

LARGE BANK

Comptroller of the Currency
Administrator of National Banks

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Community Reinvestment Act Performance Evaluation

Norwest Bank Nevada, National Association
Charter Number: 23444

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

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. The definitions help provide a general understanding of the terms, 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) - Geographic area as delineated by a bank within which the OCC evaluates the bank's record of helping to meet the credit needs. Used interchangeably with community.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

to U.S. addresses.

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

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

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

Overall CRA Rating

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

The following table shows the performance level of **Norwest Bank Nevada (NWNV), National Association**, with respect to the Lending, Investment, and Service tests.

Performance Levels	Norwest Bank Nevada, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High satisfactory	X	X	X
Low satisfactory			
Needs to improve			
Substantial noncompliance			

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

The major factors supporting the institution's rating are:

- **A good responsiveness to identified credit and community development needs.**
- **A good level and borrower distribution of home mortgage, small business and (in the bank's Rural Nevada assessment area) small farm loans. An adequate geographic distribution of lending.**
- **A high level of community development lending.**
- **A good overall level of community development investments, and an excellent level of investment in the Reno MSA assessment area.**
- **Delivery systems, hours of operation and special products are accessible to geographies and individuals of different income levels in the assessment areas, especially LMI areas.**
- **A good level of community development services.**

Description of Norwest Bank Nevada, National Association

Norwest Bank Nevada, National Association, an intrastate bank, is headquartered in Las Vegas, Nevada, and conducts business through a system of 47 branch offices in three assessment areas within the state. In addition to Clark County, referred to as the Las Vegas MSA in this evaluation, NWNV has branch offices in the Reno MSA (Washoe County) and in Rural Nevada (Churchill, Douglas, Elko, Humboldt, Lander, Lyon, and Pershing Counties and Carson City).

NWNV is a subsidiary of Wells Fargo & Company (WFC), San Francisco, California, a multi-bank holding company. WFC recently merged with Norwest Corporation, which formerly was headquartered in Minneapolis, Minnesota. WFC has total assets in excess of \$200 billion and conducts business through 2,916 offices and over 6,000 ATMs in 21 states.

NWNV has total assets of approximately \$2.3 billion and total deposits of some \$1.8 billion. Loans, net of allowances for losses, total approximately \$1.7 billion, equating to about 74% of total assets and about 94% of total deposits. Approximately 60% of the bank's loans are to individuals for personal use, and the great majority of that total (94%) consists of credit card accounts. Commercial and industrial financing (not secured by real estate) accounts for approximately 2% of the portfolio. The remaining 38% of the portfolio is largely secured by real estate for purposes such as construction and land development, personal use, and farming. NWNV has a total Tier I capital base of approximately \$326 million.

At the request of NWNV and in accordance with provisions of the CRA, this evaluation considers lending activities of Norwest Mortgage, Inc., and Norwest Home Improvement, Inc. These affiliates are related subsidiaries of WFC and are not subsidiaries of NWNV.

NWNV is a full service bank offering a typical array of retail banking services and loan products. Its business strategy is in no way limited or specialized to any narrow field of endeavor. Through the bank's affiliate, Norwest Mortgage, borrowers can obtain home purchase and refinance lending that is sometimes not available through other local commercial banks. Until 1997, when NWNV became a national bank, the institution was a thrift savings bank. Until that time, the institution's focus had been on home mortgage lending. Small business lending was not a part of the institution's business strategy.

There are no legal, financial, or other factors impeding the bank's ability to meet the credit needs of its assessment areas.

Scope of Evaluation

Evaluation Period/Products Evaluated

This evaluation includes a review of the bank's home mortgage, small business, small farm, and community development lending, community development investments, and retail and community development services. The bank's home mortgage, small business, and small farm lending was evaluated for the calendar years 1997 and 1998. All other products and activities were evaluated for the period September 23, 1996, the date of the bank's previous CRA public evaluation through August 2, 1999.

Data Integrity

The bank's small business and small farm data submitted in compliance with requirements of the CRA and utilized for analysis were reviewed for accuracy using a random sample. The review revealed no significant errors in reporting. The accuracy of HMDA data was reviewed utilizing reports and working papers of the bank's internal auditors as well as a sample of loan files. The HMDA, Small Business and Small Farm data were determined to be accurate and useful for analysis.

Information presented to the examiners to support the bank's compliance with the Investment Test and with the community development portions of the Lending and Service Tests was reviewed carefully to ensure its qualification under the definitions and requirements of the CRA.

Selection of Areas for Full-Scope Review

NWNV has established three assessment areas (AAs). All three AAs were evaluated using a full-scope review.

Ratings

The bank's overall rating is based upon the full-scope reviews of all its AAs.

Other

Various community contacts in several of NWNV's AAs were reviewed. These included local government officials, economic development specialists, and advocates for child care concerns, women's issues, and fair housing. Affordable housing and improved access to small business credit continue to be predominant concerns, and NWNV has made efforts to help address these needs. Additional assistance to help

LMI persons become "credit-ready" is also of concern to some parties.

Fair Lending Review

In conjunction with the CRA review, the OCC conducted a Fair Lending examination of NWNV. The examination utilized the OCC's Fair Lending examination procedures and focused upon home improvement loan applications underwritten by the bank's Consumer Retail Division. Examiners selected and analyzed a sample of applications submitted by Hispanic, Native American, and white persons that were processed between April 1, 1998, and March 31, 1999. The sample included 122 loan applications. The objective was to determine if NWNV provided consistent treatment to these applicants without regard to race, color, religion, national origin, sex, marital status, age, receipt of public assistance income, or the applicant's exercise in good faith of any right under the Consumer Credit Protection Act. These factors (prohibited bases) can form the basis for illegal discrimination.

Conclusions:

- The OCC found no evidence of disparate treatment applied on a prohibited basis to the bank's underwriting of home improvement loan applications; no violations of fair lending laws were cited.
- NWNV has a satisfactory process in place, including training, to help ensure ongoing compliance with fair lending laws.

Conclusions with Respect to Performance Tests

LENDING TEST

NWNV's performance under the Lending Test is rated High Satisfactory.

