



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## Public Disclosure

March 31, 2000

### Community Reinvestment Act Performance Evaluation

U.S. Bank National Association Montana  
Charter Number: 12407

303 North Broadway  
Billings, Montana 59101

Office of the Comptroller of the Currency

Large Bank Supervision  
250 E Street SW  
Washington, DC 20219

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

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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 **U.S. Bank National Association Montana** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **March 31, 2000**. The 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 are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

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

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

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

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

**Community Reinvestment Act (CRA)** - The statute that requires the OCC to evaluate a 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 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).

**LMI** - Used as an adjective within the body of this document to describe either low- and moderate-income geographies or low- and moderate-income individuals.

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

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

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

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

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

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

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

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

**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 indicates the performance level of **U.S. Bank National Association Montana** with respect to the Lending, Investment, and Service Tests:

Performance Levels	U.S. Bank National Association Montana Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory		X	X
Low Satisfactory	X		
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:

- y USB has demonstrated adequate performance under the Lending Test. USB demonstrated a good distribution of consumer loans by income level of the borrower and a generally good geographic distribution of small business loans. This was, however, offset by adequate distributions of consumer loans by geography and small business loans by income level of the business. In terms of mortgage-related loans, USB's distribution by geography was stronger than its distribution by income level of the borrower.
  
- y USB has demonstrated good performance under the Investment Test primarily because of the excellent investment volumes made in the Billings MSA and the Great Falls MSA. With fewer dollars invested along with fewer opportunities in the Missoula Assessment Area, performance in this full-scope assessment area is considered adequate. USB has weaker performance in the limited-scope assessment areas - there were no investments made in two assessment areas and six investments totaling \$16,000 in the remaining three assessment areas.
  
- y USB's systems for delivering products and services are good and provide access to geographies and to individuals of different income levels. USB employees also provide an adequate level of community development services

within the full-scope assessment areas.



## Description of Institution

U.S. Bank National Association Montana (USB) is a \$1 billion intrastate bank with its main office in Billings, Montana. USB has twelve branches located throughout the state. The bank has designated eight assessment areas - three are located in MSAs (Billings, Great Falls, and Missoula), five are in nonmetropolitan areas (Bozeman, Butte, Havre, Helena, and Miles City). As noted in the Scope of Evaluation section, Missoula became an MSA during 1999.

- y USB is a subsidiary of the U.S. Bancorp, an \$83 billion holding company located in Minneapolis, Minnesota. It is the eleventh largest financial services holding company in the United States. The holding company has offices in 16 Midwestern and Western states. Significant subsidiaries include this bank, two other nationally chartered banks, several trust companies, a brokerage company, a data processing center, an agricultural credit company, leasing companies, and a finance company.
- y USB has no subsidiaries that negatively impacted the bank's capacity to lend or invest in its communities. USB asked that investments made by U.S. Affordable Housing CDC be considered as part of this bank's performance. In addition, USB requested that we include the lending efforts of the affiliated U.S. Bank National Association North Dakota (USBND) in our evaluation of its retail lending activity. USBND processes, originates, and services retail loans for the greater US Bancorp. All loans originated by USBND within USB's assessment areas are included in this Evaluation.
- y Merger and acquisition activities involving the holding company have not had a direct impact on this charter. Although the former First Bank System, Inc. and the U.S. Bancorp merged during August 1997, this charter kept its First Bank Montana, NA name until July 1998.
- y USB has identified four primary business lines. Those are consumer banking, payment systems, wholesale banking, and wealth management. Consumer banking includes the delivery of more traditional products and services to the broad consumer market and small businesses through branch offices, telemarketing, online services, direct mail, and automated teller machines (ATMs). Payment systems includes consumer and business credit cards, corporate and purchasing card services, card-accessed secured and unsecured lines of credit, ATM processing, and merchant processing. Wholesale banking is lending, treasury management, corporate trust and other financial services to middle market, large corporate, and public sector clients. Wealth management and capital markets includes institutional trust, investment management services, and private banking and personal trust.

- y As of December 31, 1999, USB had total loans of \$689 million which is 68% of total assets. The loan portfolio consists of 41% 1-4 family residential real estate, 20% commercial, 12% commercial real estate, 11% consumer, 8% agricultural, 4% construction and development, and 4% all other loans.
- y As of December 31, 1999, USB had \$123 million in Tier I capital.
- y There are no identified legal, financial or other factors impeding the bank's ability to help meet the credit needs in its assessment area.
- y The bank's last CRA Performance Evaluation was dated April 28, 1998 under its former name, First Bank Montana, NA. The rating was Satisfactory.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

To complete this review, we evaluated the bank's CRA performance from January 1, 1998 through December 31, 1999. Although the last Public Evaluation is dated April 28, 1998, it did not include an evaluation of any 1998 data. We used this evaluation period for all products and all three performance tests. Included in our analysis was an analysis of USB's mortgage lending efforts, including home purchase, home improvement, and refinance loans, small business, small farm, and community development loans. We also reviewed, at the bank's option, bank supplied data pertaining to consumer lending efforts. We also evaluated the level of services offered by the bank to its community and the level of qualifying investments made.

