 3% of the area's deposits. Wells Fargo Bank Northwest, N.A., ranks first with 24% of the deposits followed by Keybank, N.A. with 5%.

Refer to 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

Under the lending test, more weight was placed on ZFNB's performance in the Four Counties AA than in the Six Counties AA, due to the higher percentage of deposits gathered and loans originated/purchased in that AA. Among the loan categories in

each full-scope AA, more weight was placed on small business loans given the bank's lending focus. In the home mortgage loan categories, more weight was placed on home purchase loans given the identified credit need in the bank's AAs. However, this product is not a main product line for ZFNB as its primary business is on small business loans. Over a three-year period, ZFNB originated/purchased only 234 such home purchase loans in the bank's Four Counties AA. In each of its other AAs, less than 100 such loans were originated/purchased. Loan volume was even less significant with home improvement loans. This has the result of distorting performance as only two or three additional loans distributed in LMI geographies can significantly alter conclusions. Thus, an overall meaningful analysis in the bank's home mortgage products is substantially reduced and is considered accordingly in the weight placed here. There were no loans for multifamily units and thus not considered in the evaluation.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in Idaho is rated "Low Satisfactory". Based on full-scope reviews, the bank's performance is adequate in the Four Counties AA and good in the Six Counties AA.

Lending Activity

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

In the Four Counties AA, the bank's 2,302 loans originated or purchased during the evaluation period were comprised of 41% home mortgage, 35% small loans to businesses, and 24% small loans to farms. The composition of home mortgage loan originations/purchases was 25% home purchase, 12% home improvement, and 63% home refinance.

ZFNB's lending activity is good in the Four Counties AA. The bank ranks fifth in deposit market share, fifth in small loans to businesses, and third in small loans to farms based on 2002 CRA aggregate data. Based on 2002 HMDA aggregate data, ZFNB is ranked eleventh in loans for home purchase, second for home improvement, and fourth for home refinance.

In the Six Counties AA, the bank's approximately 898 loans originated or purchased during the evaluation period were comprised of 46% home mortgage, 31% small loans to businesses, and 23% small loans to farms.

The composition of home mortgage loan originations/purchases was 12% home purchase, 20% home improvement, and 68% home refinance.

ZFNB's lending activity is good in the Six Counties AA. The bank ranks sixth in deposit market share, ninth in small loans to businesses, and third in small loans to farms based on 2002 CRA aggregate data. Based on 2002 HMDA aggregate data, ZFNB is ranked fourteenth in originations/purchases of loans for home purchase, second in home improvement, and seventh in home refinance.

Distribution of Loans by Income Level of the Geography

Overall, the bank's geographic loan distribution is poor in the Four Counties AA and good in the Six Counties AA.

Home Mortgage Loans

Refer to Tables 2, 3 and 4 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 home mortgage loans is poor in the Four Counties AA and very poor in the Six Counties AA. Within the category of home mortgage loans, more weight is placed upon home purchase products followed by home improvement and home refinance products given the needs identified in the AAs. However, as previously mentioned, the weighting also considers the nominal level of activity within each lending product.

Geographic distribution of home purchase loans in the Four Counties AA is poor. The bank's distribution in moderate-income geographies is significantly below the portion of owner-occupied housing units. The market share for loans made in moderate-income geographies is well below the bank's overall market share. It is noted that due to the low volume of the bank's loans and the low level of owner-occupied units in moderate-income geographies, ZFNB would have matched demographics with eight additional loans there. Thus, this poor conclusion is somewhat tempered. In the Six Counties AA, the home purchase loan volume is not sufficient to allow for a meaningful analysis. There are no low-income geographies in either AA.

Geographic distribution of home improvement loans in the Four Counties AA is adequate in moderate-income geographies. In this case, it is noted that an additional two loans originated/purchased by ZFNB in moderate-income areas would have resulted in a matching to demographics. Consequently, the conclusion here is somewhat tempered with this performance context. The market share for loans made in moderate-income geographies is well below the bank's overall market

share. Home improvement loan volume is not sufficient in the Six Counties AA to allow for a meaningful analysis of its geographic distribution.

Geographic distribution of home refinance loans is poor in the Four Counties AA and very poor in Six Counties AA. In both full-scope AAs, the portion of home refinance loans made in moderate-income geographies is well below the portion of owner-occupied housing units there. The market share for loans made in moderate-income geographies in the Four Counties AA is moderately below the bank's overall market share; and in the Six Counties AA it is well below the overall market share.

Small Loans to Businesses

Refer to Table 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 origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is poor in the Four Counties AA, and excellent in the Six Counties AA. In the Four Counties AA, the portion of small loans to businesses made in moderate-income geographies is below the portion of businesses located there. The market share for such loans is also below the bank's overall market share. In the Six Counties AA, the portion of small loans to businesses made in moderate-income geographies is well above the portion of businesses located in those geographies. The market share for such loans significantly exceeds the bank's overall market share.

Small Loans to Farms

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 farms.

The geographic distribution of small loans to farms is very poor in the Four Counties AA and adequate in the Six Counties AA. In the Four Counties AA, the portion of small loans to farms made in moderate-income geographies is well below the portion of farms located in those geographies. The market share for such loans is also well below the bank's overall market share. In the Six Counties AA, the portion of small loans made in moderate-income geographies is moderately below the portion of farms located in those geographies. However, the market share for such loans significantly exceeds the bank's overall market share.

Lending Gap Analysis

Analysis of the bank's overall lending activity did not reveal any conspicuous gaps

in the geographic distribution of loans that would warrant concerns in the full-scope AA reviews.

Inside/Outside Ratio

A majority of the bank's loans were originated within its AAs. During the evaluation period, 76% of the bank's home mortgage lending, 91% of the small loans to businesses, and 80% of the small loans to farms originated within its AAs.

Distribution of Loans by Income Level of the Borrower

Overall, ZFNB's borrower loan distribution is good in both full-scope AAs.

It is noted that in each of the bank's full-scope AAs in Idaho, households below the poverty level are significant at 13.4% for the Four Counties AA and 14% for the Six Counties AA. According to 1990 census data, the median housing costs in these two AAs are \$59,465 and \$48,853 respectively. These values make affordability difficult for low-income persons, as they would be earning less than \$19,800 and \$20,700 respectively in these AAs. Based on these factors, the potential lending distribution to low-income borrowers is significantly hindered and thus the conclusions that follow are tempered accordingly.

Home Mortgage Loans

Refer to Tables 7, 8 and 9 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.

The borrower distribution of home purchase loans is adequate in the Four Counties AA. The portion of home purchase loans made to low-income borrowers is well below the portion of families defined as such. The market share for loans made to low-income families is also well below the bank's overall market share. The portion of loans made to moderate-income borrowers nearly matches the portion of such families. The market share for loans made to moderate-income families is well above the bank's overall market share. In the Six Counties AA, analysis of home purchase loan borrower distribution is not as meaningful, given the small volume (50) of these loans.