The major factors that support this rating include:

- NWNV has an overall good lending record of serving its community's credit needs.
- NWNV's distribution of home mortgage lending to borrowers of different income levels is good.
- NWNV's community development lending demonstrates excellent responsiveness to the needs of the LMI population and geographies.

NWNV's performance in the Las Vegas MSA, the Reno MSA, and in Rural Nevada is good. The bank's distribution of home mortgage loans to borrowers of different income levels is good, while its distribution of home mortgage loans in geographies of different income levels is adequate. Its distribution of loans to businesses and farms of different sizes is excellent. NWNV regularly uses flexible underwriting to help meet the credit needs of LMI homebuyers and small businesses within its AAs. Its community development lending demonstrates an excellent responsiveness to the needs of LMI geographies and persons.

Lending Activity

The source of any reference to market average or aggregate market is either the 1997 Aggregate HMDA data, 1997 Aggregate Small Business data or 1997 Aggregate Small Farm data filings as reported to the FFIEC

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

NWNV's lending record in Nevada represents a good responsiveness to the credit needs of its AAs, particularly through its mortgage and community development lending. Particularly noteworthy is that the number and dollar volume of the bank's lending rose significantly from 1997 to year-end 1998. In the Las Vegas MSA the number of the bank's loans grew 40% while the dollar volume more than doubled. In the Reno MSA the bank's number of its loans grew 27% and in Rural Nevada the numbers grew by over 50%. In 1997, among similarly situated commercial banks in the combined AA, NWNV had one of the highest home mortgage lending volumes. By

AA, the bank had an overall market rank of #4 for the Las Vegas MSA, #1 for the Reno MSA, and #2 for Rural Nevada. Of the bank's reportable loans almost all (97% of both the number and dollars) were home purchase, home improvement or loans to refinance a home mortgage.

NWNV has a record of lending activity in its AAs that is commensurate overall with its collection of deposits in those AAs. In the Las Vegas MSA, NWNV garners approximately 15% of all deposits and ranks second in size. In that AA, it is the second largest lender of home refinance loans, the fourth largest home purchase lender, and the sixth largest lender of home improvement loans. In the Reno MSA, where NWNV ranks third in size, with approximately 17% of all deposits, it ranks first in home purchase and refinance lending and fourth in home improvement lending. In Rural Nevada, NWNV is the fourth largest institution with about 12% of the deposits. In this AA, it is the largest small farm lender, the second largest home purchase lender, the third largest refinance lender, and the fourth largest home improvement lender. Small business lending has not been a part of the historical lending strategy of this bank. NWNV has its origins as a savings bank and converted to a commercial bank in 1997. It is not a major small business lender and now ranks as the seventh largest small business lender in the Las Vegas MSA and the eleventh largest lender in both the Reno MSA and in Rural Nevada. Small business lending represents only 2.5% of all CRA reportable lending.

Lending competition is very intense, particularly in the Las Vegas MSA, where there were over 300 HMDA reporters. In the Reno MSA there were over 150 HMDA reporters while in Rural Nevada there were over 100 reporters.

While there are a number of small business lending competitors in each of the bank's AAs, the market is dominated by a few lenders. In fact, three banks and two finance companies dominate each of the bank's AAs. The market share for the top lender ranges from 15% to 28%. The top five financial institutions account for at least 67% of all reportable small business loans.

NWNV's small farm lending was only material in Rural Nevada where it represents 17% of the number and 11% of the lending volume versus 1% in the remaining AAs. In Rural Nevada NWNV was the largest originator of the number and dollar of small farm loans with a 43% market share. Zion's First National Bank, the second largest reporter, accounts for another 41% and, thus these two banks dominate the market. Based on aggregate market data the Las Vegas MSA lenders reported only 17 loan originations while in the Reno MSA there were 13.

In analyzing NWNV's Lending Test performance, greater weight was given to its home mortgage lending versus small business and small farm lending. As indicated

previously, this is largely based on NWNV's historical presence as a savings bank with only recent efforts focusing on small business and small farm lending. Also, throughout the review of NWNV's lending record, we gave refinance lending less consideration than home purchase lending since refinance loans generally indicate an intention to obtain lower cost credit on an existing home loan rather than addressing home ownership needs. The Las Vegas MSA is the bank's largest AA and was weighted accordingly, although the variations in performance among the AAs were not great.

DISTRIBUTION OF LOANS BY INCOME LEVEL OF THE GEOGRAPHY

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

The geographic distribution of NWNV's HMDA, small business and small farm loans reflects adequate distribution throughout the bank's AAs. The bank's performance is excellent in Rural Nevada and adequate in the Las Vegas MSA and the Reno MSA.

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.

In evaluating NWNV's geographic distribution there are some limiting factors within each AA regarding lending in the low-income geographies. In each AA, owner-occupied housing in these geographies accounts for less than 1% of all available owner-occupied housing. This makes the analysis difficult and less reliable as one or two loans can shift the level of performance significantly. In particular, within the Reno MSA's low-income geographies, only .04% of the homes (71 units) are owner-occupied. In the Rural Nevada AA, .5% of the homes (214 units) are owner-occupied. While less than 1% of the owner-occupied homes in the Las Vegas MSA are in low-income geographies, there are almost 1,500 units. Due to such limitations performance in the low-income area takes on less significance.

Home Purchase Loans

Home purchase loans comprise 47% of the number of home mortgage loans originated by NWNV. Based on 1997 aggregate HMDA data, NWNV is the #4 ranked lender in the Las Vegas MSA, the #1 ranked lender in the Reno MSA and the #2 ranked lender in the banks Rural Nevada AA. Overall NWNV's home purchase distribution is adequate.

NWNV's distribution in low-income geographies is excellent based on its performance in the Las Vegas MSA. The bank's lending approximates market demographics for owner-occupied homes. In addition, NWNV's market share of loans in low-income geographies is significantly higher than its market share in all geographies.

As indicated above NWNV's lending performance in the low-income geographies of the Reno MSA and Rural Nevada are difficult to assess due to limitations in opportunities. In addition to these market limitations, actual lending in these geographies has been minimal. In the Reno MSA the bank and its affiliates made only six loans in 1997, and it made only one loan in Rural Nevada.

