



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **Public Disclosure**

**May 14, 2001**

# **Community Reinvestment Act Performance Evaluation**

**Bankers Trust Company, National Association  
Charter Number: 23958**

**665 Locust Street  
Des Moines, Iowa 50304**

**Office of the Comptroller of the Currency**

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

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## Overall CRA Rating

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

The following table indicates the performance level of **Bankers Trust Company, National Association (BTC)** with respect to the lending, investment, and service tests:

Performance Levels	Bankers Trust Company, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	X
High Satisfactory			
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- Lending levels reflected good responsiveness by BTC to the credit needs of the Des Moines assessment area (AA).
- The geographic distribution of BTC’s reported loans reflected excellent penetration throughout AA geographies.
- BTC achieved an excellent dispersion of loans among borrowers of different income levels and businesses of different sizes.
- The bank provided an excellent volume of community development (CD) loans. Qualified CD loans totaled \$15 million.
- Investments reflected an excellent responsiveness by BTC to the needs of the AA. The bank made almost \$3 million in qualified investments.
- BTC’s service delivery systems were readily accessible to geographies and individuals of different income levels in the Des Moines AA.
- The bank was a leader in providing CD services in the AA.

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

**Block Numbering Area (BNA)** - Statistical subdivisions of counties in which census tracts have not been established. The U.S. Census Bureau has established BNAs in conjunction with state agencies.

**Census Tract (CT)** - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the U.S. 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 bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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

**Geography** - A census tract or a block numbering area delineated by the U.S. 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 percent of the median family income.

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

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

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

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

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

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

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

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

## Description of Institution

Bankers Trust Company, National Association (BTC) is a full-service financial institution headquartered in Des Moines, Iowa. The bank offers a full range of credit products within its AA including commercial, real estate, and consumer loan products. The bank's primary business focus is residential real estate lending and large commercial banking relationships with preferred loan amounts in excess of \$500 thousand.

For purposes of CRA evaluation, BTC is an intrastate bank with offices located in Iowa only. As of May 14, 2001, the bank had 10 banking locations and 56 automated teller machines (ATMs), all located in the Des Moines, Iowa MSA.

Ruan Financial Corporation (RFC) owns 100% of the bank. RFC is a one-bank holding company based in Des Moines, Iowa. The bank has three subsidiaries; however, only one was an active subsidiary. Bankers Trust Company of South Dakota specializes in estate tax planning for affluent customers. The subsidiary did not impact the bank's capacity to lend or invest in the community. The bank had no merger or acquisition activities during the evaluation period.

As of December 31, 2000, BTC had \$1.2 billion in total assets and Tier 1 capital of \$70 million. The bank's loan-to-deposit ratio on that date was 93%, and net loans represented 60% of total assets. By dollar amount, the loan portfolio consisted of the following types of credit: 49% commercial and commercial real estate; 40% one- to four-family residential real estate; 8% other real estate; 2% consumer; and 1% other loans. The loan-to-deposit ratio and loan portfolio mix do not reflect the significant volume of home purchase and refinance mortgage loans originated by BTC and sold on the secondary market. During 1999 and 2000, there were 961 such loans totaling \$104 million.

During the evaluation period, there were no known financial impediments that hampered the bank's ability to help meet the credit needs of the AA; however, there were legal impediments. State branching laws restricted the bank's ability to open new branches, especially in the northern and eastern portions of the AA. Prior to 1998, Iowa law limited the number of offices a bank could maintain in the urban complex of its principal place of business. An urban complex was defined as any group of contiguous communities. The bank was limited to six offices in the Des Moines urban complex. With a change in the law in 1998, the bank could open any number of offices in the urban complex; however, it could not enter noncontiguous communities. This restriction prohibited the bank from opening or operating any offices in the northern and eastern two-thirds of the AA.

The bank previously attained a Satisfactory rating at the last CRA examination dated June 15, 1998. The examination was performed by the Federal Reserve Bank of Chicago, as BTC was a state-chartered bank at the time. The bank converted to a national charter in November 1999.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

For home mortgage loans, small loans to businesses, and small loans to farms, the evaluation period was from January 1, 1999 through December 31, 2000. The evaluation period for CD loans, the investment test, and the service test was from January 1, 1999 through May 14, 2001.

### Data Integrity

As part of the CRA evaluation, we tested the accuracy of the bank's publicly filed information on HMDA loans, small loans to businesses, and small loans to farms. We found no significant errors in the collected data and determined publicly filed data was accurate.

We also reviewed CD loans, investments, and services submitted by BTC management to ensure they met the regulatory definition for CD. We excluded from this evaluation a few items submitted for consideration because they did not meet the definition or purpose of CD.

### Selection of Area for Full-Scope Review

BTC has only one AA. We performed a full-scope review of this area.

### Ratings

The bank's overall rating is based on the area that received a full-scope review.