In general, the weights used to determine the Lending Test rating are described below in the Ratings comment. This applies to the bank's mortgage, small business and consumer lending efforts. USB is not a large small farm lender and, as a result, we did not place much emphasis on this loan category.

Our conclusions for the Investment Test were based on the level of qualifying investments made by the bank during the evaluation period. We also considered the level of innovation, complexity, responsiveness and degree to which the investments are not routinely provided by private investors. These elements did not impact our conclusions. The Service Test ratings were assigned based on a review of the bank's accessibility to its communities and the level of community development services offered by the bank.

### Data Integrity

To assess the accuracy of the bank's CRA and HMDA data, we sampled internal reviews completed by the bank. Quarterly, USB takes a statistically valid sample of loans reported for CRA purposes and reviews the accuracy of the reported information to the actual information contained in the credit file. These internal reviews determined that the reported data is accurate. Our review of the bank's reviews concluded that those reviews are accurate. Based on the above, we concluded that USB's publicly available CRA data is accurate and can be relied upon for analytical purposes.

### Selection of Areas for Full-Scope Review

The Billings MSA, Great Falls MSA, and Missoula Assessment Area were selected for full-scope reviews based on deposit market share information, volume of loans generated in these markets, and the size of the communities served by these offices. These assessment areas each obtained 20% of the total bank's deposit base and generated the highest volumes of loans. The bank's overall rating and the individual ratings for the Lending, Investment and Service Tests were primarily based on the bank's performance in these assessment areas. The non-MSA areas received limited-scope reviews. See the table in Appendix A for more information.

## **Ratings**

The bank's overall rating is based primarily on those areas that received full-scope reviews. The three full-scope assessment areas received equal consideration in arriving at the overall rating. These three assessment areas had essentially equal volumes of deposits and thus warrant equal consideration. USB requested that we include an evaluation of the bank's performance in originating consumer loans as a part of the Lending Test. Because the volume of consumer loans greatly exceeded the volume of all other loans combined within each full-scope assessment area, we gave the greatest weighting to consumer loans in our evaluation of the Lending Test. The areas of next greatest weighting under the Lending Test were small business lending in the Billings MSA, the home refinance product for the Great Falls MSA, and both the home improvement and the refinance category for the Missoula Assessment Area. In addition, we gave consideration to the bank's community development lending efforts. These efforts, where applicable, typically had a positive impact on the bank's lending test rating.

## **Other**

HUD designated the Missoula Assessment Area as a Metropolitan Statistical Area during 1999. At the time we completed our lending analysis, the aggregate market share information for this new MSA was not available. Our analysis for the evaluation period for the Missoula market was based on demographic information available from 1998, prior to the point where the area was designated as an MSA.

Community contacts indicate a need for affordable housing and economic development, particularly as it relates to the creation of jobs with wages above the minimum wage. Please refer the Market Profile section of this Evaluation for further details related to the specific needs of USB assessment areas.

## **Fair Lending Review**

Fair lending compliance is satisfactory; we did not identify any evidence of discrimination. We base our conclusions on findings from our concurrent fair lending examination. Our objectives were to assess compliance with the substantive provisions of fair lending laws and evaluate the adequacy of fair lending controls.

The transactional review compared decisions to approve or deny “piggy-back” home purchase applications between June 1, 1999 and December 31, 1999, using race as the prohibited basis. The “piggy-back” product is a subordinated loan (second lien position or a home equity loan) created at the time of the home purchase loan origination. This loan basically serves as the down payment for the first purchase money loan.

The fair lending analysis focused on override decisions because this “piggy-back” product is primarily underwritten using a credit scoring system. This product is underwritten using a combination of FICO scores (an external credit bureau scoring system widely used in the banking industry) and Relationship Management Scores (an internally developed scoring system designed to rank the risk and profitability of existing customers). The bank last validated its internally developed score cards during December 1998. Override decisions for this home purchase product are limited, however, when used, overrides are consistently applied, regardless of the applicant’s race.

## Conclusions with Respect to Performance Tests

### LENDING TEST

This evaluation included a review of the bank's HMDA-reportable, small business, small farm, consumer and CD lending. In accordance with OCC policy, the HMDA-reportable, small business, small farm, consumer lending, and CD lending was evaluated for the calendar years 1998 and 1999.

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

The bank's performance under the Lending Test is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance in the Billings MSA and Missoula Assessment Area is good and its performance is adequate in the Great Falls MSA.