NWNV's home purchase lending in moderate-income geographies is adequate. The bank's performance in the Las Vegas MSA is poor, in Rural Nevada good, and in the Reno MSA adequate. In each of these AAs the bank was significantly below home ownership demographics, more so in the Las Vegas MSA. In addition, for the Las Vegas MSA and the Reno MSA, NWNV's market share of home purchase loans in moderate-income geographies was less than its overall market share. The bank's lending in 1998 did show an improvement in these areas as its lending volumes increased by 76% and 43%, respectively. In Rural Nevada, NWNV's market share of home purchase loans in moderate-income geographies exceeded its overall market share.

Home Improvement Loans

Home improvement loans comprised only 4% of the number of home mortgage loans originated by NWNV. Based on the 1997 aggregate HMDA data for all banks, NWNV is the #6-ranked lender of home improvement loans in the Las Vegas MSA and the #4 ranked lender in the Reno MSA and in Rural Nevada AAs. As indicated above, analysis of lending in low-income geographies is very difficult and even more so with home improvement lending. With only one loan reported by NWNV (located in the Las Vegas MSA) and a total of 26 loans reported by all banks, 23 of which are in the Las Vegas MSA; the analysis of the bank's performance in low-income geographies is minimized. The bank had similar market rankings in moderate-income geographies as it did when compared to its overall market rank for home improvement loans.

Due to the limited volume of home improvement lending by the overall market in low-income census tracts in combination with market demographics, assessment of this particular component's performance is not meaningful.

NWNV's overall distribution of home improvement loans in moderate-income geographies is adequate. The bank's performance in the Las Vegas MSA is adequate,

as the percentage of the bank's loans in moderate-income geographies is significantly less than the percentage of owner-occupied houses in such geographies but matches its overall market share. It has poor performance in the Reno MSA where the percentage of the bank's loans in moderate-income geographies is significantly less than both the percentage of owner-occupied houses in such geographies and its overall market share. On a positive note, it has excellent performance in Rural Nevada where the percentage of the bank's loans in moderate-income geographies exceeds the percentage of owner-occupied houses in moderate-income geographies and significantly exceeds its overall market share.

Refinance Loans

NWNV's loans for refinance purposes represented 49% of its home mortgage loan volume. The bank was the #2-ranked originator of refinance loans in the Las Vegas MSA while it was the #1-ranked originator in the Reno MSA and Rural Nevada AAs. It also maintains these same rankings for lending in both low- and moderate-income geographies. Overall NWNV's refinance loan distribution is adequate.

As discussed above, conclusions about home refinance lending in low-income geographies are not meaningful for the Reno MSA and Rural Nevada AAs. NWNV's geographic distribution of refinance loans in low-income geographies in the Las Vegas MSA is poor. NWNV's percentage of loans in low-income geographies is significantly less than the percentage of owner-occupied housing located in such tracts. NWNV's market share in low-income geographies is also significantly less than its overall market share.

The geographic distribution of NWNV's refinance loans in moderate-income geographies is adequate. Its proportion of loans made in moderate-income geographies is significantly less than the percentage of owner-occupied units there for both the Las Vegas MSA and the Reno MSA. In Rural Nevada the bank's percentage of loans is slightly below market demographics. However, a positive component is the bank's market share of lending in moderate-income geographies which significantly exceeds its overall market share in both the Reno MSA and in Rural Nevada. In the Reno MSA this combination supports an adequate rating while its performance in Rural Nevada, due to a stronger relationship of lending distribution to market demographics, the performance is good. In the Las Vegas MSA the NWNV's market share of loans in moderate-income geographies is significantly less than its overall market share therefore the bank's performance is poor.

Small Business Loans

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

NWNV's geographic distribution of small business loans reflects good dispersion throughout its AAs. The analysis focused on the distribution of small business loans to all businesses. Of note, there are very few small businesses (55 in total) located in low-income geographies in the Reno MSA and Rural Nevada AAs. These very limited opportunities makes the analysis of performance in these AAs less meaningful and thereby precludes a performance evaluation.

The bank's geographic distribution of small business loans in low-income geographies is excellent. Its percentage of loans made in low-income geographies in the Las Vegas MSA exceeds the percentage of businesses there, and it significantly exceeds its overall market share.

NWNV's geographic distribution of loans in moderate-income geographies is good, led by its excellent performance in Rural Nevada. In the Las Vegas MSA its percentage of loans made in moderate-income geographies is less than the area's percentage of small businesses. However, its overall market share of loans in moderate-income geographies exceeds its overall market share, supporting good performance. In the Reno MSA, its percentage of loans in moderate-income geographies is less than both small business market demographics and the bank's overall market share and such performance is considered adequate. In Rural Nevada, NWNV's percentage of loans in moderate-income geographies exceeds both market demographics and its overall market share.

Small Farm Loans

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

As previously stated, the bank's performance is evaluated only in Rural Nevada. NWNV's geographic distribution of small farm loans reflects excellent dispersion throughout this AA. Within Rural Nevada, NWNV is the largest volume lender of small farm loans.

Per available demographic information, there are only five farms located in low-income geographies. Accordingly, NWNV's performance is based on its lending in moderate-income geographies, which is considered excellent. Its percentage of farm loans made in moderate-income geographies is almost double the area's percentage of small farms. Also, the bank's moderate-income market share exceeds its overall market share.

Lending Gap Analysis

This evaluation included an analysis of lending gaps in each of NWNV's AAs. Although there were several geographies where very few or no loans were made, the gaps were mostly a result of limited opportunities due to either the small population, few owner-occupied homes or a limited number of businesses. Overall there were no unexplained gaps in the bank's lending or other factors that would reflect negatively on its performance in each AA.

Inside/Outside Ratio

NWNV has done a good job of serving borrowers within its defined assessment areas. During 1997 and 1998, the bank originated over 99% of its reportable lending within its assessment areas.

DISTRIBUTION OF LOANS BY INCOME LEVEL OF THE BORROWER

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

The borrower distribution of NWNV's HMDA, small business and small farm loans reflects a good dispersion among borrowers of different income levels throughout the bank's AAs. While the components supporting the performance in each AA differ, each conclusion is considered good.

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.