In determining conclusions for the lending test, we weighted loan products to be reflective of BTC's loan volume by product type during the evaluation period. We weighted home purchase loans more heavily than other reported loan products as home purchase loans represented 55% of the total number of reported loans in the AA. Approximately 20% of the number of reported loans were small loans to businesses, 16% were home improvement loans, and 8% were home mortgage refinance loans.

Small loans to farms carried no weight in our analysis of lending performance. These loans represented less than 1% of the total number of reported loans. Also, community contacts did not list these loans as unmet credit needs in the AA.

### Other

We reviewed eight community contacts completed in the Des Moines AA since the bank's last CRA examination. Organizations contacted included government officials, economic development organizations, a community advocacy group, and real estate trade groups. The organizations focused on affordable housing for low- and moderate-income (LMI) individuals, revitalizing properties and increasing homeownership in LMI neighborhoods, nontraditional lending programs for small business and economic development, real estate services within the Des Moines Metropolitan Statistical Area (MSA), and building relationships between lenders and local neighborhood groups.

The contacts stated the primary needs in the Des Moines MSA related to rehabilitation of LMI neighborhoods, affordable housing, and financing for small businesses. Recent significant expansion into the western portions of the MSA resulted in increased vacancies in affordable housing in LMI neighborhoods. Many of these homes were poorly built and are now old and in need of rehabilitation. Contacts also noted a need for affordable housing for LMI persons in the western portions of the AA. To promote business growth and development, especially in LMI areas of the MSA, contacts noted a need for creative equity or venture capital financing for small businesses. We considered the needs for affordable housing and small business financing throughout the AA and rehabilitation in LMI neighborhoods in our evaluation of the bank's performance under the lending, investment, and service tests. Refer to the Market Profile in appendix B of this evaluation for more information.

## **Fair Lending Review**

We identified no violations of the substantive provisions of anti-discrimination laws and regulations. We tested compliance with anti-discrimination laws by performing a comparative analysis of adjustable rate mortgage (ARM) home purchase loans originated in 2000. The analysis consisted of comparing all ARM loans originated to Hispanic applicants to a sample of ARM loans originated to white applicants. We compared interest rates, terms, and other credit features to determine whether applicants were treated similarly regardless of race or ethnic background. Our analysis found the rates and terms granted to Hispanic borrowers were comparable to those granted to white borrowers.

## **Conclusions with Respect to Performance Tests**

### **LENDING TEST**

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

The bank's performance under the lending test is rated "Outstanding." This is based on a full-scope review of the Des Moines AA.

#### **Lending Activity**

Refer to Table 1 in appendix C for the facts and data used to evaluate the bank's lending activity.

BTC's lending activity in the AA was good. The bank's volume of home purchase and home improvement loans were the primary factors supporting this conclusion.

To analyze BTC's lending activity, we compared the bank's deposit market share with its lending market share for each loan product. In comparing the market share percentages, we took into consideration that the deposit market share analysis included only deposit-taking financial institutions with one or more branches located in the AA. The lending market share calculations included a significant number of lenders who did not have deposit-taking facilities in the AA, as well as a large number of non-bank lenders. We did not expect BTC's deposit market share and lending market share percentages to match in order for performance to be considered good.



Based on FDIC deposit market share data as of June 30, 2000, there were almost 30 deposit-taking financial institutions with one or more banking offices in the bank's AA. BTC was the third largest of these institutions with a 12% deposit market share.

The bank's volume of home purchase and home improvement loans was good. There were almost 200 lenders reporting one or more home purchase loans in the AA in 1999. BTC ranked fourth among these lenders with a 5% market share. Also, there were over 50 lenders reporting one or more home improvement loans in the AA in 1999. BTC again ranked fourth among these institutions with a 6% market share.

The bank's home mortgage refinance lending activity was adequate. BTC ranked 22<sup>nd</sup> with a 1% market share. While this was below the bank's deposit market rank and share, we took into consideration the significant competition for these loans, as almost 220 lenders reported home mortgage refinance loans in 1999. We also considered the fact that this loan product was not a primary business focus for the bank (only 8% of all of the bank's reported loans during the evaluation period).

The bank's volume of small loans to businesses was also adequate. For 1999, BTC ranked 13<sup>th</sup> with a 3% market share. Almost 60 lenders reported one or more small loans to businesses in the AA during this time period.

Another indication of the bank's good performance in originating loans came from a Polk County mortgage report prepared by a local title company. The report included all residential and commercial mortgages of any size filed by deposit taking financial institutions during 1999 and 2000. Out of 68 financial institutions filing mortgages in Polk County during these years, BTC ranked first by number with a market share of 10% and ranked second by dollar volume with a market share of 10%.