Home improvement borrower loan distribution is adequate in the Four Counties AA. The portion of home improvement loans made to low-income borrowers is well below the portion of families defined as such. The market share for loans made to low-income families is also below overall market share. The portion of home improvement loans made to moderate-income families however, exceeds the portion of such families. The market share for loans to moderate-income families

also exceeds overall market share. In the Six Counties AA, an analysis of the borrower distribution of home improvement loans is not meaningful, given the small volume (81) of these loans.

The borrower distribution of home refinance loans is adequate in the Four Counties AA, and adequate in the Six Counties AA. These conclusions consider the performance context mentioned previously. In the Four Counties AA, the portion of home refinance loans made to low- and moderate-income borrowers is well below the portion of such families. The bank's respective market shares are also below the bank's overall market share for both LMI borrowers. In the Six Counties AA, the portion of home refinance loans made to low-income borrowers is well below the portion of such families. With moderate-income borrowers, the bank's portion of loans is slightly below the portion of such families. The bank's respective market share exceeds the bank's overall market share for low-income borrowers but is slightly below the overall market share for moderate-income borrowers.

Small Loans to Businesses

Refer to Table 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 origination and purchase of small loans to businesses.

The borrower distribution of small loans to businesses is excellent in each full-scope AA. In both full-scope AAs, the bank's portion of loans made to small businesses (businesses with annual revenues \$1 million or less) is above the portion of businesses defined as such. The bank's market share of such loans significantly exceeds the its overall market share in both full-scope AAs.

Small Loans to Farms

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/purchase of small loans to farms.

The borrower distribution of small loans to farms is excellent in both full-scope AAs. In both the Four Counties and the Six Counties AAs, the bank's portion of loans made to small farms (farms with annual revenues under \$1 million) is above the portion of farms so defined. The bank's market share of such loans exceeds the bank's overall market share in the both AAs.

Community Development Lending

Refer to Table 1 in the state of Idaho section of Appendix D for the facts and data used to evaluate the bank's level of CD lending.

ZFNB had no CD loans during the evaluation period in its full-scope AAs. This resulted in a neutral impact upon the bank's performance under the Lending Test.

Product Innovation and Flexibility

Product innovation and flexibility had a positive impact on the Lending Test conclusions for the state of Idaho. The bank offers flexible underwriting for automobile loans targeted to LMI persons under its ZAP program. (Please see Product Innovation and Flexibility under the state of Utah for additional detail.)

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Boise MA, Lateh-Nez Perce, Pocatello MA, and Washington AAs was stronger than the bank's overall "Low Satisfactory" performance under the Lending Test in Idaho. The stronger performance was due primarily to stronger home mortgage geographic loan distribution. However, given the limited volume of such loans to result in meaningful analysis, this stronger performance did not result in a change to ZFNB's overall "Low Satisfactory" performance under the Lending Test. In the Bear Lake and Boundary AAs, performance is not inconsistent with the bank's overall performance under the Lending Test. 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

The bank's performance under the Investment Test in Idaho is rated "High Satisfactory." Based on full-scope reviews, the bank's performance is good in the Four Counties MA and excellent in the Six Counties MA.

Refer to Table 12 in the state of Idaho section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Information received from various community groups, studies from the Federal Reserve, and bank management indicate that the overall level of CD opportunities for investments in the bank's Idaho AAs is fairly low. This performance context is considered when arriving at overall conclusions.

ZFNB's level of qualified CD investments in the Four Counties AA is good. While the bank recorded only \$5 thousand in direct investments here, ZFNB had an

additional \$2.3 million in statewide and regional SBICs that includes the bank's AAs. ZFNB also had another \$40 thousand in a Community Development Financial Institution (CDFI). Both the SBICs and the CDFI have been significant in their support and provision of small business financing. The small businesses benefiting from these transactions are predominately within the bank's AAs.

ZFNB's investment performance in the Six Counties AA is excellent. The bank's qualified investments, other than the \$2.3 million in SBIC and CDFI investments mentioned above, consisted of a sizeable \$4.6 million in bond financing. The transaction was significant and helped provide low-cost financing to the local school district, which allowed replacing a condemned middle school where over 60% of the students are from LMI families.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the banks performance under the Investment Test in the Pocatello MA, Bear Lake County, Boundary County, Latah-Nez Perce Counties, and the Boise MA AAs is inconsistent and weaker than the banks overall "High Satisfactory" rating under the Investment Test in Idaho. This is due to the absence of any sizeable direct investments in these AAs. However, this did not detract from the bank's overall "High Satisfactory" performance given the benefits these AAs receive from the \$2.3 million in statewide transactions. Refer to Table 12 in the state of Idaho section of Appendix D for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in Idaho is rated "High Satisfactory". Based on full-scope reviews, the bank's performance is good in the Six Counties AA is good in the Four Counties AA.

In general, conclusions regarding a bank's branch distribution carry more weight than the remaining performance elements under the Service Test. However, in Idaho, ZFNB has only several branches. Accordingly, conclusions under the bank's branch distribution performance are not weighted quite as heavily.

Retail Banking Services

Refer to Table 13 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.

In the Four Counties AA the distribution of ZFNB's offices throughout moderate-income geographies is greater than the percentage of the population living there. ZFNB has only one branch located in a moderate-income geography, but this represents 20% of its branch locations in the AA where 12% of the population resides. In the Six Counties AA, the distribution of ZFNB's offices throughout moderate-income geographies is greater than the population living in there. ZFNB has only one branch office located in a moderate-income geography, and this represents 25% of its branches in the AA. The population percentage in moderate-income geographies is 14%. Neither full-scope AA contains any low-income geographies.

ZFNB did not open or close any branches in low- or moderate-income geographies during the evaluation period.

ZFNB's ATM network enhances the bank's delivery system for delivering retail banking services. The bank's ATM distribution in moderate-income geographies significantly exceeds the population level residing there in each full-scope AA.

ZFNB's hours and services offered throughout the Six Counties AA do not vary in a way that inconveniences certain portions of the area, particularly LMI geographies or individuals. Services in the AA are comparable in all offices regardless of the income level of the geography. Banking hours are generally 9 a.m. to 5 p.m. on Mondays through Thursdays and 9 a.m. to 6 p.m. on Fridays in the AA. Drive-up hours are comparable throughout the AA.

Community Development Services

ZFNB provided a good level of CD Services in the Four Counties AA and an adequate level in the Six Counties AA.