Home Purchase Loans

The overall distribution of NWNV's home purchase loans by income level of borrower is good. Its distribution of home purchase loans to low-income borrowers is adequate. Its percentage of home purchase loans to low-income borrowers was below the demographic distribution of low-income families and below the bank's overall market share in each AA. However, the bank's performance in Rural Nevada was not commensurate with its performance in the MSAs as its respective distribution was significantly below both measurements.

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

Home Improvement Loans

NWNV's overall distribution of home improvement loans by income level of borrower is good. Its record of lending to low-income borrowers is excellent in the Reno MSA, good in the Las Vegas MSA, and adequate in Rural Nevada. The percentage of the bank's loans to low-income borrowers in each AA is less than the percentage of low-income families. However, in both the Las Vegas MSA and the Reno MSA the bank's market share to low-income borrowers significantly exceeded its overall market share. In Rural Nevada the bank's market share to low-income borrowers is significantly less than its overall market share but it more closely approximated market demographics.

NWNV's distribution of home improvement loans to moderate-income borrowers was good, led by its excellent performance in the Las Vegas and Reno MSAs. The percentage of the bank's loans to moderate-income borrowers generally matched the percentage of moderate-income families in these MSAs while being slightly under in Rural Nevada. In addition, the bank's market share of home improvement loans to moderate-income borrowers exceeded its overall market share for all but the Reno MSA.

Refinance Loans

NWNV's overall distribution of refinance loans is good. Overall loan dispersion to low-income borrowers is good. Its proportion of lending to low-income borrowers was below the percentage of low-income families in each AA. However, in each AA, the bank's market share of loans to low-income borrowers significantly exceeded its overall market share.

NWNV's distribution of loans to moderate-income borrowers, overall, reflects a good dispersion throughout each AA. The bank's proportion of lending to moderate-income borrowers is slightly below the percentage of moderate-income families but approximates its overall market share in the Reno MSA and Rural Nevada. In the Las Vegas MSA the bank exceeded the percentage of moderate-income families, but its market share of loans to moderate-income borrowers was below its overall market share.

Small Business Loans

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

NWNV's lending to businesses of different revenue sizes is excellent. At least 74% of the bank's small business loans went to smaller businesses (those with annual revenues of less than \$1 million) in each AA. This percentage exceeded the demographic level of such small businesses, and it is significantly better than the aggregate performance of the market's lending reporters. In fact, NWNV almost doubled the aggregate market performance of lending to small businesses in each AA. NWNV's market share of loans to the smaller businesses was also much higher than its overall small business loan market share.

Small Farm Loans

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

NWNV's distribution of small farm loans reflects excellent responsiveness to the credit needs of small farms throughout Rural Nevada. As indicated above this is the only AA with enough farms to evaluate performance. The bank's lending to farms of different revenue sizes is excellent. Approximately 93% of its loans to farms in the Rural Nevada AA went to smaller farms (those recording annual revenues of less than \$1 million). These percentages exceeded the proportion of such smaller farms and significantly exceeded aggregate market reporters in this AA. Finally, NWNV's market share of loans to the smaller farms is greater than its overall market share of small farm loans.

COMMUNITY DEVELOPMENT LENDING

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

NWNV exhibited excellent community development (CD) lending through the number and volume of qualified loans and complexity of transactions. Despite limited opportunities, derived from discussions with bank management, community groups, and the performance context stated in other banks' public evaluations, NWNV's level of community development is high and very responsive to the community's credit needs. The bank made 20 community development loans totaling almost \$18 million

during the evaluation period. All of these loans help address the identified need for affordable housing. Examples include seven loans used to construct low-income rental housing for families. These projects provided a total of 624 units of LMI housing with most of the units targeted for families with average median incomes of less than 60%.

Many of the bank's qualified community development loans are complex given the financing structure or nature of the collateral. To obtain these lending opportunities, the bank partnered with non-profit affordable housing providers and local housing authorities.

Also, the bank provided financing for the first United States Department of Agriculture-Rural Development (USDA-RD) self-help homes in Nevada through a partnership with a local, non-profit affordable housing provider. This program is described in greater detail under the following section discussing product innovation and flexibility. It is important to note that on three of these deals the bank took on the additional credit exposure involved in the construction financing of the homes.

In the Las Vegas MSA, NWNV provided nine construction loans and two refinances, totaling almost \$15 million. The bank provided construction loans for three Las Vegas low-income housing tax credit projects, resulting in 96 units of low-income rental housing in Las Vegas and 144 units in Henderson. Two of these projects involved partnerships with local non-profits and multiple layers of financing. A \$3 million non-revolving line of credit convertible to term financing is funding the Housing Authority's modernization of boarded up housing in Las Vegas. This project will provide 86 low-income rental units, which had been unusable. Term funding of another affordable housing project provided 128 units in Las Vegas for low-income families. Other projects include construction loans for the development of homes affordable to LMI borrowers and located in LMI census tracts and the refinancing of a multi-family housing project through the Clark County Housing Authority.

In the Reno MSA, NWNV provided four loan facilities totaling \$2.5 million. The bank provided construction financing through the Reno Housing Authority to construct 30 units of affordable rental housing for large families in Reno. This project required several layers of financing and provided the first four-bedroom unit housing in the area. For another project, the bank partnered with a local non-profit and a church to provide construction financing for 28 units of senior rental housing for LMI persons in Sparks. Another construction loan that was supported by a low-income housing tax credit provided 85 affordable units in Reno. The bank also provided a loan to rehabilitate a motel/apartment complex for affordable housing in a redevelopment area of Reno.

In Rural Nevada, NWNV provided two facilities totaling \$539 thousand, plus the above mentioned USDA-RD construction loans. The bank provided construction financing for a 27-unit affordable housing project in Fernley. NWNV also financed a line of credit for a non-profit, affordable housing provider in Carson City.

Product Innovation/Flexibility

NWNV often uses flexible underwriting practices by participating in loan programs that help address the credit needs of both LMI persons and geographies. Some of these programs would not have evolved without NWNV's involvement. These practices enhance NWNV's performance under the Lending Test.