#### Lending Activity

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

USB's lending record in Montana represents an adequate responsiveness to the credit needs of its assessment areas.

In the Billings MSA, the bank reported that nearly 700 CRA-reportable loans were originated. These loans were comprised of approximately 44% home mortgage and 52% small loans to businesses. The bank's activity with small loans to farms was insignificant in volume. In addition to this, USB requested that we include just over 2,000 consumer loans (automobile, personal secured and personal unsecured) in our analysis.

The composition of home mortgage loan originations in Billings was 11% (33 loans) home purchase, 35% (107 loans) home improvement, and 54% (161 loans) home refinance. Given the nominal level of activity with home purchase lending, for weighting purposes, the focus in the following distribution analyses for the real estate category will be on the home improvement and refinance lending categories.

In the Billings MSA, the bank ranks third in deposit market share (13%). USB ranks third (5%) in small loans to businesses based on 1998 CRA aggregate data. Based on 1998 HMDA aggregate data, USB ranks 37<sup>th</sup> as originator/purchaser of loans for home purchase, fourth for home improvement, and 14<sup>th</sup> for home refinance. Again, the bank's activity with small loans to farms is not significant and thus, no meaningful conclusions can be rendered for this component. Market share information is not available on consumer data.

In the Great Falls MSA, the bank reported 535 CRA-reportable loans. These loans were comprised of 57% home mortgage and 39% small loans to businesses. Again, the volume of small loans to farms (18) is insignificant to result in any meaningful analysis. In addition to this, USB requested that we include just over 1,200 consumer loans (automobile, secured, and unsecured) in our analysis.

The composition of home mortgage loan originations was 8% (24 loans) home purchase, 42% (127 loans) home improvement, and 51% (155 loans) home refinance. Given the low level of activity with home purchase lending, for weighting purposes, the emphasis for mortgage lending performance in the following distribution analyses will be on home improvement and home refinance lending.

In the Great Falls MSA, the bank ranks first in deposit market share (24%). USB ranks second (16%) in small loans to businesses based on 1998 CRA aggregate data. Based on 1998 HMDA aggregate data, USB is ranked 15<sup>th</sup> in originations/purchases of loans for home purchase, second (11%) for home improvement, and seventh for home refinance. Market share information is not available for consumer data.

In the Missoula Assessment Area, USB reported 916 CRA-reportable loans originated or purchased during the evaluation period. These were comprised of 60% home mortgage and 40% small loans to businesses. Again, the volume of small loans to farms (2) is inconsequential. In addition to this, USB requested that we include just over 1,600 consumer loans (automobile, secured, and unsecured) in our analysis.

The composition of home mortgage loan originations was 10% (57 loans) home purchase, 43% (234 loans) home improvement, and 47% (257 loans) home refinance. Given the nominal level of activity with home purchase lending, for weighting purposes, the emphasis for mortgage lending performance in the following distribution analyses will be on home improvement and home refinance lending.

In the Missoula Assessment Area, the bank ranks second in deposit market share. USB ranks second in small loans to businesses based on 1998 CRA aggregate data. Because this assessment area was not an MSA in 1998, HMDA data available for market share comparisons on real estate lending is not meaningful. Market share information is also not available on consumer data

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

The bank's geographic distribution of lending is good in the Billings MSA, adequate in the Great Falls MSA, and good in the Missoula Assessment Area.

### ***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 overall geographic distribution of home mortgage loans is good for the Billings MSA, excellent for the Great Falls MSA, and excellent for the Missoula Assessment Area. It is noted that in each of the full-scope assessment areas, this conclusion is based on the bank's home improvement and home refinance lending. Home purchase lending volume was insignificant to result in any meaningful conclusions.

Home improvement geographic loan distribution is adequate in the Billings MSA, and excellent in the Great Falls MSA and Missoula Assessment Area. In the Billings MSA, the portion of home improvement loans made in moderate-income geographies exceeds the portion of owner-occupied housing units there. The market share for loans made in moderate-income geographies is well below the bank's overall market share. The bank did not make any such loans in low-income areas, although it is noted that less than 2% of the owner-occupied units are located there. In both the Great Falls MSA and Missoula Assessment Area, the bank's portion of home improvement loans in moderate-income areas exceeded the portion of owner-occupied units there. In addition, the respective market shares of such loans were above the bank's overall market share. There are essentially no owner-occupied units available in low-income geographies in the Great Falls and Missoula Assessment Areas.

Home refinance geographic loan distribution is excellent in each full-scope assessment area. For the three full-scope areas, the bank's portion of home refinance loans in moderate-income geographies exceeds the portion of owner-occupied housing units there. The market share for loans in moderate-income geographies also exceeds the bank's overall market share. In low-income geographies in Billings, the bank exceeded the portion of owner-occupied housing units, while its market share was slightly below its overall market share.