In the Four Counties AA, members of management and employees of the bank contributed their financial and technical expertise to nine community organizations. Examples include:

- Serving as Board and Finance Committee members of an organization that oversees programs that support services to LMI areas. The services include programs that focus on energy assistance, food, and affordable housing.
- Serving as Vice President and Marketing Chairman to an organization that assists small businesses with obtaining loans and developing business plans in Idaho's LMI communities.
- Serving as Vice President on the executive committee of a non-profit

organization that provides affordable housing opportunities and financial literacy courses to LMI people.

- Serving as Board member of an organization that provides workshops that train and employ physically challenged LMI individuals.
- Serving as Director and in charge of job training for an organization that provides job training and employment opportunities for LMI individuals.
- Serving as financial advisor for an organization that facilitates homeownership for LMI people and offers assistance to migrant families with banking issues.

In the Six Counties AA, ZFNB provided three CD services. Examples include:

- Serving as instructor at a local alternative school in the community to educate LMI high school students on creating business plans and how to obtain financing to purchase homes or to start a business.
- Serving as a Board and Credit Committee member of an organization that provides loans to small businesses in LMI communities.
- Serving as Chairman of the Planning Committee of an organization that offers unemployed LMI people with job training and assistance with obtaining a job.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance in the Bear Lake, Boundary, Latah-Nez Perce, and Washington-Payette County AAs is weaker than the bank's overall "High Satisfactory" performance under the Service Test. This is due to the weaker branch distribution. However, this did not result in a change to the bank's overall rating given the overall nominal level of branches in these limited-scope AAs to result in a meaningful analysis. Performance in the Boise MA AA is stronger than the bank's overall "High Satisfactory" performance under the Service Test, but did not result in a change to the rating. Performance in the Pocatello MA AA was not inconsistent with the bank's overall "High Satisfactory" performance under the Service Test. Refer to Table 13 in 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 nonmetropolitan 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").

Time Period Reviewed	Lending Test (except CD Loans): 01/01/2000 to 12/31/2002 Investment and Service Tests and CD Loans: (10/23/2000 to 12/29/2003)	
Financial Institution	Products Reviewed	
Zions First National Bank (ZFNB) Salt Lake City, Utah	Home purchase, home improvement, home refinance, small business, small farm, and community development loans. Community development investments and services.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None reviewed	NA	NA
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Utah: Salt Lake City-Ogden MA #7160 Flagstaff MA #2620 Provo-Orem MA #6520 Utah Non-MA Idaho: Boise MA #1080 Pocatello MA #6340 Bear Lake County Boundary County Four Counties Latah/Nez Perce Counties Payette County Six Counties Washington County	Full-scope Limited-scope Limited-scope Full-scope Limited-scope Limited-scope Limited-scope Limited-scope Full-scope Limited-scope Limited-scope Full-scope Limited-scope	

Appendix B: Summary of State Ratings

RATINGS ZIONS FIRST NATIONAL BANK				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State Rating
Zions First National Bank	High Satisfactory	Outstanding	Outstanding	Outstanding
State:				
Utah	Outstanding	Outstanding	Outstanding	Outstanding
Idaho	Low Satisfactory	High Satisfactory	High Satisfactory	Satisfactory

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

Appendix C: Market Profiles for Full-Scope Areas

Table of Contents

Market Profiles for Areas Receiving Full-Scope Reviews

State of Utah	C-2
Salt Lake City-Ogden MA.....	C-2
Utah Non-MA AA	C-4
State of Idaho	C-5
Six Counties AA	C-5
Four Counties AA	C-6

State of Utah Full-Scope Areas

Demographic Information for Full Scope Area: Salt Lake-Ogden MA 7160						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	230	4.78	21.30	52.17	21.74	0.00
Population by Geography	1,072,227	1.80	18.21	57.37	22.62	0.00
Owner-Occupied Housing by Geography	234,111	0.82	14.89	59.15	25.14	0.00
Business by Geography	96,376	6.33	26.48	43.56	23.64	0.00
Farms by Geography	1,458	3.84	21.95	51.30	22.91	0.00
Family Distribution by Income Level	262,143	16.64	19.61	26.60	37.16	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	95,018	3.50	30.63	55.34	10.53	0.00
Median Family Income		35,240	Median Housing Value		72,830	
HUD Adjusted Median Family Income for 2002		57,200	Unemployment Rate (1990 US Census)		2.31%	
Households Below Poverty Level		9.58%				

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

Source: 1990 US Census and 2002 HUD updated MFI

ZFNB's presence in Utah and in this AA is significant. The AA provides ZFNB with two-thirds of its total deposits from the state. Based on total deposits, ZFNB ranks third in the AA with a 5% market share. Also, nearly half of the bank's branch offices are located within this AA. Competition is intense with a number of large insured financial institutions present, including Industrial Loan Corporations, regional banks, and credit unions competing for deposits and community development opportunities.

The AA consists of the entire Salt Lake City-Ogden MA, located in north central Utah. It is comprised of Davis, Salt Lake, and Weber Counties and represents over half of the state's population. Salt Lake City is located in the southern portion of the MA (Salt Lake County) while Ogden is in the northern portion (Weber County). The low-income census tracts are located within these two cities. The majority of the AA's 49 moderate-income 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, as the state's capital and largest city, provides much of the government support for surrounding areas and the state. However, like many other states, Salt Lake City has been on an economic decline. The build-up relating to the area's 2002 Olympics also had a negative impact as a number of jobs have

since been eliminated. Nevertheless, the AA has a very diverse economy boasting numerous high-tech firms, various medical and business services, manufacturing, and a year-round tourist industry.

As part of the evaluation, consideration was given to information received from various community organizations supporting affordable housing, economic development, and small business interests. The contacts expressed a need for affordable housing, small business financing and support, accessibility to banks, and various other consumer needs such as technical and educational financial services. In general, it was also generally indicated that ZFNB exhibits a strong commitment to its community and is very responsive in servicing community needs. Opportunities for bank lending and service involvement exist and opportunities for investment are moderate.

State of Utah Full-Scope Areas

Demographic Information for Full-Scope Area: Utah Non-MAs						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	117	1.71	17.95	58.12	11.97	10.26
Population by Geography	381,864	1.44	14.77	67.65	16.14	0.00
Owner-Occupied Housing by Geography	86,561	1.29	14.73	67.15	16.83	0.00
Business by Geography	20,903	0.00	15.85	66.54	17.50	0.11
Farms by Geography	1,449	0.00	14.35	73.64	12.01	0.00
Family Distribution by Income Level	93,025	18.71	18.89	24.40	38.00	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	34,976	2.42	21.29	67.60	8.69	0.00
Median Family Income		30,183	Median Housing Value		62,818	
HUD Adjusted Median Family Income for 2002		42,900	Unemployment Rate (1990 US Census)		2.8%	
Households Below Poverty Level		14.11%				

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

Source: 1990 US Census and 2002 HUD updated MFI

ZFNB's presence in the non-metropolitan areas in Utah is significant. ZFNB ranks first in deposit market share here with 34% of the deposits. Approximately 24% of ZFNB's total deposits in the state, 46% of its reported CRA loans, and 38% of its branch offices are in this AA.