The bank's primary vehicle for addressing the homeownership needs of LMI individuals is its *Affordable Loan Program*. Key features include the following items. It is a 30-year fixed rate, first mortgage loan with a below-market interest rate. There are no origination or discount points. It has a maximum loan-to-value ratio of 97% and there is no Private Mortgage Insurance requirement. During the evaluation period NWNV generated through this successful program 376 loans for \$33 million.

In addition to the more traditional FHA and VA lending programs, NWNV also works through the State of Nevada to extend credit to LMI persons through the Nevada State Mortgage Revenue Bond Program. This program is offered throughout the state of Nevada to LMI families and individuals on single family owner-occupied homes. NWNV is one of the most active lenders for this program. During the evaluation period the bank originated 149 loans for over \$15 million.

NWNV partnered with Citizens for Affordable Home, Inc, to finance mortgages through the USDA-RD Self Help Leverage Program. The bank provided eight permanent mortgages through this program totaling \$327 thousand. This is the first self-help subdivision project under the USDA-RD program in Nevada. This complex program involves at least two different sources of government funds combined with permanent financing to produce an affordable interest rate. It is providing needed home ownership opportunity in rural Nevada and is targeted to low- and very low-income households. As noted above, three of the bank's deals also involved a construction phase. For all of these properties the borrower's equity is built through "sweat equity."

NWNV's use of the Fannie Mae (FNMA) 97 - Community Home Buyers Program has generated 62 loans for over \$6 million. This program is targeted to LMI borrower's and is based on flexible terms and a LTV of up to 97%.

The bank participated in a first of its kind home improvement program in Nevada for

LMI homeowners in the Cities of Sparks and Reno. This program was designed to assist in the revitalization of older neighborhoods/housing and to improve the quality of owner-occupied housing. During the evaluation period the bank generated 12 loans under this program for \$103 thousand.

Another program of note is Rural Economic Community Development Services, offered in conjunction with USDA-RD. This program targets borrowers in areas designated as "Rural" who are at or below the median income of the area. The borrower's LTV can go up to 100% and closing costs and prepaid finance charges can be financed. During the evaluation period the bank generated 65 loans under this program for \$7 million.

INVESTMENT TEST

NWNV's performance under the Investment Test is rated High Satisfactory. The bank's performance in the Las Vegas MSA is adequate, in the Reno MSA excellent, and in Rural Nevada adequate.

NWNV has a significant level of qualified community development (CD) investments in its AAs, totaling \$14 million during the evaluation period and contributed to the bank's overall good performance. The majority of the investments (\$9.6 million) are in the Reno MSA. This included \$7.5 million in multi-family Fannie Mae Delegated Underwriting and Service (DUS) Low-Income Housing Tax Credit (LIHTC) bonds and \$1.8 million in privately pooled securities (MBS) backed by affordable housing mortgages in the Reno MSA. The bank invested in other MBS pools, \$2.6 million in the Las Vegas MSA and \$400 thousand in Rural Nevada. The bank also has an investment in a statewide community development corporation (CDC) that provides small business loans to applicants that do not qualify for conventional financing. NWNV has also placed a below-market-rate certificate of deposit in the only community development credit union in the state of Nevada. The remainder of the bank's qualified CD investments during the period consists of 120 grants totaling \$808 thousand. These grants have addressed a variety of community needs including affordable housing, education, small business financing, and programs for at-risk youth.

All of the investments NWNV made are directly responsive to identified needs and opportunities existing in the AAs.

In the Las Vegas MSA, the bank's qualified CD investments are adequate. Investments of \$3.6 million include MBS pools totaling \$2.6 million, contributions, and a certificate of deposit in a community development credit union located in the Las Vegas/North Las Vegas Enterprise Community. Since the credit union opened in 1997, it made 38 consumer loans and six business loans in the enterprise community. The bank also contributed grants to not-for-profit affordable housing builders, small business lenders, and providers of education and services targeting at-risk youth. The bank's contributions primarily comprised of donated office space for the small business center in Henderson and pieces of office furniture and equipment. The bank's investment in a statewide CDC also provides small business lending opportunities to this AA.

NWNV's investment of \$9.6 million in the Reno MSA helps support excellent performance. It included \$7.5 million in multi-family Fannie Mae DUS LIHTC bonds and \$1.8 million in MBS pools for affordable housing. The most significant grants supported affordable housing providers and a family services center. Other grants

helped provide legal services for LMI individuals, scholarships, a food bank, homebuyer and small business education, and programs for at-risk youth. In addition, the bank's investment in a statewide CDC provides small business lending opportunities to this AA.

In Rural Nevada, the bank has an adequate level of investment, given the limited opportunities available. The bank pooled \$400 thousand in MBS for affordable housing in Rural Nevada. It also contributed to two affordable housing groups and a provider of youth services. In addition, the bank's investment in a statewide CDC provides small business lending opportunities in the region.

SERVICE TEST

NWNV's performance under the Service Test is rated High Satisfactory. The bank's performance in the Las Vegas MSA is good, in the Reno MSA good, and in Rural Nevada adequate.

Retail Banking Services

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

NWNV's branches and ATMs are accessible to essentially all portions of its AAs. In the Las Vegas MSA, the bank's percentage of branches and ATMs in low-income geographies significantly exceeds the percentage of the population residing in these areas (population demographics). A good portion of this network is within the central city of Las Vegas. However in contrast, the bank's percentage of branches and ATMs in moderate-income geographies is below population demographics. This imbalance is mitigated by facilities that are on the border of LMI areas. When these facilities are included, 18% of NWNV's branches and 25% of its ATMs are either in, or border LMI areas, which are comparable to population demographics.

In the Reno MSA, NWNV's percentage of branches and ATMs in LMI areas are below demographics. However, there is only one CT designated low-income and only one percent of the AA's population resides in the tract. Overall, a significant majority of the bank's branches and ATMs (45% and 55% respectively) are either in, or border LMI areas and compares favorably to population demographics.

In Rural Nevada, the percentage of the bank's branches and ATMs that are actually in LMI tracts are below population demographics. However, similar to the Reno MSA, there is only one low-income tract and only 1% of the population resides there. In moderate-income geographies, the bank's percentage of branches and ATMs essentially matches population demographics. It is noted that an additional 12% of the bank's branches and 12% of its ATMs are within one mile of LMI areas, which further strengthens their accessibility.