### ***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.

The geographic distribution of small loans to businesses is good in the Billings MSA and Missoula Assessment Area and adequate in the Great Falls MSA. In the Billings MSA, the portion of small loans to businesses made in low-income areas was below the portion of businesses in those geographies, and exceeded for moderate-income areas. The market share for low-income area loans exceeded the bank's overall market share, but was moderately below for moderate-income areas. In the Great Falls MSA, the portion of small loans to businesses made in low-income areas was below the portion of businesses in those geographies. The market share for such loans was one-half the bank's overall market share. The bank's loans made in moderate-income areas nearly matched the portion of businesses there, although the respective market share of such loans was below the bank's overall market share. In the Missoula Assessment Area, the bank's portion of small loans to businesses slightly exceeded the portion of businesses in moderate-income geographies, but its market share in these areas was slightly below its overall market share.

### ***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.

Given the insignificant volume of such lending, no meaningful conclusions can be made.

### ***Consumer Loans***

Refer to Table 14 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The geographic distribution of consumer loans is adequate in each full-scope assessment area. In each full-scope assessment area, the bank's portion of consumer loans made in low- or moderate-income geographies was generally below the portion of the population located there.

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

Our analysis of the bank's overall lending activity with home mortgage, small loans to businesses/farms, and consumer loans did not reveal any conspicuous gaps in

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

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

A substantial majority of the bank's loans were originated within its assessment areas. During the evaluation period, 92% of the bank's lending (home mortgage, small loans to businesses/farms, and consumer loans) originated within its assessment areas.

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

### ***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.

The overall borrower distribution of home mortgage loans is adequate for each full-scope assessment area. Again, home purchase lending was not evaluated given the insignificant volume.

### **Home Improvement Loans**

Home improvement borrower distribution is adequate in the Billings MSA and Missoula Assessment Area and poor in the Great Falls MSA. In both the Billings MSA and Missoula Assessment Area, the bank's portion of home improvement loans made to low-income borrowers was well below the portion of such families. The bank's market share in the Billings MSA was well below the bank's overall market share in the MSA. In the Missoula Assessment Area, the bank's market share exceeded its overall market share. However, in moderate-income borrower lending, the bank's lending was generally close to the portion of such borrowers. The respective market share of such lending was also close to the bank's overall market share in the Billings MSA, while it exceeded it slightly in the Missoula Assessment Area. In the Great Falls MSA, the bank's loans made to low-income borrowers were substantially below the portion of families defined as such. The market share for such loans was also well below the bank's overall market share. The bank's portion of loans made to moderate-income borrowers was well below the portion of families defined as such. Also, the bank's respective market share of such loans was also well below the bank's overall market share.

### **Refinance Loans**

Home refinance borrower loan distribution is good in each full-scope assessment area. In each case, the portion of home refinance loans made to low-income borrowers was well below the portion of families defined as such. However, the market share for such loans was above the bank's overall market share in the Billings and Great Falls MSAs. In the Missoula Assessment Area, the bank's market share for the low-income borrowers is nearly equal to the overall market share. The bank's portion of loans made to moderate-income borrowers within the Billings MSA greatly exceeded the portion of families defined as such. The bank's respective market share of such loans was well above the bank's overall market share. In the Great Falls MSA and the Missoula Assessment Area, the bank's portion of loans to moderate-income borrowers was slightly below the portion of families defined as such. In the Great Falls MSA and Missoula Assessment Area, the market share to moderate-income borrowers exceeded the overall market share.

### ***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 borrower distribution of small loans to businesses is adequate in each full-scope assessment area. In each full-scope assessment area, the bank's portion of loans made to small businesses (businesses with annual revenues under \$1 million) is below the portion of businesses defined as such. The bank's market share of such loans was generally better, but still below the bank's overall market share. A substantial majority of all loans had original balances of \$100,000 or less. Loan size tends to correlate to the size of the business.

We note, however, that USB did not obtain revenue information on a significant portion of its small business loans in the three full-scope assessment areas. USB did not obtain revenue information on 39% of its loans in the Billings MSA, 37% of its loans in the Great Falls MSA, and 46% of its small business customers in the Missoula Assessment Area.

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

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

Given the insignificant volume of such lending, no meaningful conclusions can be

made.

### ***Consumer Loans***

Refer to Table 14 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The borrower distribution of consumer loans is good in each full-scope assessment area. The portion of loans made to low-income households is moderately below the portion of households defined as such. The portion of loans made to moderate-income households, however, is significantly above the portion of households defined as such.