The AA captures all counties in the state with the exception of those located in the Salt Lake City-Ogden MA (Davis, Salt Lake, Weber), the Provo-Orem MA (Utah), and the Flagstaff MA (Kane). The banking opportunities in this AA, particularly the two low-income census tracts are low given the absence of small businesses and farms, nominal owner-occupied housing, and lending obstacles related to real estate loan collateral that have been posed by the largely sovereign territory.

The 1990 census data indicates 117 census tracts of which two are low-income and 21 moderate-income. Some major industries of this AA include leisure, government, construction, manufacturing, mining, agriculture, trade and transportation.

As part of the evaluation, information was obtained from community organizations supporting affordable housing and small business development. The contacts expressed the need for affordable housing, small business financing, and increased accessibility to banks.

Appendix C-4

State of Idaho Full-Scope Areas

Demographic Information for Full-Scope Area: Six Counties						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	33	0.00	18.18	78.79	3.03	0.00
Population by Geography	122,552	0.00	16.26	78.29	5.45	0.00
Owner-Occupied Housing by Geography	30,379	0.00	15.47	78.50	6.03	0.00
Business by Geography	11,670	0.00	24.96	68.10	6.94	0.00
Farms by Geography	1,766	0.00	7.36	91.17	1.47	0.00
Family Distribution by Income Level	32,653	18.92	21.75	24.89	34.45	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	13,278	0.00	22.89	74.30	2.81	0.00
Median Family Income		27,799	Median Housing Value		46,853	
HUD Adjusted Median Family Income for 2002		41,400	Unemployment Rate (1990 US Census)		2.56%	
Households Below Poverty Level		14.01%				

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

Source: 1990 US Census and 2002 HUD updated MFI

This AA is comprised of six contiguous counties. These are Cassia, Gooding, Jerome, Lincoln, Minidoka and Twin Falls. Deposits in this AA comprise 21% of ZFNB's total deposits in the state of Idaho.

ZFNB operates four branch offices in the AA and ranks sixth in deposit size among financial institutions with a 5% deposit market share. The top three institutions with the highest deposit market share are Wells Fargo NM, N.A., First Federal Savings and Loans, and Farmers National Bank of Buhl.

Some of the major industries in this AA include agriculture, manufacturing, trade, services, mining, construction, transportation, communications, utilities and government.

The economic profile of the combined six counties is mixed. The agricultural industry plays a key role in most of these counties and many migrant workers have been able to shift their work from part time to full time schedules. While wages tend to be on the lower end reflecting this type of industry, the general economic outlook is positive.

As part of the evaluation, examiners reviewed data received from community organizations involved in housing, small business and farms and economic development. This information revealed opportunities for banks to lend to commercial entities for start-up and expansion purposes, agriculture and affordable housing.

Appendix C-5

State of Idaho Full-Scope Areas

Demographic Information for Full-Scope Area: Four Counties						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	32	0	9.4	62.5	28.1	0
Population by Geography	150,007	0	6.3	62.7	31.0	0
Owner-Occupied Housing by Geography	33,597	0	5.1	61.0	33.9	0
Businesses by Geography	6,997	0	12.2	54.3	33.5	0
Farms by Geography	748	0	2.1	78.0	19.9	0
Family Distribution by Income Level	36,436	15.9	17.5	22.5	44.1	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	12,165	0	9.6	68.7	21.7	0
Median Family Income = \$27,799						Median Housing Value = \$59,465
HUD Adjusted Median Family Income for 2002 = \$39,600						Unemployment Rate = 3.3%
Households Below the Poverty Level = 13.4%						

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census and 2002 HUD updated MFI.

The Four Counties AA is comprised of four contiguous counties: Bingham, Bonneville, Jefferson, and Madison. ZFNB derives 25% of its Idaho deposits from this AA where it also operates five of its branch offices.

ZFNB ranks fifth in deposit market share with 7% of the total deposits. The top three financial institutions are Bank of Commerce, Wells Fargo Bank Northwest, N.A., and U.S. Bank, National Association. Together, these institutions possess over two-thirds of the AA's deposits.

The AA predominantly rural and possesses a rather diverse economy. Agriculture continues as a major industry here, as well as mining and forestry. Food processing and manufacturing, particularly potato processing and packing, is also a significant sector with a number of large food processing and potato manufacturers in the area. Other growth sectors over the years here include high-tech, health services, and business and information-oriented services. Despite the growth in nonfarm employment, however, many jobs are low paying and the per capita income remains generally lower than the state or national averages.

As part of the evaluation, information was considered from community organizations. In general, we determined that primary needs in the AA include affordable housing for LMI individuals, senior citizens and the homeless.

Appendix C-6

Appendix D: Tables of Performance Data

Table of Contents

Content of Standardized Tables D-2

Tables of Performance Data

 State of Utah D-5

 State of Idaho D-18

Content of Standardized Tables

A separate set of tables is provided for each state. References to the bank include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations/purchases; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MA/AA; 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.

The following is a listing and brief description of the tables included in each set:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/AA.
- 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 rank and market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans**
- Table 4. Geographic Distribution of Refinance Loans**
- Table 5. 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 rank and market share information based on the most recent aggregate market data available.
- Table 6. 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 rank and market share information based on the most recent aggregate market data available.

- Table 7. 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 rank and market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of Home Improvement Loans** - See Table 7.
- Table 9. Borrower Distribution of Home Mortgage Refinance Loans** - See Table 7.
- Table 10. 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 11. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) 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 12. 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

Appendix D-3

presents the number and dollar amount of unfunded qualified investment commitments. To be included, unfunded commitments must be legally binding, tracked and recorded by the bank's financial reporting system.

Table 13. 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.

Table 1. Lending Volume

LENDING VOLUME												
Geography: STATE OF UTAH		Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002										
MA/Assessment Area (2002):	% 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)	
Full Review:												
Salt Lake-Ogden MA 7160	39.35	4,798	595,226	6,537	788,421	49	5,767	16	88,936	11,400	1,478,350	64.63
Utah Non-MAs	46.32	7,685	707,305	4,405	432,972	1,326	99,883	6	13,252	13,422	1,253,412	24.28
Statewide								1	5,440	1	5,440	
Limited Review:												
Provo-Orem MA 6520	13.71	1,741	212,083	2,046	253,173	178	16,268	6	11,084	3,971	492,608	10.42
Flagstaff 2620 (Kane County)	0.61	143	9,411	30	2,262	3	44	1	85	177	11,802	0.67

* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is From October 23, 2000 to December 29, 2003.