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

The geographic distribution of BTC's reported loans reflected excellent penetration throughout the AA. Performance was excellent for home purchase, home improvement, and home mortgage refinance loans and adequate for small loans to businesses. We identified no conspicuous gaps in the geographic distribution of loans. BTC originated a good percentage of its reported loans within its AA.

In evaluating the geographic distribution of home mortgage loans, we took into consideration comments from community contacts that noted a lack of decent affordable housing in LMI census tracts and a general migration to the western portions of the Des Moines MSA. We recognized these factors could make it difficult for the bank to originate home mortgage loans in LMI tracts. As a result, we considered performance excellent if the bank's percentage of home mortgage loans in these geographies was near to the percentage of owner-occupied housing units in these tracts. We considered performance good even if the bank's percentage of mortgage loans was somewhat below the percentage of owner-occupied housing units located in these geographies. Refer to "Scope of the Evaluation" and appendix B for details on affordable housing in LMI census tracts and loan demand in the western portions of the AA.

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

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

The bank's geographic distribution of home purchase, home improvement, and home mortgage refinance loans was excellent. Performance was especially strong for home purchase and home mortgage refinance loans in low-income census tracts, where the bank's percentage of loans in these geographies was twice the percentage of owner-occupied housing units in these geographies. Market share performance was also excellent, as BTC's market share of all three loan products in LMI census tracts generally met or exceeded the bank's overall market share for these products.

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

Refer to Table 5 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

BTC's geographic distribution of small loans to businesses in the AA was excellent. The bank's percentage of loans made in low-income geographies exceeded the percentage of businesses in the AA that were located in those geographies by 25%. For moderate-income geographies, BTC's percentage of loans in those geographies was near to the percentage of businesses located in those tracts. Market share performance was also excellent as BTC's market share for small loans to businesses exceeded or met the bank's overall market share for small loans to businesses in the AA.

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

Refer to Table 6 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms. We did not analyze small loans to farms due to the small volume.

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

We reviewed maps and reports of BTC's home mortgage loans and small loans to businesses in the AA to identify gaps in the geographic distribution of these loans. We did not identify any conspicuous gaps in lending in the Des Moines AA. During the evaluation period, BTC originated one or more loans in every census tract in the AA.

### ***Inside/Outside Ratio***

A good percentage of the bank's home mortgage loans and small loans to businesses were within its AA. By number of reported loans, the bank originated 82% of home purchase loans, 83% of home improvement loans, 86% of home mortgage refinance loans, and 77% of small loans to businesses within the bank's AA. For all of these loan products combined, BTC originated 82% of the number of reported loans within its AA.

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

The borrower distribution of BTC's home mortgage loans and small loans to businesses reflected an excellent dispersion among borrowers of different income levels throughout the AA. This was based on the bank's excellent performance for home purchase, home improvement, and home mortgage refinance loans.

When evaluating the borrower distribution of the bank's home mortgage loans in the Des Moines AA, we considered the limited supply of decent homes in the market that were affordable to LMI borrowers. We recognized the shortage of decent affordable housing could make it difficult for the bank to originate home mortgage loans to LMI borrowers, especially low-income borrowers. Refer to "Scope of the Evaluation" and appendix B for details on the availability of decent affordable housing for LMI borrowers.

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

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

Borrower distribution of home purchase, home improvement, and home mortgage refinance loans was excellent. For all three loan products, the bank's percentage of loans to moderate-income borrowers exceeded the percentage of families in the AA that were moderate-income. Of particular note, the bank's percentage of home purchase loans to moderate-income borrowers was 144% of the percentage of families in the AA that were moderate-income.

For all three loan products, the bank's percentage of loans to low-income borrowers was below the percentage of families in the AA that were low-income. Performance was still considered excellent given the shortage of decent affordable housing for low-income persons.

Market share data also indicated excellent performance. For home purchase, home improvement, and home mortgage refinance loans, the bank's market shares to LMI borrowers generally met or exceeded the bank's overall market shares for these loan products.

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

Refer to Table 10 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The bank's borrower distribution of small loans to businesses was adequate. BTC's percentage of reported loans to businesses with gross annual revenues of \$1 million or less was below the percentage of businesses in the AA with revenues of \$1 million or less. The bank's percentage was also below the comparable percentage for all lenders reporting small loans to businesses in the AA in 1999. In concluding this performance was adequate, we took into consideration the fact that the bank's target market for business lending was larger businesses. Refer to "Description of Institution" for details.

Performance was stronger when looking at market share data. BTC's market share of loans to businesses with revenues of \$1 million or less met the bank's overall market share of small loans to businesses.

Another indication of the bank's adequate performance was the percentage of loans originated in amounts of \$100 thousand or less. Loan size often loosely correlates to the size of the business. During the evaluation period, BTC originated the majority of its reported loans to businesses in amounts of \$100 thousand or less, regardless of the revenue size of the business.