### **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.

Given the general nature and size of the CD loans made by the bank during the evaluation period, this form of lending had a neutral impact on the overall Lending Test rating. We do not see these loans as innovative or complex. In the Billings MSA, USB provided three community development loans totaling \$285,200. These three loans provided housing or necessary assistance to LMI people. In the Great Falls MSA, USB made one CD loan totaling \$300,000 that provided job training for LMI people. In the Missoula Assessment Area, USB made two CD loans totaling \$220,000. One provided LMI housing and the other provided child care and meal programs for LMI children.

### **Product Innovation and Flexibility**

Product innovation and flexibility had a neutral impact on the Lending Test conclusions. Bank-wide, USB offers flexible mortgage-related lending programs serving LMI borrowers including the "Home Advantage" and "Home Partners" products. During the evaluation period, USB did not originate any of these types of loans in its Montana assessment areas.

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

Based on limited-scope reviews, the bank's performance under the Lending Test in

the non-MSA assessment areas is not inconsistent with the bank's overall "Low Satisfactory" performance under the Lending Test. Refer to Tables 1 through 11 and Table 14 in Appendix C for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank's performance under the Investment Test is rated "High Satisfactory." Based on full-scope reviews, the bank's performance in the Billings MSA and Great Falls MSA is excellent, and Missoula Assessment Area is adequate.

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

#### ***Billings MSA***

During the evaluation period, USB made 15 investments totaling \$1,522,432 in the Billings MSA. This volume of investments is excellent in relation to the moderate CD opportunities in the MSA (refer to the Market Profile in Appendix B). The needs and opportunities in the MSA are largely centered in affordable housing and the significant majority of USB's investment dollars went toward addressing affordable housing. We did not consider any of these to be innovative, complex, or exemplary of a leadership role.

The following are examples of USB's investments in the Billings MSA:

- In terms of dollars, the bank's most significant investment in the MSA was its \$1,282,232 investment in the Edgewood housing development. This affordable housing project provided 63 low-income housing units and was eligible for Low-Income Housing Tax Credits.
- USB made a \$15,000 grant to Montana People's Action, Inc. CDC that helped fund development of an affordable townhouse project for low- and moderate-income families in Billings Heights using tax deed property acquired from the City of Billings. The CDC was able to use the grant money to help leverage additional funding from government authorities, the Federal Home Loan Bank, and other financial institutions and private equity investors.
- Other grants - USB provided eleven other grants totaling \$43,200 to a variety of nonprofit and economic development organizations for various projects throughout the Billings MSA.

#### ***Great Falls MSA***

During the evaluation period, USB made ten investments totaling \$2,628,500 in the

Great Falls MSA. The volume of investments is excellent in relation to the moderate level of opportunities available. We did not, however, consider any of these to be innovative, complex, or evidence of a leadership role.

The following are examples of USB's investments in the Great Falls MSA:

- The vast majority (97%) of the bank's investment in this MSA was a \$2,550,000 investment in Low-Income Housing Tax Credits associated with the Autumn Run housing project which provided 121 units of affordable housing within the City of Great Falls.
- USB provided a \$30,000 grant to a school for deaf and blind children, 65% of who are from low- and moderate-income families. The school used the grant to purchase computers and other technology to help the students develop independent living skills.
- Other grants - USB provided eight other grants totaling \$48,500 to nonprofit organizations for various projects and CD initiatives throughout the Great Falls MSA.

### ***Missoula Assessment Area***

During the evaluation period, USB made ten investments totaling \$51,500 in the Missoula Assessment Area. Despite this low volume of CD investments within the area relative to USB's scope of operations, the volume of investments is considered adequate due to the more modest level of CD opportunities available within the area. We did not identify any of them being innovative, complex, or evidence of a leadership role.

The following are examples of USB's investments in the Missoula Assessment Area:

- USB has provided significant support to the Lenox Flats Low-Income Housing Tax Credit project since its inception, especially through loans for the acquisition and predevelopment work. USB's support also included a \$15,000 grant toward the project, which, when complete, will provide affordable housing to the area. USB is the only participant in the project from the private sector.
- The bank provided a \$10,000 grant to the Montana Community Development Corporation (CDC). The CDC operates the only Community Development Financial Institution (CDFI) for small businesses within Montana. The CDC used USB's grant to meet the match requirement for funding from the U.S. Treasury's CDFI Fund.
- Other grants - USB provided eight other grants totaling \$26,500 to local nonprofit organizations for various projects and CD initiatives throughout the Missoula Assessment Area.

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

Based on limited-scope reviews, the bank's performance under the Investment Test in the Bozeman, Butte, Havre, Helena, and Miles City Assessment Areas is weaker than the bank's overall "High Satisfactory" performance under the Investment Test. The assessment of the weaker performance is based on the comparatively lower volume of investments in the assessment areas. USB's weaker performance in the limited-scope assessment areas was a consideration in assigning the overall Investment Test rating to the State. The five limited-scope assessment areas are less significant in size than the three full-scope areas, and represent slightly less than 40% of the bank's deposits on a combined basis. Refer to Table 12 in Appendix C for the facts and data that support these conclusions.