NWNV's changes in branch locations have in general not adversely affected the accessibility of its delivery systems to LMI areas/persons. During the evaluation period, the bank opened seven branches, all in middle- and upper-income areas. Overall, the openings took place in the more populated geographies. NWNV closed two branches, one in a moderate-income and one in a middle-income area. The branch closing in the moderate-income area was prompted by a lack of physical expansion opportunities to accommodate customer needs, as well as overall

profitability concerns. The respective accounts were transferred to a nearby branch to minimize customer inconvenience. No customer complaints were recorded during the public comment period of this branch closing.

NWNV's business hours are reasonable and structured to accommodate customer needs. The business hours for its branches and ATMs are generally consistent throughout its locations with only nominal variances noted. The bank offers a full range of products and services through all of its branches. It was the first financial institution in the state to offer totally free checking accounts to its customers. NWNV also provides and/or administers products targeted to LMI individuals that include an affordable home loan product, and a savings account that features matching federal funds. Its alternative delivery systems include, but are not limited to, telephone banking, bank by mail, and on-line banking which are available to all customers. Although these alternative delivery systems are of potential benefit to persons across all income levels, there is no information available to demonstrate the actual benefits gained by any group of persons, and these services have been considered accordingly in this evaluation.

COMMUNITY DEVELOPMENT SERVICES

NWNV provided a high level of qualified community development (CD) services to its community. During the evaluation period, the bank provided community development services to 32 different community groups, as well as numerous hours to its community. Most of these CD services benefited the Las Vegas MSA (16 groups) and Reno MSA (14 groups), and to a lesser extent, Rural Nevada (two groups) where the LMI population is smaller.

The following highlights just a few of the bank's CD services targeted to LMI persons.

Outreach Centers - these centers, located in the Las Vegas and Reno MSAs, were opened to help LMI residents with various financial matters including those relating to the application for credit, money management, and credit reports. The Reno center has been in operation since 1993 and the Las Vegas Center since 1995. During the review period NWNV's records showed that the Reno center conducted 125 workshops for LMI persons. Detailed records on the Las Vegas center's activities were not available.

Norwest Mortgage Inc. Homebuyer's Club - through this program, the bank's mortgage staff provides homeownership counseling to individuals for up to 2 years. The focus of the counseling is on applicants with insufficient down payment and credit problems.

USDA Rural Development - the bank’s staff provides assistance, through this program, on homeownership counseling and related financial matters.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test: January 1, 1997 to December 31, 1998 CD Lending: September 23, 1996 to August 2, 1999 Investment Test: September 23, 1996 to August 2, 1999 Service Test: September 23, 1996 to August 2, 1999	
Financial institution	Products reviewed	
Norwest Bank Nevada, National Association	Small Business Lending; Small Farm Lending; Community Development Lending, Investments, Services	
Affiliates	Affiliate relationship	Products reviewed
Norwest Mortgage Corporation	Holding Company Subsidiary	Home purchase and refinance mortgage loans
Norwest Home Improvement, Inc.	Holding Company Subsidiary	Home improvement loans
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Las Vegas MSA # 4120 (Clark County) Reno MSA # 6720 Rural Nevada	Full-scope Full-scope Full-scope	

Appendix B: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

Las Vegas MSA # 4120 (Clark County)	28
Reno MSA # 6720	29
Rural Nevada	30

Full-Scope Areas

Las Vegas MSA # 4120 (Clark County)

Demographic Information for Full-Scope Area: Las Vegas MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	120	6	18	48	28	0
Population by Geography	741,459	3	16	48	33	0
Owner-Occupied Housing by Geography	149,007	1	8	47	44	0
Businesses by Geography	29,667	5	13	49	33	0
Farms by Geography	534	3	7	41	49	0
Family Distribution by Income Level	191,468	18	18	23	41	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	68,249	6	24	51	19	0
Median Family Income = \$33,965		Median Housing Value = \$93,457				
HUD Adjusted Median Family Income for 1998 = \$46,900		Unemployment Rate June, 1999 = 4.7%				
Households Below the Poverty Level = 9.8%						

Source: 1990 Census and 1998 HUD updated MFI

NWNV Las Vegas MSA AA consists of only Clark County. In the narrative portions of this document, this AA is referred to as the Las Vegas MSA. The AA complies with regulatory guidelines and does not arbitrarily exclude any LMI areas. NWNV generates approximately 62% of its deposits from this AA and has made approximately 56% of its reportable loans in the AA during the evaluation period. NWNV is the second largest commercial bank in the Las Vegas MSA, ranking behind Bank of America, NT&SA. Bank of America holds approximately 29% of the deposits in the AA, while NWNV holds about 15%. The bank operates 28 offices and 39 ATMs in the Las Vegas MSA.

Las Vegas and Clark County are experiencing a vibrant economy, fueled largely by the gaming, hotel/entertainment, and convention businesses. Nonetheless, the area's unemployment rate is higher than in the bank's other AAs.

Reno MSA # 6720

Demographic Information for Full-Scope Area: Reno MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	58	2	22	36	22	17
Population by Geography	254,667	1	29	45	26	0
Owner-Occupied Housing by Geography	55,421	< 1	18	46	35	0
Businesses by Geography	11,271	< 1	47	37	16	0
Farms by Geography	194	1	29	34	36	0
Family Distribution by Income Level	64,947	17	19	25	39	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	23,661	< 1	42	44	14	0
Median Family Income	= \$38,225	Median Housing Value		= \$117,350		
HUD Adjusted Median Family Income for 1998	= \$53,100	Unemployment Rate June, 1999		= 3.5%		
Households Below the Poverty Level	= 8.7%					

Source: 1990 Census and 1998 HUD updated MFI

The Reno MSA AA consists of Washoe County. This AA complies with regulatory guidelines and does not arbitrarily exclude any LMI areas. NWNV generated approximately 23% of its deposits from this AA and made approximately 28% of its reportable loans here during the evaluation period.

NWNV is the third largest commercial bank in the Reno MSA, ranking behind US Bank, NA, and Bank of America, NT&SB. Combined, those banks have approximately 40% of the MSA's deposits, while NWNV has approximately 17%. NWNV operates eleven offices and fourteen ATMs in the AA.