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

Refer to Table 11 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms. We did not analyze small loans to farms due to the small volume.

### **Community Development Lending**

Refer to Table 1 in appendix C for the facts and data used to evaluate the bank's level of CD lending.

CD lending had a positive impact on lending test conclusions. This was based primarily on the bank's excellent volume of CD loans originated in the Des Moines AA. BTC originated 49 CD loans totaling \$15 million during the evaluation period. This dollar volume represented 21% of Tier 1 capital. We considered a few of the loans complex, primarily due to the involvement of various funding sources and partnerships with government entities, private developers, and other financial institutions. The following summarizes some of the bank's loans:

- \$1.4 million to the only CD financial institution (CDFI) serving the Des Moines market. The CDFI purchases and rehabilitates housing for sale to LMI persons. The funds represented the bank's participation in pools of mortgage loans originated by the CDFI to LMI applicants.
- \$1.0 million to a nonprofit developer of affordable housing for LMI persons. The developer focuses on redevelopment and rehabilitation of homes in declining residential areas in Des Moines. The funds were used to purchase and rehabilitate 17 homes located in the Enterprise Community. The developer subsequently sold the homes to LMI persons.
- \$6.7 million in loans to a nonprofit organization that provides residential, psychological, educational, and health services to LMI children with behavioral and mental challenges. Loan proceeds were used to purchase and remodel a building to serve as an educational center and for various working capital needs.

### **Product Innovation and Flexibility**

During the evaluation period, BTC offered several flexible lending programs to help meet the credit needs of LMI borrowers and small businesses in the Des Moines AA. This included three loan programs created by BTC and three programs sponsored by federal and state government agencies. The bank's participation in these programs received positive consideration in the analysis of lending test performance.

BTC actively participated in housing loan programs sponsored by the federal government. These loan programs generally had reduced down payment requirements and more liberal underwriting criteria than conventional loans. During 1999 and 2000, the bank originated 231 loans totaling \$20 million under the Federal Housing Authority (FHA) loan programs and 65 loans totaling \$7 million under Veteran's Administration (VA) loan programs. These loans were not included with the HMDA data discussed elsewhere in this evaluation.

The bank was a significant participant in the Iowa Finance Authority's (IFA) FirstHome Program. In 2000, IFA named BTC as one of the 25 Outstanding Community Lenders under the FirstHome Program. This was a first-time homebuyer mortgage loan program targeted to qualified LMI applicants and neighborhoods throughout the State of Iowa. The program offered reduced interest rates, lower down payment requirements, and reduced closing costs. During 1999 and 2000, BTC originated 75 loans under this program totaling over \$5 million. These loans were included with the HMDA data discussed elsewhere in this evaluation.

During the evaluation period, the bank offered two different loan programs designed to help LMI borrowers meet down payment and closing costs associated with mortgage loans. Under the bank's Open Door Program, BTC matched a \$60 thousand Affordable Housing Program (AHP) grant from the Federal Home Loan Bank (FHLB). The bank used the resulting \$120 thousand to provide five-year forgivable grants of up to \$3 thousand to 41 qualified LMI borrowers. Borrowers used the funds as down payment assistance or to cover closing costs. The bank also provided first mortgages to these 41 borrowers totaling over \$2 million.

Due to the overwhelming response to the Open Door Program, the bank created the Zero Down Mortgage Program. The bank partnered with a local nonprofit organization that provides affordable housing and homeownership counseling for LMI persons. Under the program, BTC provided first purchase mortgage loans with no required down payment to qualified LMI applicants who completed a homeowner education class provided by the nonprofit organization. During 1999 and 2000, the bank originated 154 loans under this program totaling \$11 million.

In 2000, BTC created and began offering loans under its new Small Business Micro Loan Program. The program was designed to assist existing and start-up small businesses that did not qualify for traditional financing due to poor credit, or lack of credit history or collateral. To qualify for the program, business owners must be LMI or the business must be located in LMI geographies. Loan amounts were from \$500 to \$5 thousand with terms of 30 days to 5 years. There were no restrictions on the size of the business; however, the typical loan recipient was a small business with revenues of \$1 million or less. BTC personnel also provided technical assistance to the businesses, such as helping them prepare financial statements and teaching them about basic banking services. Through year-end 2000, the bank originated two loans under this program totaling \$10 thousand. These loans were included with the small business loan data discussed elsewhere in this evaluation.

## **INVESTMENT TEST**

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

The bank's performance under the investment test is rated "Outstanding." This is based on a full-scope review of the Des Moines AA.