## **SERVICE TEST**

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

The bank's performance under the Service Test is rated "High Satisfactory." Based on full-scope reviews, the bank's performance is good in each of the three full-scope assessment areas - the Billings MSA, Great Falls MSA, and Missoula Assessment Area.

### **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.

USB's delivery systems are accessible to geographies and individuals of different income levels in all three full-scope assessment areas. In the Billings MSA, accessibility is good despite the fact that USB has only two offices serving the entire MSA. The main office is located in a low-income census tract downtown. Its central downtown location provides convenience. All other low- or moderate-income tracts in this MSA are adjacent to this location. In the Great Falls MSA, accessibility is good with three offices serving the city. One office is located in the central downtown portion of the city in a low-income tract; one office is located in a nearby moderate-income tract. The low- and moderate-income geographies in the MSA are all in the general vicinity of these two offices. The third office is located in the Malmstrom Air Force Base (a middle-income tract). The central downtown location of the main office in the Missoula Assessment Area provides good accessibility to the moderate-income geographies and individuals. All moderate-

income tracts in this assessment area are adjacent to this location. The area's only other office is located in an upper-income tract that is also adjacent to one of the moderate-income tracts.

USB has not opened or closed any offices in these three assessment areas.

USB does not have extended evening hours or weekend hours at any location, at any assessment area. Hours are considered adequate and are generally 9:00 AM to 4:00 PM. On Friday, the offices are generally open until 5:00 PM at all locations.

All products and services are standard throughout all offices. USB's products include low-minimum, no-fee checking or no-minimum, no-fee checking with the election of paycheck or social security check direct deposit. USB offers credit lines starting at \$1,000.

As an alternate delivery method in the assessment areas, USB supplements its branch distribution with a network of 15 ATMs in the Billings MSA, 10 ATMs in the Great Falls MSA, and 9 ATMs in the Missoula Assessment Area. However, the majority of the ATMs in each full-scope area only dispense cash. In Billings, four ATMs are full-service - one is located in the low-income census tract. In Great Falls, four ATMs are full-service - two in low-income tracts, one in a moderate-income tract, and one in a middle-income tract. In Missoula, three ATMs are full-service - two in moderate-income tracts and one in an upper-income tract. USB also offers telephone and Internet banking. These were not weighted significantly when drawing conclusions because the bank did not provide data on how low- and moderate-income individuals and geographies were impacted by these services.

## **Community Development Services**

USB provides an adequate level of community development services at all three full-scope assessment areas. Each assessment area has a relatively small population but there are some identified opportunities within each assessment area.

Refer to the Market Profile section of Appendix B for details on the types of opportunities and needs present in each area. The services that the bank provides responds to the general types of needs identified.

Examples of CD services within the Billings MSA include:

Native American Development Corporation: A bank employee is on the Board of this organization and is on the revolving loan fund committee. This organization provides technical assistance and capital to develop Native American owned small businesses.



Human Resources Development Council: A bank employee is on the finance committee for this organization that provides needed services to LMI people. The organization addresses affordable housing related issues and provides financial counseling. USB also assisted with four seminars on welfare-to-work, general work readiness, and basic banking.

Bank staff members are involved in five other CD related organizations that promote affordable housing issues, are involved in relief for the homeless, assist small business development, and provide assistance for LMI children.

Examples of CD services within the Great Falls MSA include:

Neighborhood Housing Services of Great Falls: Two bank employees are involved with two committees of this very active organization in the Great Falls area. The organization provides affordable housing development, rehabilitation assistance, homebuyer education, down payment assistance, and gap financing. One of the bank employees is also on the national Board of Directors for this organization's parent - the Neighborhood Reinvestment Corporation.

Accessible Space, Inc.: A bank employee is on the Board of this organization that specialized in developing affordable rental units for LMI people with disabilities. USB also assisted this organization with its application to the Federal Home Loan Bank of Seattle for a grant on a housing project.

In addition, bank staff are involved in two other affordable housing related organizations, the city's community development council, and hosted a training seminar aimed at small business owners.

Examples of CD services in the Missoula Assessment Area include:

Montana Peoples Action: A bank employee provides technical financial assistance to this organization so it can better understand housing data which will assist it to develop needed housing programs. This organization is a Community Development Corporation and is in partnership with the Rural Cross Community Collaborative.

Montana Community Development Corporation: A bank employee is on the Board of this organization. It is the only certified Community Development Financial Institution in the State of Montana. The USB employee provides expertise regarding the fund development and in grant writing. The organization serves as an intermediary for SBA and Montana micro-loans, USDA Rural Development loans, Community Development Block Grant revolving loans, and the Small Business Development Center.