The economy in the Reno MSA is stable and continues to focus upon the gaming and tourism industries. About 40% of the area's jobs are reported to be in the service sector. The MSA's unemployment rate is moderate at 3.5%.

Rural Nevada MSA

Demographic Information for Full-Scope Area: Rural Nevada MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	68	1	24	41	12	22
Population by Geography	162,995	1	14	71	14	0
Owner-Occupied Housing by Geography	39,828	1	14	71	14	0
Businesses by Geography	6,942	< 1	11	76	13	0
Farms by Geography	273	1	27	66	6	0
Family Distribution by Income Level	43,859	18	18	26	38	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	16,100	1	22	68	9	0
Median Family Income HUD Adjusted Median Family Income for 1998 Households Below the Poverty Level	= \$35,578 = \$49,500 = 9.2%	Median Housing Value State Unemployment Rate June, 1999		= \$96,855 = 4.0%		

Source: 1990 Census and 1998 HUD updated MFI

The Rural Nevada AA consists of Churchill, Douglas, Elko, Humboldt, Lander, Lyon, and Pershing Counties and Carson City. This AA complies with regulatory guidelines and does not arbitrarily exclude any LMI areas. NWNV generates approximately 14% of its deposits from this AA and made approximately 16% of its reportable loans here during the evaluation period. NWNV is the fourth largest banking institution in the Rural Nevada AA, ranking behind Wells Fargo Bank, NA, California Federal Savings Bank, and Bank of America, NT&SA. Combined, these banks have approximately 50% of the AA’s deposits, while NWNV has approximately 12%. NWNV operates eight offices and eight ATMs in the AA.

Rural Nevada is a major mining area, accounting in recent years for a majority of the U.S. gold production and about 10% of the worldwide production. However, the area has not fully recovered from recent downturns in the industry, and unemployment remains high. Carson City is the capital of Nevada, with attendant government and related employment opportunities.

Content of Standardized Tables

The tables cover the entire CRA evaluation period. References to the bank include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations; market rank is based on the number of loans made by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated by the bank as a percentage of the aggregate number of reportable loans originated by all lenders in the MSA/assessment area. The following is a listing and brief description of the tables included in each set:

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

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

Appendix C: Tables of Performance Data

Table 1 Lending Volume

LENDING VOLUME												
Evaluation Period: January 1, 1997 to December 31, 1998												
MSA /Assessment Area	% of Total bank Deposits in Rated Area	Home Mortgage		Small Business		Small Farms		Community Development*		Total Reported Loans		% of Total reported Bank Loans in Rated Area
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full-Scope :												
Las Vegas MSA (Clark County)	62.3	11,576	1,280,608	235	28,169	0	0	11	14,866	11,822	1,323,643	56
Reno MSA	23.4	5,783	694,330	179	21,241	0	0	4	2,533	5,966	718,106	28
Rural Nevada	14.4	3,177	329,749	114	5,067	103	11,168	5	539	3,399	346,523	16

* Community Development Loans include all CD loans from 9/23/96 through 8/2/99.

Table 2 Geographic Distribution of Home Purchase Loan Originations

Geographic Distribution: HOME PURCHASE																
Evaluation Period: January 1, 1997 to December 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
Full-Scope :																
Las Vegas MSA (Clark County)	1	< 1	8	4	47	31	44	65	4	5.27	6.16	4.39	5.90	5.03	5,836	60
Reno MSA	< 1	0	18	12	46	54	35	34	1	12.51	NA	9.93	13.73	11.88	2,608	27
Rural Nevada	1	0	14	10	71	76	14	14	2	12.81	0.0	15.02	13.11	10.63	1,298	13

(*) Based on 1997 Aggregate HMDA Data only.

Table 3 Geographic Distribution of Home Improvement Loan Originations

Geographic Distribution: HOME IMPROVEMENT																
Evaluation Period: January 1, 1997 to December 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
Full-Scope :																
Las Vegas MSA (Clark County)	1	< 1	8	3	47	30	44	67	6	2.76	4.35	2.69	3.58	2.45	415	55
Reno MSA	< 1	0	18	10	46	52	35	38	4	6.97	0.00	3.42	6.57	8.57	225	30
Rural Nevada	1	0	14	21	71	67	14	12	4	6.70	0.00	9.68	7.02	4.20	117	15

(*) Based on 1997 Aggregate HMDA Data only.

Table 4 Geographic Distribution of Home Mortgage Refinance Loan Originations

Geographic Distribution: REFINANCE																
Evaluation Period: January 1, 1997 to December 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
Full-Scope :																
Las Vegas MSA (Clark County)	1	< 1	8	3	47	27	44	70	2	7.39	1.28	4.46	6.82	7.76	5,319	53
Reno MSA	< 1	0	18	11	46	50	35	39	1	13.16	0.00	17.03	14.91	10.68	2,941	29
Rural Nevada	1	0	14	13	71	71	14	16	1	18.44	0.00	25.20	18.51	14.47	1,760	18

(*) Based on 1997 Aggregate HMDA Data only.

Table 5 Geographic Distribution of Small Business Loan Originations

Geographic Distribution: SMALL BUSINESS																	Evaluation Period: January 1, 1997 to December 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans																		
	% of Bus.	% BANK Loans	% of Bus.	% BANK Loans	% of Bus.	% BANK Loans	% of Bus.	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total																	
Full-Scope :																																	
Las Vegas MSA (Clark County)	5	6	13	11	49	43	33	40	7	1.77	2.83	2.26	1.68	1.67	235	45																	
Reno MSA	< 1	0	47	37	16	41	16	26	11	2.74	0.00	1.97	3.49	3.00	179	34																	
Rural Nevada	< 1	0	11	25	76	64	12	12	11	3.20	0.00	6.12	2.63	3.29	113	21																	