Refer to Table 12 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

The bank's volume of investments was excellent, given the bank's size and capacity as well as the moderate level of CD opportunities in the AA. During the evaluation period, BTC made \$2.9 million in qualified investments. The bank's investments were highly responsive to credit and CD needs in the AA. Virtually all of the bank's investments directly benefited the Des Moines AA. Only \$28 thousand of the investments benefited statewide or regional areas that included the bank's AA. Furthermore, almost \$2.1 million of the bank's qualified investments helped address the primary needs of the AA (rehabilitation of LMI neighborhoods, decent affordable housing for LMI individuals, and financing for small businesses). Refer to the market profile in appendix B for more information on credit and CD needs in the AA, as well as the level of CD opportunities.

The bank's qualified investments included \$2.5 million in bonds and capital loan notes for CD projects in Des Moines and Polk County. Also, the bank contributed over \$400 thousand to organizations with a CD purpose. The bank also had almost \$10 thousand in prior period investments that were still outstanding at the end of the current evaluation period. These investments helped provide financing for small businesses.

## **SERVICE TEST**

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

The bank's performance under the Service Test is rated "Outstanding." This is based on a full-scope review of the Des Moines AA.

### **Retail Banking Services**

Refer to Table 13 in appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

BTC's service delivery systems were readily accessible to geographies and individuals of different income levels in the Des Moines AA. The percentage of the bank's branches in low-income census tracts was four times the percentage of the population that resided in those areas. The percentage of branches in moderate-income geographies was near to the percentage of the population in those tracts. Also, one branch located in a middle-income geography was across the street from a moderate-income tract and provided good access for residents of two nearby moderate-income census tracts.

BTC's record of opening and closing branch offices improved the accessibility of its delivery systems in LMI geographies and to LMI individuals. The bank relocated one branch within a low-income census tract. As part of the relocation, the bank expanded the facility from a drive-up branch to a full-service location and enhanced its accessibility to LMI individuals. During the evaluation period, the bank also opened two branches in supermarkets in upper-income geographies.

The bank's hours and services did not vary in a way that inconvenienced the AA, in particular LMI geographies or individuals. BTC supplemented its Monday through Friday hours and services with Saturday hours at all locations except two branches located in the central business district of downtown Des Moines. While these branches were located in a low-income census tract, the lack of hours on Saturday did not inconvenience the area or LMI individuals as there was minimal demand for access to banking services in the central business district on weekends. To better serve this area, the bank offered extended lobby hours at these branches during the week, opening earlier than any other branch and closing later than all branches other than those located in supermarkets. The two supermarket branches were also open on Sundays. Services offered, including the availability of loan officers for all loan products, were identical among all locations regardless of the income level of the geography.

BTC had effective alternative systems for delivering retail services in LMI geographies and to LMI individuals. The bank operated seven mobile branches to provide weekly or biweekly onsite banking services to eight assisted living facilities in the AA. These facilities primarily served LMI elderly. Also, 25% of the facilities were located in low-income tracts and 25% were in moderate-income geographies.

The bank's ATM network was also an effective alternative delivery system for reaching LMI geographies. BTC operated 55 ATMs throughout the Des Moines AA. Fifteen percent of these were located in low-income geographies, which was three times the percentage of the population located in these tracts. Seven percent of the ATMs were located in moderate-income geographies, which was considerably below the portion of the population located in these tracts. However, persons living in moderate-income geographies have reasonable access to ATMs as five machines (9% of the total) located in middle-income tracts were within a couple of blocks of moderate-income areas.

BTC also offered several other alternative delivery systems. These included On-Line Banking, Easy Access telephone banking, banking services by mail, and direct deposit services. These delivery services were generally available 24 hours a day, 7 days a week. Easy Access and On-Line Banking allowed customers to check account balances, transfer funds, and pay bills. No information was available on the effectiveness of these services in reaching LMI geographies or individuals. We did not place a significant weight on these alternative delivery systems when drawing conclusions under the service test.

## **Community Development Services**

BTC was a leader in providing CD services in the AA. This was based on the responsiveness of the services to the needs of the community, the number of organizations to which BTC provided CD services, and the leadership roles bank representatives assumed with these organizations. In total, BTC representatives used their financial expertise to provide almost 2,000 hours of service to almost 80 CD organizations serving the Des Moines AA. Services provided were responsive to community needs, including the needs for rehabilitation of LMI neighborhoods, affordable housing, and assistance to small businesses.