Women's Opportunity & Resource Development: A bank employee assists this

organization with data research, understanding demographic information, and identifying funding sources. The organization is involved in affordable housing matters, welfare-to-work efforts, affordable child care issues, and homebuyer education.

In addition, USB employees are involved in three other organizations that assist LMI people with affordable housing matters, affordable child card, and small business development issues.

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

Based on limited-scope reviews, the bank's performance under the Service Test in the Bozeman, Havre, Helena, and Miles City non-MSAs is weaker than the bank's overall "High Satisfactory" performance under the Service Test. In each of these assessment areas, the bank has only one office and in each location, the bank's office is located in a middle-income geography. The bank's Service Test performance in the Butte Assessment Area is stronger than the bank's overall Service Test rating because the bank's only office is located in a moderate-income geography. Refer to Table 13 in Appendix C for the facts and data that support these conclusions.

## Appendix A: Scope of Evaluation

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

<b>Time Period Reviewed</b>	Lending Test (includes CD Loans): 1-01-98 to 12-31-99 Investment and Service Tests: 1-01-98 to 12-31-99	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
U.S. Bank National Association Montana (USB) Billings, MT	Small business loans, small farm loans, residential real estate loans, community development loans, consumer loans, investments.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
U.S. Bancorp Piper Jaffray U.S. Bank NA North Dakota U.S. Affordable Housing CDC U.S. Bancorp CDC	Owned by parent Affiliate Sub of affiliate bank Owned by parent	Community Development Services Consumer loans Investments Loans and Investments
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Billings MSA #0880 Great Falls MSA #3040 Missoula Bozeman Butte Havre Helena Miles City	Full-scope Full-scope Full-scope Limited-scope Limited-scope Limited-scope Limited-scope Limited-scope	Yellowstone County Cascade County Missoula County Gallatin County Silver Bow Hill Lewis & Clark County Custer County

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

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#### Market Profiles for Areas Receiving Full-Scope Reviews

Billings MSA .....	B-2
Great Falls MSA .....	B-4
Missoula Assessment Area .....	B-6

## Billings MSA

Demographic Information for Full-Scope Area: Billings MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	27	7.41%	14.81%	55.56%	22.22%	NA
Population by Geography	113,419	3.60%	14.16%	64.07%	18.17%	NA
Owner-Occupied Housing by Geography	29,371	1.86%	11.93%	66.59%	19.63%	NA
Businesses by Geography	6,596	17.15%	15.25%	57.02%	10.58%	NA
Farms by Geography	400	2.50%	6.25%	83.75%	7.50%	NA
Family Distribution by Income Level	31,007	18.76%	18.15%	25.07%	38.01%	NA
Distribution of Low- and Moderate-Income Families throughout AA Geographies	11,445	5.35%	19.21%	66.60%	8.84%	NA
Median Family Income	= \$31,533	Median Housing Value		= \$62,678		
HUD Adjusted Median Family Income for 1999	= \$45,100	Unemployment Rate		= 2.74%		
Households Below the Poverty Level	= 12.58%					

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

Source: 1990 U.S. Census and 1999 HUD updated MFI.

The Billings Assessment Area consists of Yellowstone County which is the entire MSA. Billings is the largest city in Montana and is located in the south central portion of the state. The expansive Crow Indian Reservation covers a large section of southern Yellowstone County and most of the adjacent Big Horn County. Billings is a retail and medical center for this portion of Montana and northern Wyoming. There are two low-income tracts in the City of Billings and four moderate-income tracts, also in the city. The assessment area meets the requirements of the regulation and does not exclude any LMI geographies.

USB has two offices and 15 ATMs in the assessment area. USB has generated the third highest volume of deposits in the assessment area with total deposits of \$177 million. This represents a deposit market share of 13%. First Interstate Bank is the market leader with a deposit market share of 32%. Wells Fargo Bank Montana, NA is also a major competitor with a deposit market share of 14%. There are eleven banks in the assessment area operating 41 offices. This information is from the June 30, 1999 FDIC Deposit Market Share Reports.

The city has experienced population growth as families from more crowded urban centers relocate to Billings for an enhanced quality of life. New jobs in the service and retail sectors have contributed to this growth. A result is a shortage of affordable multi-family and affordable single family homes. New homes that are being constructed tend to be larger, upper-end housing in the Northwest part of the city. There was virtually no multi-family construction from 1986 to 1992. In 1999, there were only four building permits issued for multi-family housing. This

level of construction has not kept pace with the increase in population.

Major employers in the area include two medical centers, the school district and three national oil refineries. Most businesses in the assessment area (68%) have annual sales less than \$500,000 and most (80%) have fewer than ten employees.