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

Table 6 Geographic Distribution of Small Farm Loan Originations

Geographic Distribution: SMALL FARM																
Evaluation Period: January 1, 1997 to December 31, 1998																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans	
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
Full-Scope :																
Las Vegas MSA (Clark County)	3	NA	7	NA	41	NA	49	NA	NA	NA	NA	NA	NA	NA	0	0
Reno MSA	1	NA	29	NA	34	NA	36	NA	NA	NA	NA	NA	NA	NA	0	0
Rural Nevada	1	0	26	47	66	50	6	3	1	42.17	0.00	48.57	41.46	20.00	101	100

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

Table 7 Borrower Distribution of Home Purchase Loan Originations

Borrower Distribution: HMDA HOME PURCHASE																
Evaluation Period: January 1, 1997 to December 31, 1998																
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Purchase Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upper	#	% of Total
Full-Scope :																
Las Vegas MSA (Clark County)	18	5	18	20	23	31	41	44	3	7.12	6.60	6.75	7.04	7.44	5,783	60
Reno MSA	17	7	19	26	25	32	39	36	1	14.91	12.91	14.89	16.00	14.42	2,582	27
Rural Nevada	18	4	18	23	26	34	38	39	2	13.73	6.11	13.30	13.78	15.40	1,280	13

(*) As a percentage of loans with borrower income information available.

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

Table 8 Borrower Distribution of Home Improvement Loan Originations

Borrower Distribution: HOME IMPROVEMENT		Evaluation Period: January 1, 1997 to December 31, 1998														
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Improvement Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upper	#	% of Total
Full-Scope :																
Las Vegas MSA (Clark County)	18	6	18	17	23	27	41	51	7	2.69	3.46	4.21	2.34	2.50	377	54
Reno MSA	17	8	19	19	25	28	39	45	4	6.80	10.00	3.98	6.91	7.39	212	30
Rural Nevada	18	12	18	15	26	27	38	46	4	6.51	2.86	12.09	4.31	6.82	115	16

(*) As a percentage of loans with borrower income information available.

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

Table 9 Borrower Distribution of Home Mortgage Refinance Loan Originations

Borrower Distribution: REFINANCE		Evaluation Period: January 1, 1997 to December 31, 1998														
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upper	#	% of Total
Full-Scope :																
Las Vegas MSA (Clark County)	18	9	18	19	23	25	41	47	1	8.97	10.51	7.89	7.56	7.65	4,330	51
Reno MSA	17	6	19	16	25	28	39	50	1	15.39	17.52	15.96	16.67	14.46	2,510	30
Rural Nevada	18	7	18	14	26	31	38	48	1	19.70	27.27	19.16	20.49	18.51	1,570	19

(*) As a percentage of loans with borrower income information available. (**) Based on 1997 Aggregate HMDA Data only.

Table 10 Borrower Distribution of Small Business Loan Originations

Borrower Distribution: SMALL BUSINESS			Evaluation Period: January 1, 1997 to December 31, 1998								
MSA /Assessment Area	Business with Revenues of \$1 million or less			Loans by Original Amount regardless of Business Size			Market Share****		Total Small Business Loans		
	% of Businesses*	% BANK Loans**	% Market Loans***	\$100,000 or Less	> \$100,00 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total	Avg. Loan Size
Full-Scope :											
Las Vegas MSA (Clark County)	71	74	43	71	13	16	1.77	2.92	235	45	120
Reno MSA	74	78	43	69	18	13	2.74	5.08	179	34	119
Rural Nevada	75	80	40	86	14	0	3.20	6.37	114	22	44

(*) Businesses with revenues of \$1 million or less as a percentage of all businesses.

(**) 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 4% of small loans to businesses originated and purchased by the bank.

(***) The market consists of all other Small Business reporters in the MSA/AA and is based on 1997 Aggregate Small Business Data only.

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

Table 11 Borrower Distribution of Small Farm Loan Originations

Borrower Distribution: SMALL FARM											
Evaluation Period: January 1, 1997 to December 31, 1998											
MSA /Assessment Area	Farm with Revenues of \$1 million or less			Loans by Original Amount regardless of Farm Size			Market Share****		Total Small Farm Loans		
	% of Farms*	% BANK Loans**	% Market Loans***	\$100,000 or Less	> \$100,00 to \$250,000	> \$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total	Avg. Loan Size
Full-Scope :											
Las Vegas MSA (Clark County)	84	NA	43	NA	NA	NA	NA	NA	0	NA	NA
Reno MSA	93	NA	31	NA	NA	NA	NA	NA	0	NA	NA
Rural Nevada	86	93	81	57	34	9	42	46	103	100	108

(*) Farms with revenues of \$1 million or less as a percentage of all farms.

(**) 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 2% of small loans to farms originated and purchased by the bank.

(***) The market consists of all other Small Farm reporters in the MSA/AA and is based on 1997 Aggregate Small Farm Data only.

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

Table 12 Qualified Investments

QUALIFIED INVESTMENTS			Evaluation Period: September 23, 1996 to August 2, 1999						
MSA /Assessment Area	Prior Period Investments*			Current Period Investments			Total Investments		
	#	\$ (000's)	%**	#	\$ (000's)	%**	#	\$ (000's)	% of Total \$'s
Full-Scope :									
Las Vegas MSA	0	0	0	48	3,551	100	48	3,551	25.4
Reno MSA	0	0	0	68	9,594	100	68	9,594	68.5
Rural Nevada	0	0	0	9	448	100	9	448	3.2
Statewide:	0	0	0	9	411	100	9	411	2.9

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

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

Table 13 Distribution of Branch and ATM Delivery System

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM								Evaluation Period: September 23, 1996 to August 2, 1999									
MSA/Assessment Area	Deposits	Branches						ATMs				Population					
	% of Total BANK Deposit	# of BANK Branches	% of Total BANK Branches	Location of Branches by Income of Geographies				# of BANK ATMs	% of Total BANK ATMs	Location of ATMs by Income of Geographies				% of the Population within Each Geography			
				Low	Mod	Mid	Upper			Low	Mod	Mid	Upper	Low	Mod	Mid	Upper
Full-Scope :																	
Las Vegas MSA	62	28	60	11	4	25	60	39	64	8	8	38	46	3	16	48	33
Reno MSA	24	11	23	0	18	64	18	14	23	0	21	64	14	1	29	45	26
Rural Nevada	14	8	17	0	13	62	25	8	13	0	12	50	38	1	14	71	14