The following are examples of CD services BTC representatives provided in the AA during the evaluation period:

- CD organizations recognized BTC's willingness to provide meaningful CD services. BTC was often the only financial institution invited to participate in various CD activities sponsored by these organizations. For example, BTC was the only area bank invited to participate in the Kansas City Sister Economic Development Initiative. Under this initiative, BTC and several city, county, and nonprofit organizations met with similar groups from Kansas City to share ideas on effective strategies to address affordable housing needs for LMI persons and in LMI neighborhoods. BTC was also the only bank invited to a town meeting on predatory lending sponsored by a conglomerate of neighborhood organizations. BTC was the only bank invited to sponsor and participate in a homebuying seminar targeted to LMI Hispanics and an annual health fair that provides free health check-ups and school supplies for LMI children.
- BTC employees often served in leadership roles. One or more BTC employee served on the Board of Directors for over 40 CD organizations. For the majority of these organizations, BTC employees provided vital services including participating in planning, budgeting, fundraising, hiring, and other administrative decisions. Bank representatives also served as officers (President, Secretary, Treasurer) of the organizations and on loan, finance, and executive committees.
- BTC conducted numerous seminars on financial services. The seminars focused on general banking services, loan products offered by the bank, the credit application process, and how to qualify for credit. The bank provided these seminars to clients of various CD organizations, including ones that focused on providing affordable housing and community services to LMI people. Many of the organizations focused their efforts in LMI neighborhoods, including the Enterprise Community.



## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received a comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): 01/01/1999 to 12/31/2000 Investment and Service Tests and CD Loans: 01/01/1999 to 05/14/2001	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Bankers Trust Company, N.A. Des Moines, Iowa	Home mortgage loans, small loans to businesses, and community development loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
NA - No affiliate products reviewed		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Des Moines, IA MSA #2120	Full-Scope	Metropolitan AA consisting of Polk County

## Appendix B: Market Profile for Full-Scope Area

### Polk County, IA

Demographic Information for Full-Scope Area: Polk County, IA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	78	5%	15%	58%	22%	0%
Population by Geography	327,140	5%	13%	57%	25%	N/A
Owner-Occupied Housing by Geography	84,307	2%	11%	60%	27%	N/A
Businesses by Geography	15,974	16%	9%	43%	32%	N/A
Farms by Geography	801	1%	3%	66%	30%	N/A
Family Distribution by Income Level	86,394	17%	18%	27%	38%	N/A
Distribution of Low- and Moderate-Income Families throughout AA Geographies	30,444	7%	21%	60%	12%	N/A
Median Family Income HUD Adjusted Median Family Income for 2000 Households Below the Poverty Level	= \$37,304 = \$60,000 = 9%	Median Housing Value Unemployment Rate (2000)			= \$61,807 = 2%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 U.S. Census and 2000 HUD updated MFI.

BTC designated Polk County in the Des Moines, Iowa MSA #2120 as its AA. The MSA consists of Polk, Warren, and Dallas Counties in central Iowa. The bank designated Polk County as its AA as it was the area where the majority of the bank's lending and banking services were available. The bank's head office, nine branches, and all deposit-taking ATMs were located in Polk County. The counties excluded from the bank's AA were predominantly rural and contained 20 census tracts, of which none were low-income and three were moderate-income. The bank excluded these counties from their AA because they were geographically not close to any BTC branch. Including these counties in the bank's AA would have made the area too large for the bank to reasonably serve. Fifteen local community banks served the excluded counties with 35 banking offices.

The bank's deposits in the AA totaled approximately \$725 million as of June 30, 2000. Based on FDIC deposit market share data as of that date, this equated to a 12% deposit market share and ranked BTC as the third largest deposit-taking financial institution in the AA. BTC was only slightly smaller than the second largest deposit-taking financial institution, which had \$743 million in deposits in the AA and a 13% market share. The largest deposit-taking financial institution in the AA was twice the size of BTC. It had total deposits in the AA of \$1.5 billion and a 26% market share.

BTC operated in a highly competitive environment as the largest independently-owned bank in the Des Moines MSA. There were 30 deposit-taking financial institutions operating in Polk County as of June 30, 2000, with a combined 129 banking offices. Primary financial institution competitors included Wells Fargo, Firststar Bank, N.A., Brenton Bank, N.A., Commercial Federal Bank, Bank of America, N.A., and West Des Moines State Bank. Additional local competition was provided by Allied Group Inc., Telco Community Credit Union, and State Employees Credit Union. Non-bank lenders such as Principal Mortgage and Norwest Mortgage provide significant competition in the home mortgage industry. A few subprime lenders also competed for loan activity, and numerous mortgage companies competed for home mortgage loans. The bank noted 296 active lenders in the AA in 1999.

The economy was strong. A diversified economy kept the area's annual unemployment rate well under the national rate throughout the past decade. The annual average unemployment rate in 2000 for Polk County was 2%, compared to the U.S. unemployment rate of 4%. The service sector made up the largest portion of the labor economy. Major employers in the Des Moines area included Principal Financial Group, the State of Iowa, Central Iowa Health System, Mercy Health Center, Hy-Vee Food Stores, and the Des Moines School District.