*** Deposit Data as of June 30, 2002. 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, 2000 TO DECEMBER 31, 2002						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						
Full Review:																
Salt Lake-Ogden MA 7160	1,039	32.49	0.82	0.58	14.89	9.43	59.15	59.96	25.14	30.03	0.89	0.55	0.55	0.87	1.20	
Utah Non-MAs	1,730	54.10	1.29	0.00	14.73	12.89	67.15	68.79	16.83	17.98	5.37	0.00	6.79	6.04	3.63	
Limited Review:																
Provo-Orem MA 6520	406	12.70	1.43	0.99	5.67	3.69	58.59	61.82	34.31	33.50	1.23	0.75	0.84	1.20	1.45	
Flagstaff 2620 (Kane County)	23	0.72	0.00	0.00	20.67	13.04	79.33	86.96	0.00	0.00	5.47	0.00	1.85	8.11	0.00	

* Based on 2002 Peer Mortgage Data: Western Region 1.

** 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 housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: STATE OF UTAH					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					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						
Full Review:																
Salt Lake-Ogden MA 7160	597	29.55	0.82	0.50	14.89	11.89	59.15	62.48	25.14	25.13	6.50	0.00	4.97	6.20	8.36	
Utah Non-MAs	1,162	57.52	1.29	0.00	14.73	21.43	67.15	69.71	16.83	8.78	44.42	0.00	59.02	47.56	21.53	
Limited Review:																
Provo-Orem MA 6520	220	10.89	1.43	0.45	5.67	1.36	58.59	70.45	34.31	27.73	10.55	0.00	7.14	12.46	7.74	
Flagstaff MA (Kane County)	41	2.03	0.00	0.00	20.67	7.32	79.33	92.68	0.00	0.00	68.42	0.00	0.00	81.25	0.00	

* Based on 2002 Peer Mortgage Data: Western Region 1.

** 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 housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: STATE OF UTAH					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Salt Lake-Ogden MA 7160	3,161	34.55	0.82	0.32	14.89	8.29	59.15	55.52	25.14	35.87	1.52	1.29	1.22	1.32	2.14									
Utah Non-MAs	4,793	52.39	1.29	0.00	14.73	17.92	67.15	66.45	16.83	15.48	8.08	0.00	13.28	8.73	4.84									
Limited Review:																								
Provo-Orem MA 6520	1,115	12.19	1.43	0.81	5.67	3.14	58.59	60.63	34.31	35.43	1.80	1.36	1.15	1.83	1.84									
Flagstaff MA (Kane County)	79	0.86	0.00	0.00	20.67	11.39	79.33	88.61	0.00	0.00	17.47	0.00	3.53	25.69	0.00									

* Based on 2002 Peer Mortgage Data: Western Region 1.

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

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: STATE OF UTAH					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans						
Full Review:																
Salt Lake-Ogden MA 7160	6,537	50.22	6.33	9.67	26.48	27.41	43.56	44.19	23.64	18.72	8.15	15.48	10.35	7.52	7.08	
Utah Non-MAs	4,405	33.84	0.16	0.25	15.85	16.57	66.54	70.31	17.50	12.87	11.68	16.67	17.00	14.52	8.40	
Limited Review:																
Provo-Orem MA 6520	2,046	15.72	5.39	2.69	33.29	7.87	54.78	62.32	6.33	27.13	8.35	5.83	11.78	9.62	6.63	
Flagstaff MA (Kane County)	30	0.23	0.00	0.00	16.72	6.67	83.48	93.33	0.00	0.00	3.88	0.00	7.14	6.67	0.00	

* Based on 2002 Peer Small Business Data: WE Region.

** 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 (2003).

Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: STATE OF UTAH					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans						
Full Review:																
Salt Lake-Ogden MA 7160	49	3.15	3.84	4.08	21.95	10.20	51.30	75.51	22.91	10.20	20.88	50.00	33.33	23.81	5.00	
Utah Non-MAs	1,326	85.22	0.00	0.00	14.35	25.98	73.64	69.86	12.01	4.15	62.18	0.00	83.80	58.90	48.39	
Limited Review:																
Provo-Orem MA 6520	178	11.44	2.63	0.00	23.68	0.00	67.76	76.97	5.92	23.03	68.91	0.00	0.00	66.32	82.61	
Flagstaff MA (Kane County)	3	0.19	0.00	0.00	40.00	100.00	60.00	0.00	0.00	0.00	100.00	0.00	100.00	0.00	0.00	

* Based on 2002 Peer Small Business Data: WE Region.

** 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.

*** Source Data - Dun and Bradstreet (2003).

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: STATE OF UTAH					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
Salt Lake-Ogden MA 7160	1,039	32.49	16.64	10.96	19.61	23.19	26.60	25.54	37.16	40.31	1.03	1.24	0.79	0.80	1.51	
Utah Non-MAs	1,730	54.10	18.71	4.71	18.89	20.34	24.40	27.31	38.00	47.65	6.20	5.53	5.24	6.08	6.72	
Limited Review:																
Provo-Orem MA 6520	406	12.70	19.19	1.49	18.38	20.79	24.30	25.74	38.14	51.98	1.51	0.00	0.88	1.17	2.49	
Flagstaff MA (Kane County)	23	0.72	26.81	17.39	21.96	26.09	23.45	34.78	27.78	21.74	5.79	0.00	4.76	16.67	1.72	

* Based on 2002 Peer Mortgage Data: Western Region 1.

** As a percentage of loans with borrower income information available. No information was available for 0.88% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 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.

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: STATE OF UTAH					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
Salt Lake-Ogden MA 7160	597	29.55	16.64	14.66	19.61	23.21	26.60	27.40	37.16	34.73	6.31	8.66	6.60	4.99	6.62	
Utah Non-MAs	1,162	57.52	18.71	9.70	18.89	18.09	24.40	27.80	38.00	44.41	45.34	48.39	50.37	42.93	44.18	
Limited Review:																
Provo-Orem MA 6520	220	10.89	19.19	13.43	18.38	17.13	24.30	31.94	38.14	37.50	10.64	18.18	9.72	11.61	8.72	
Flagstaff MA (Kane County)	41	2.03	26.81	12.20	21.96	21.95	23.45	41.46	27.78	24.39	68.42	66.67	50.00	100.00	0.00	

* Based on 2002 Peer Mortgage Data: Western Region 1.

** As a percentage of loans with borrower income information available. No information was available for 2.28% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

**** 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.

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: STATE OF UTAH					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
Salt Lake-Ogden MA 7160	3,161	34.55	16.64	7.91	19.61	17.60	26.60	27.02	37.16	47.47	1.91	2.65	1.48	1.64	2.21	
Utah Non-MAs	4,793	52.39	18.71	5.38	18.89	15.80	24.40	28.29	38.00	50.53	9.68	15.17	11.03	9.85	9.00	
Limited Review:																
Provo-Orem MA 6520	1,115	12.19	19.19	6.83	18.38	16.09	24.30	27.50	38.14	49.58	2.42	5.25	2.38	2.02	2.50	
Flagstaff MA (Kane County)	79	0.86	26.81	7.69	21.96	28.21	23.45	30.77	27.78	33.33	19.32	33.33	21.74	20.69	15.38	

* Based on 2002 Peer Mortgage Data: Western Region 1.