According to community contacts, the primary needs in the AA related to rehabilitation of LMI neighborhoods, decent affordable housing for LMI individuals, and financing for small businesses. The needs for rehabilitation and affordable housing were related. Significant commercial expansion in the western portions of the Des Moines MSA created job demand outside the LMI geographies. As residents moved westward, this resulted in increased vacancies in affordable housing in LMI neighborhoods. In the Des Moines metro area in December 2000, one contact noted over 300 homes listed for sale for under \$80 thousand, including 70 homes under \$50 thousand. No information was available on the condition of these homes; however, contacts noted a significant portion of the vacant housing was poorly built and located in LMI tracts. These homes were aging and in need of rehabilitation. Contacts also noted an increasing need for affordable housing for LMI individuals in the western portions of the MSA.

The most significant business-related credit needs were for equity or venture capital financing for small businesses. Contacts expressed a short supply of funds available to small businesses, especially in LMI tracts. However, the use of state and municipal loan programs and non-traditional lending products, such as micro business loan programs, have notably improved the supply of financing sources.

A moderate level of resources and opportunities existed to facilitate activities to address unmet credit and CD needs in the AA. Various LMI geographies of Des Moines were designated as an Enterprise Community by HUD, a Target Market under the U.S. Treasury Department's Community Development Financial Institution Fund, or targeted redevelopment areas by the City of Des Moines. These designations provided incentives to lend or invest in the targeted areas and encouraged partnerships with CD organizations.

Actual partnerships to date have been somewhat limited. For example, there was only one CD financial institution in the MSA (approved in late 2000). One community contact noted there was no small business investment company serving the Des Moines MSA. Several contacts stated qualified investment opportunities available during the evaluation period were mostly limited to occasional municipal bonds with a specific CD purpose.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases, and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/assessment area.

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/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 share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Refinance Loans** - See Table 2.
- 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 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 thousand) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- 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 MSA/AA. The table also presents 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 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 MSA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.
- 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 MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.

**Table 1. Lending Volume**

LENDING VOLUME		State: Iowa				Evaluation Period: January 1, 1999 to December 31, 2000						
MSA/Assessment Area:	% of Rated Area Loans (#) in MSA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MSA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full-Review:												
Des Moines, IA MSA # 2120	100%	1,439	\$136,081	365	\$81,878	2	\$512	49	\$15,064	1,855	\$233,535	100%

(\*) Rated area refers to either the state or multistate MSA rating area.

(\*\*) The evaluation period for Community Development Loans is January 1, 1999 to May 14, 2001.

(\*\*\*) Deposit data as of June 30, 2000. Rated area refers to either the state or multistate MSA rating area.

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

Geographic Distribution: HOME PURCHASE		State: Iowa				Evaluation Period: January 1, 1999 to December 31, 2000									
MSA/Assessment Area:	Total Home Purchase 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:															
Des Moines, IA MSA # 2120	998	100%	2%	4%	11%	6%	60%	45%	27%	45%	5%	15%	5%	4%	6%

(\*) Home purchase loans originated and purchased in the MSA/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.

(\*\*\*) Based on 1999 Aggregate HMDA Data only.

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

Geographic Distribution: HOME IMPROVEMENT												State: Iowa		Evaluation Period: January 1, 1999 to December 31, 2000				
MSA/Assessment Area:	Total Home Improvement 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:																		
Des Moines, IA MSA # 2120	282	100%	2%	1%	11%	9%	60%	52%	27%	38%	7%	7%	5%	6%	9%			

(\*) Home improvement loans originated and purchased in the MSA/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 the number of owner-occupied housing units in the area based on 1990 Census information.

(\*\*\*) Based on 1999 Aggregate HMDA Data only.

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

Geographic Distribution: HOME MORTGAGE REFINANCE												State: Iowa		Evaluation Period: January 1, 1999 to December 31, 2000				
MSA/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:																		
Des Moines, IA MSA # 2120	150	100%	2%	4%	11%	11%	60%	55%	27%	30%	1%	1%	1%	1%	1%			

(\*) Home mortgage refinance loans originated and purchased in the MSA/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 the number of owner-occupied housing units in the area based on 1990 Census information.

(\*\*\*) Based on 1999 Aggregate HMDA Data only.

**Table 5. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES												State: Iowa		Evaluation Period: January 1, 1999 to December 31, 2000				
MSA/Assessment Area:	Total Small Loans To Businesses		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography ***							
	#	% of Total*	% of Businesses**	% BANK Loans	% of Businesses**	% BANK Loans	% of Businesses**	% BANK Loans	% of Businesses**	% BANK Loans	Overall	Low	Mod	Mid	Upp			
Full-Review:																		
Des Moines, IA MSA # 2120	365	100%	16%	20%	9%	8%	43%	31%	32%	41%	3%	6%	3%	2%	3%			

(\*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.  
 (\*\*) Source of Data - Dunn and Bradstreet.  
 (\*\*\*) Based on 1999 Aggregate Small Business Data only.