** As a percentage of loans with borrower income information available. No information was available for 4.46% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

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

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: STATE OF UTAH			Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
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*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Salt Lake-Ogden MA 7160	6,537	50.22	57.59	41.24	72.79	12.96	14.26	8.15	14.33
Utah Non-MAs	4,405	33.84	62.17	60.86	75.07	15.12	9.81	11.68	25.96
Limited Review:									
Provo-Orem MA 6520	2,046	15.72	58.49	54.20	68.57	16.76	14.66	8.35	15.76
Flagstaff MA (Kane County)	30	0.23	67.79	63.33	76.67	13.33	10.00	3.88	16.33

* Based on 2002 Peer Small Business Data: WE Region.

** 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.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2003).

**** 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 30.40% of small loans to businesses originated and purchased by the bank.

Table 11. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS									
Geography: STATE OF UTAH					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
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*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Salt Lake-Ogden MA 7160	49	3.15	90.88	85.71	53.06	32.65	14.29	20.88	24.53
Utah Non-MAs	1,326	85.22	93.72	94.80	78.51	15.91	5.58	62.18	63.50
Limited Review:									
Provo-Orem MA 6520	178	11.44	93.42	90.45	74.72	16.29	8.99	68.91	73.27
Flagstaff MA (Kane County)	3	0.19	96.77	100.00	100.00	0.00	0.00	100.00	100.00

* Based on 2002 Peer Small Business Data: WE Region.

** 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.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2003).

**** 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 0.58% of small loans to farms originated and purchased by the bank.

Table 12. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: STATE OF UTAH									
Evaluation Period: OCTOBER 23, 2000 TO DECEMBER 29, 2003									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Salt Lake-Ogden MA 7160	0	0	107	22,745	107	22,745	32.20	0	0
Utah Non-MAs	0	0	24	4,552	24	4,552	6.44	0	0
Limited Review:									
Provo-Orem MA 6520	0	0	4	1,004	4	1,004	1.42	0	0
Flagstaff MA (Kane County)	0	0	0	0	0	0	0.00	0	0
Statewide/Regional	0	0	7	42,340	7	42,340	59.94	2	4,980

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

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

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: STATE OF UTAH				Evaluation Period: OCTOBER 23, 2000 TO DECEMBER 29, 2003									
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
Full Review:																	
Salt Lake-Ogden MA 7160	64.63	62	50	6.45	19.35	46.77	27.42	10	5	0	1	2	2	1.33	21.46	50.99	26.22
Utah Non-MAs	24.28	46	37	2.17	21.74	67.39	8.70	3	6	- 1	- 1	- 1	0	1.98	15.24	64.30	18.47
Limited Review:																	
Provo-Orem MA 6520	10.42	16	13	6.25	12.50	81.25	0.00	2	1	0	- 1	2	0	9.06	14.93	47.32	28.54
Flagstaff MA (Kane County)	0.67	1	1	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	100.00	0.00

Table 1. Lending Volume

LENDING VOLUME												Geography: STATE OF IDAHO		Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002	
MA/Assessment Area:	% 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)				
Full Review:															
Four Counties	41.73	939	81,229	811	78,994	552	44,712	0	0	2,302	204,935	24.64			
Six Counties	16.28	415	25,113	273	17,649	210	21,906	0	0	898	64,668	21.21			
Limited Review:															
Boise MA 1080	12.04	241	29,948	270	51,894	153	19,042	1	1,366	665	102,250	13.52			
Pocatello MA 6340	5.44	181	11,909	97	9,022	22	3,398	0	0	300	24,329	3.08			
Bear Lake County	5.66	218	12,814	41	2,551	53	3,594	0	0	312	18,959	7.52			
Boundary County	2.14	85	5,074	31	2,037	2	296	0	0	118	7,407	6.74			
Latah/Nez Perce Counties	9.46	376	32,671	130	10,755	16	2,530	0	0	522	45,956	13.54			
Washington/Payette Counties	7.25	163	9,711	83	5,011	154	10,706	0	0	400	25,428	9.74			

* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is From October 23, 2000 to December 29, 2003.

*** Deposit Data as of June 30, 2002. 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, 2000 TO DECEMBER 31, 2002					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						
Full Review:																
Four Counties	234	46.15	0.00	0.00	5.13	1.71	60.98	56.84	33.88	41.45	3.23	0.00	1.69	3.27	3.33	
Six Counties	50	9.86	0.00	0.00	15.47	8.00	78.50	90.00	6.03	2.00	1.07	0.00	1.04	1.24	0.00	
Limited Review:																
Boise MA 1080	73	14.40	1.07	0.00	15.08	1.37	55.50	75.34	28.36	23.29	0.20	0.00	0.00	0.24	0.18	
Pocatello MA 6340	21	4.14	0.00	0.00	14.72	4.76	64.76	80.95	20.51	14.29	0.65	0.00	0.30	0.91	0.24	
Bear Lake County	23	4.54	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	8.24	0.00	0.00	8.24	0.00	
Boundary County	13	2.56	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	4.67	0.00	0.00	4.67	0.00	
Latah/Nez Perce Counties	57	11.24	0.00	0.00	7.93	10.53	55.14	43.86	36.93	45.61	1.66	0.00	4.12	0.85	2.12	
Washington/Payette Counties	36	7.10	0.00	0.00	40.24	61.11	59.76	38.89	0.00	0.00	2.61	0.00	5.92	1.30	0.00	

* Based on 2002 Peer Mortgage Data: Western Region 1.

** 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 housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: STATE OF IDAHO				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002						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						
Full Review:																
Four Counties	112	29.63	0.00	0.00	5.13	3.57	60.98	73.21	33.88	23.21	16.76	0.00	11.11	21.15	10.61	
Six Counties	81	21.43	0.00	0.00	15.47	7.41	78.50	86.42	6.03	6.17	13.15	0.00	4.55	13.04	42.86	
Limited Review:																
Boise MA 1080	38	10.05	1.07	0.00	15.08	36.84	55.50	44.74	28.36	18.42	2.08	0.00	5.81	1.63	1.51	
Pocatello MA 6340	18	4.76	0.00	0.00	14.72	5.56	64.76	72.22	20.51	22.22	3.37	0.00	7.14	1.69	6.25	
Bear Lake County	49	12.96	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	68.42	0.00	0.00	68.42	0.00	
Boundary County	9	2.38	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	4.55	0.00	0.00	4.55	0.00	
Latah/Nez Perce Counties	44	11.64	0.00	0.00	7.93	9.09	55.14	40.91	36.93	50.00	18.37	0.00	10.00	14.29	25.64	
Washington/Payette Counties	27	7.14	0.00	0.00	40.24	59.26	59.76	40.74	0.00	0.00	8.06	0.00	14.81	2.86	0.00	

* Based on 2002 Peer Mortgage Data: Western Region 1.

** 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 housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: STATE OF IDAHO					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
Full Review:																
Four Counties	593	34.22	0.00	0.00	5.13	1.85	60.98	67.12	33.88	31.03	5.21	0.00	4.32	6.45	3.53	
Six Counties	284	16.39	0.00	0.00	15.47	5.63	78.50	90.49	6.03	3.87	4.00	0.00	1.40	4.65	1.76	
Limited Review:																
Boise MA 1080	130	7.50	1.07	0.77	15.08	23.85	55.50	46.92	28.36	28.46	0.26	0.76	0.47	0.20	0.32	
Pocatello MA 6340	142	8.19	0.00	0.00	14.72	8.45	64.76	54.93	20.51	36.62	2.53	0.00	1.15	2.48	3.23	
Bear Lake County	146	8.42	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	26.36	0.00	0.00	26.36	0.00	
Boundary County	63	3.64	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	7.42	0.00	0.00	7.42	0.00	
Latah/Nez Perce Counties	275	15.87	0.00	0.00	7.93	8.36	55.14	41.82	36.93	49.82	6.96	0.00	5.17	7.02	7.24	
Washington/Payette Counties	100	5.77	0.00	0.00	40.24	59.00	59.76	41.00	0.00	0.00	4.62	0.00	8.09	2.95	0.00	

* Based on 2002 Peer Mortgage Data: Western Region 1.

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

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: STATE OF IDAHO					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans						
Full Review:																
Four Counties	811	46.72	0.00	0.00	13.81	5.67	67.03	73.98	19.16	20.35	6.64	0.00	3.86	9.30	4.37	
Six Counties	273	15.73	0.00	0.00	24.96	29.30	68.10	69.60	6.94	1.10	3.43	0.00	7.63	3.09	0.92	
Limited Review:																
Boise MA 1080	270	15.55	13.23	8.15	15.47	14.81	52.95	55.19	18.35	21.85	0.94	0.92	0.78	1.04	1.14	
Pocatello MA 6340	97	5.59	0.00	0.00	29.91	29.90	56.95	47.42	13.13	22.68	2.88	0.00	2.90	3.49	3.28	
Bear Lake County	41	2.36	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	11.81	0.00	0.00	13.60	0.00	
Boundary County	31	1.79	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	3.02	0.00	0.00	3.61	0.00	
Latah/Nez Perce Counties	130	7.49	0.00	0.00	11.19	14.62	72.58	45.38	16.23	40.00	1.84	0.00	1.28	1.73	3.31	
Washington/Payette Counties	83	4.78	0.00	0.00	34.67	36.14	65.33	63.86	0.00	0.00	6.11	0.00	7.93	6.05	0.00	

* Based on 2002 Peer Small Business Data: WE Region.

** 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 (2003).

Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS																
Geography: STATE OF IDAHO																
Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002																
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Overall	Low	Mod	Mid
Full Review:																
Four Counties	552	47.50	0.00	0.00	2.54	0.54	84.08	86.78	13.39	12.68	21.96	0.00	5.26	21.70	24.56	
Six Counties	210	18.07	0.00	0.00	7.36	5.24	91.17	94.29	1.47	0.48	15.42	0.00	21.43	14.96	14.29	
Limited Review:																
Boise MA 1080	153	13.17	4.08	0.00	18.00	67.97	65.67	28.76	12.24	3.27	10.63	0.00	21.71	6.44	0.00	
Pocatello MA 6340	22	1.89	0.00	0.00	11.62	9.09	70.20	59.09	18.18	31.82	22.92	0.00	50.00	19.35	21.43	
Bear Lake County	53	4.56	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	88.00	0.00	0.00	88.00	0.00	
Boundary County	2	0.17	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	16.67	0.00	0.00	16.67	0.00	
Latah/Nez Perce Counties	16	1.38	0.00	0.00	4.13	0.00	86.36	75.00	9.50	25.00	2.58	0.00	0.00	2.07	6.45	
Washington/Payette Counties	154	13.25	0.00	0.00	32.87	33.12	67.13	66.88	0.00	0.00	44.08	0.00	43.64	44.33	0.00	

* Based on 2002 Peer Small Business Data: WE Region.

** 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.

*** Source Data - Dun and Bradstreet (2003).

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: STATE OF IDAHO					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
Four Counties	234	46.15	15.89	3.42	17.50	16.67	22.51	25.64	44.10	54.27	3.80	0.81	4.58	2.82	4.31	
Six Counties	50	9.86	18.92	12.00	21.75	18.00	24.89	22.00	34.45	48.00	1.31	1.97	0.45	0.39	2.60	
Limited Review:																
Boise MA 1080	73	14.40	16.83	8.33	19.74	25.00	24.27	25.00	39.16	41.67	0.23	0.23	0.21	0.15	0.32	
Pocatello MA 6340	21	4.14	19.88	9.52	17.47	14.29	25.38	23.81	37.28	52.38	0.78	0.53	0.00	0.94	1.45	
Bear Lake County	23	4.54	21.38	4.35	19.87	8.70	20.66	30.43	38.09	56.52	8.86	0.00	22.22	5.26	8.33	
Boundary County	13	2.56	21.23	15.38	23.22	7.69	28.17	30.77	27.38	46.15	4.90	0.00	4.55	2.86	7.69	
Latah/Nez Perce Counties	57	11.24	17.19	3.51	16.66	17.54	22.08	19.30	44.08	59.65	1.77	2.00	2.27	0.95	2.05	
Washington/Payette Counties	36	7.10	25.74	5.56	24.11	33.33	22.78	22.22	27.37	38.89	3.00	6.90	1.68	1.94	4.29	

* Based on 2002 Peer Mortgage Data: Western Region 1.

** As a percentage of loans with borrower income information available. No information was available for 0.20% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 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.