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

Geographic Distribution: SMALL LOANS TO FARMS												State: Iowa		Evaluation Period: January 1, 1999 to December 31, 2000				
MSA/Assessment Area:	Total Small Loans To Farms		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	Overall	Low	Mod	Mid	Upp			
Full-Review:																		
Des Moines, IA MSA # 2120	2	100%	1%	0%	3%	0%	66%	0%	30%	100%	0%	0%	0%	0%	0%			

(\*) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.  
 (\*\*) Source of Data - Dunn and Bradstreet.  
 (\*\*\*) Based on 1999 Aggregate Small Farm Data only.



**Table 7. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE				State: Iowa		Evaluation Period: January 1, 1999 to December 31, 2000									
MSA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share (%) by Borrower Income****				
	#	% of Total*	% of Families**	% BANK Loans ***	% of Families**	% BANK Loans ***	% of Families**	% BANK Loans ***	% of Families**	% BANK Loans ***	Overall	Low	Mod	Mid	Upp
Full-Review:															
Des Moines, IA MSA # 2120	998	100%	17%	12%	18%	26%	27%	28%	38%	34%	5%	6%	5%	5%	8%

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

(\*\*) Percentage of Families is based on 1990 Census information.

(\*\*\*) As a percentage of loans with borrower income information available. Information was available for 100% of loans originated and purchased by the bank.

(\*\*\*\*) Based on 1999 Aggregate HMDA Data only.

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

Borrower Distribution: HOME IMPROVEMENT				State: Iowa		Evaluation Period: January 1, 1999 to December 31, 2000									
MSA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share (%) by Borrower Income****				
	#	% of Total*	% of Families**	% BANK Loans ***	% of Families**	% BANK Loans ***	% of Families**	% BANK Loans ***	% of Families**	% BANK Loans ***	Overall	Low	Mod	Mid	Upp
Full-Review:															
Des Moines, IA MSA # 2120	282	100%	17%	13%	18%	20%	27%	26%	38%	41%	7%	7%	5%	6%	8%

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

(\*\*) Percentage of Families is based on 1990 Census information.

(\*\*\*) As a percentage of loans with borrower income information available. Information was available for 100% of loans originated and purchased by the bank.

(\*\*\*\*) Based on 1999 Aggregate HMDA Data only.

**Table 9. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE			State: Iowa				Evaluation Period: January 1, 1999 to December 31, 2000								
MSA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share (%) by Borrower Income****				
	#	% of Total*	% of Families**	% BANK Loans***	% of Families**	% BANK Loans***	% of Families**	% BANK Loans***	% of Families**	% BANK Loans***	Overall	Low	Mod	Mid	Upp
Full-Review:															
Des Moines, IA MSA # 2120	150	100%	17%	13%	18%	22%	27%	21%	38%	44%	1%	1%	1%	1%	2%

- (\*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.
- (\*\*) Percentage of Families is based on 1990 Census information.
- (\*\*\*) As a percentage of loans with borrower income information available. No information was available for 1% of loans originated and purchased by the bank.
- (\*\*\*\*) Based on 1999 Aggregate HMDA Data only.

**Table 10. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES			State: Iowa				Evaluation Period: January 1, 1999 to December 31, 2000			
MSA/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	Revenues \$1 million or less	
Full-Review:										
Des Moines, IA MSA # 2120	365	100%	85%	46%	54%	19%	27%	3%	3%	

- (\*) Small loans to businesses originated and purchased in the MSA/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. Revenue information was not available for 4% of all businesses in the rated area.
- (\*\*\*) 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 1% of small loans to businesses originated and purchased by the bank.
- (\*\*\*\*) Based on 1999 Aggregate Small Business Data only.

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

Borrower Distribution: SMALL LOANS TO FARMS		State: Iowa		Evaluation Period: January 1, 1999 to December 31, 2000					
MSA/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	Revenues \$1 million or less
Full-Review:									
Des Moines, IA MSA # 2120	2	100%	98%	100%	50%	0%	50%	0%	0%

(\*) Small loans to farms originated and purchased in the MSA/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. Revenue information was not available for 1% of all farms in the rated area.  
 (\*\*\*) Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. Information was available for 100% of small loans to farms originated and purchased by the bank.  
 (\*\*\*\*) Based on 1999 Aggregate Small Farm Data only.

**Table 12. Qualified Investments**

QUALIFIED INVESTMENTS State: Iowa Evaluation Period: January 1, 1999 to May 14, 2001									
MSA/Assessment Areas:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$'s	#	\$ (000's)
Full-Review:									
Des Moines, IA MSA #2120	2	10	35	2,873	37	2,883		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 bank's financial reporting system.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								State: Iowa		Evaluation Period: January 1, 1999 TO May 14, 2001							
MSA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in MSA/AA	# of BANK Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Review:																	
Des Moines, IA MSA #2120	100%	10	100%	20%	10%	30%	40%	0	2	0	0	0	+2	5%	13%	57%	25%