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: ZIONS BANK - IDAHO					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
Full Review:																
Four Counties	112	29.63	15.89	3.60	17.50	18.02	22.51	21.62	44.10	56.76	16.57	11.11	19.35	2.70	21.43	
Six Counties	81	21.43	18.92	7.59	21.75	27.85	24.89	32.91	34.45	31.65	12.62	4.35	28.57	9.68	8.86	
Limited Review:																
Boise MA 1080	38	10.05	16.83	10.53	19.74	23.68	24.27	34.21	39.16	31.58	2.14	1.23	1.99	3.75	0.88	
Pocatello MA 6340	18	4.76	19.88	11.11	17.47	16.67	25.38	33.33	37.28	38.89	3.49	11.11	0.00	5.00	3.70	
Bear Lake County	49	12.96	21.38	12.24	19.87	22.45	20.66	22.45	38.09	42.86	68.42	50.00	66.67	75.00	70.00	
Boundary County	9	2.38	21.23	0.00	23.22	33.33	28.17	22.22	27.38	44.44	4.55	0.00	0.00	0.00	20.00	
Latah/Nez Perce Counties	44	11.64	17.19	4.55	16.66	9.09	22.08	29.55	44.08	56.82	19.35	0.00	15.38	32.00	16.33	
Washington/Payette Counties	27	7.14	25.74	22.22	24.11	14.81	22.78	37.04	27.37	25.93	8.20	22.22	0.00	18.75	0.00	

* Based on 2002 Peer Mortgage Data: Western Region 1.

** As a percentage of loans with borrower income information available. No information was available for 0.79% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

**** 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.

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: STATE OF IDAHO					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
Full Review:																
Four Counties	593	34.22	15.89	2.08	17.50	10.21	22.51	21.63	44.10	66.09	5.95	3.10	4.45	5.75	6.49	
Six Counties	284	16.39	18.92	6.12	21.75	18.71	24.89	31.29	34.45	43.88	4.81	6.38	4.18	5.24	4.62	
Limited Review:																
Boise MA 1080	130	7.50	16.83	8.73	19.74	14.29	24.27	22.22	39.16	54.76	0.31	0.39	0.08	0.20	0.44	
Pocatello MA 6340	142	8.19	19.88	6.47	17.47	13.67	25.38	26.62	37.28	53.24	3.20	2.58	2.11	2.59	4.02	
Bear Lake County	146	8.42	21.38	5.76	19.87	7.91	20.66	27.34	38.09	58.99	29.68	17.65	29.17	35.00	29.71	
Boundary County	63	3.64	21.23	12.90	23.22	20.97	28.17	35.48	27.38	30.65	8.40	12.00	8.70	9.23	6.86	
Latah/Nez Perce Counties	275	15.87	17.19	3.76	16.66	12.41	22.08	20.68	44.08	63.16	8.20	3.85	9.28	8.12	8.24	
Washington/Payette Counties	100	5.77	25.74	11.22	24.11	21.43	22.78	29.59	27.37	37.76	5.40	8.51	5.79	6.82	4.22	

* Based on 2002 Peer Mortgage Data: Western Region 1.

** As a percentage of loans with borrower income information available. No information was available for 2.71% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

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

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: STATE OF IDAHO			Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
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*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Four Counties	811	46.72	61.05	62.52	72.50	17.63	9.86	6.64	10.45
Six Counties	273	15.73	60.06	64.84	82.78	13.19	4.03	3.43	6.89
Limited Review:									
Boise MA 1080	270	15.55	62.01	62.96	52.59	23.70	23.70	0.94	2.14
Pocatello MA 6340	97	5.59	60.49	74.23	73.20	18.56	8.25	2.88	8.63
Bear Lake County	41	2.36	54.92	70.73	78.05	17.07	4.88	11.81	36.36
Boundary County	31	1.79	61.56	41.94	83.87	12.90	3.23	3.02	6.98
Latah/Nez Perce Counties	130	7.49	62.96	61.54	80.77	13.08	6.15	1.84	3.31
Washington/Payette Counties	83	4.78	65.15	54.22	84.34	12.05	3.61	6.11	10.55

* Based on 2002 Peer Small Business Data: WE Region.

** 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.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2003).

**** 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 17.63% of small loans to businesses originated and purchased by the bank.

Table 11. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: STATE OF IDAHO			Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
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*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Four Counties	552	47.50	87.73	96.92	75.54	17.75	6.70	21.96	23.41
Six Counties	210	18.07	85.90	87.62	64.29	25.71	10.00	15.42	18.29
Limited Review:									
Boise MA 1080	153	13.17	90.01	88.24	64.05	19.61	16.34	10.63	11.52
Pocatello MA 6340	22	1.89	91.92	100.00	54.55	27.27	18.18	22.92	26.83
Bear Lake County	53	4.56	95.65	100.00	83.02	7.55	9.43	88.00	91.67
Boundary County	2	0.17	92.21	100.00	0.00	100.00	0.00	16.67	22.22
Latah/Nez Perce Counties	16	1.38	94.63	75.00	56.25	25.00	18.75	2.58	1.66
Washington/Payette Counties	154	13.25	91.01	96.75	78.57	14.94	6.49	44.08	46.32

* Based on 2002 Peer Small Business Data: WE Region.

** 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.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2003).

**** 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 0.34% of small loans to farms originated and purchased by the bank.

Table 12. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: STATE OF IDAHO									
Evaluation Period: OCTOBER 23, 2000 TO DECEMBER 29, 2003									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Four Counties	0	0	2	45	2	45	0.07	0	0
Six Counties	0	0	1	4,600	1	4,600	68.48	0	0
Limited Review:									
Boise MA 1080	0	0	0	0	0	0	0.00	0	0
Pocatello MA 6340	0	0	1	4	1	4	0.06	0	0
Bear Lake County	0	0	0	0	0	0	0.00	0	0
Boundary County	0	0	0	0	0	0	0.00	0	0
Latah/Nez Perce Counties	0	0	2	20	2	20	0.29	0	0
Washington/Payette Counties	0	0	0	0	0	0	0.00	0	0
Statewide/Regional	0	0	8	2,289	8	2,289	31.10	0	0

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

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

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: STATE OF IDAHO																	
Evaluation Period: OCTOBER 23, 2000 TO DECEMBER 29, 2003																	
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
Full Review:																	
Four Counties	24.64	5	23	0.00	20.00	60.00	20.00	0	0	0	0	0	0	0.00	12.17	65.32	22.50
Six Counties	21.21	4	18	0.00	25.00	50.00	25.00	1	1	0	0	0	0	0.00	14.34	79.42	6.24
Limited Review:																	
Boise MA 1080	13.52	4	18	0.00	50.00	25.00	25.00	3	1	0	1	0	1	1.62	23.30	44.82	30.26
Pocatello MA 6340	3.08	2	9	0.00	50.00	50.00	0.00	1	0	0	0	1	0	0.00	23.94	56.34	19.72
Bear Lake County	7.52	1	5	0.00	0.00	100.00	0.00	0	1	0	0	-1	0	0.00	0.00	100.00	0.00
Boundary County	6.74	1	5	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	100.00	0.00
Latah/Nez Perce Counties	13.54	3	14	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	9.90	57.75	32.35
Washington/Payette Counties	9.74	2	9	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	25.30	74.70	0.00