The City has identified some community development priorities. These include general neighborhood preservation, grants to assist low-income residents with infrastructure improvements to homes, and economic development that will lead to the creation of jobs or assist low-income residents with starting their own businesses.

Contacts with community groups during the last two years said there is a shortage of affordable houses especially with prices between \$40,000 and \$70,000. We reviewed four community contacts completed by the Federal Reserve. These contacts dealt primarily with housing and general economic development.

## Great Falls MSA

Demographic Information for Full-Scope Area: Great Falls MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	24	4.17%	25.00%	62.50%	8.33%	NA
Population by Geography	77,691	0.85%	17.25%	68.92%	12.98%	NA
Owner-Occupied Housing by Geography	19,187	0.10%	13.79%	70.61%	15.51%	NA
Businesses by Geography	3,552	14.10%	26.18%	52.99%	6.73%	NA
Farms by Geography	292	3.42%	4.79%	83.57%	8.22%	NA
Family Distribution by Income Level	21,289	17.44%	18.71%	23.97%	39.88%	NA
Distribution of Low- and Moderate-Income Families throughout AA Geographies	7,697	0.86%	24.00%	69.03%	6.11%	NA
Median Family Income	= \$27,902	Median Housing Value		= \$56,222		
HUD Adjusted Median Family Income for 1999	= \$38,300	Unemployment Rate		= 2.79%		
Households Below the Poverty Level	= 13.96%					

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

Source: 1990 U.S. Census, and 1999 HUD updated MFI.

The Great Falls Assessment Area consists of Cascade County which is the entire MSA. Great Falls is located in central Montana along the Rocky Mountain Front Range. The city has one low-income census tract and six moderate-income tracts. These areas are generally in the downtown and adjoining areas of the city. Great Falls is near the center of the county. Outside the city, the land is primarily agricultural (wheat and livestock production). The assessment area meets the requirements of the regulation and does not exclude any LMI areas.

USB has three offices and 10 ATMs in the assessment area. USB has the highest volume of deposits in the county with \$168 million in deposits for a 24% market share. Other major competitors are Wells Fargo Bank Montana, NA with a 23% deposit market share, Heritage Bank, FSB with a 19% deposit market share, and First Interstate Bank with a 15% deposit market share. There are nine banks operating 21 offices in the assessment area. This information was obtained from June 30, 1999 FDIC Deposit Market Share Reports.

Malmstrom Air Force Base which is located on the eastern edge of the city of Great Falls has a significant impact on the city in terms of revenue to the city and employment for its residents. The Air Force Base is the largest employer in the area. The military, other government agencies and health care employees are the major employers in the area. There has been moderate growth in the service and retail sectors. The downtown business area has seen some storefront revitalization.

The city has a very active office of the Neighborhood Housing Services. This organization has helped rehabilitate hundreds of homes in the LMI tracts. It has helped to develop new affordable housing units for first-time homebuyers. The organization has done a lot to address affordable housing issues but the city expects a need for additional multi-family housing units that won't be met by city resources or its Housing Authority alone.

The City's Consolidated Plan discusses some identified needs for LMI families. It lists that jobs training and the availability to find jobs paying more than minimum wage, affordable child care, medical and transportation are needed. There is a need for more transitional housing for homeless families and those who need longer term solutions for escaping domestic violence. As is common for the entire state, there is a need for adequate, affordable senior housing.

We reviewed two community contacts completed by the Federal Reserve during the last two years. These contacts were made to community development organizations. These contacts discussed a need for greater economic opportunities for all businesses, for infrastructure support and maintenance, more tax incentives to attract new businesses, and more economic diversity.



## Missoula Assessment Area

Demographic Information for Full-Scope Area: Missoula Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	19	NA	21.05%	48.37%	26.32%	5.26
Population by Geography	78,687	NA	17.55%	45.35%	35.20%	1.90%
Owner-Occupied Housing by Geography	18,514	NA	12.62%	47.82%	39.56%	0.00%
Businesses by Geography	4,526	NA	36.06%	40.52%	22.89%	0.53%
Farms by Geography	128	NA	20.31%	47.66%	32.03%	0.00%
Family Distribution by Income Level	20,281	18.87%	15.48%	20.25%	45.40%	NA
Distribution of Low- and Moderate-Income Families throughout AA Geographies	6,967	NA	26.11%	50.91%	22.98%	0.00%
Median Family Income	= \$27,349	Median Housing Value		= \$62,909		
HUD Adjusted Median Family Income for 1998	= \$36,100	Unemployment Rate		= 3.67%		
Households Below the Poverty Level	= 17.65%					

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

Source: 1990 U.S. Census and 1998 HUD updated MFI.

The Missoula Assessment Area consists of the entire Missoula County. Missoula is located in a valley between the Rocky Mountains and the Bitterroot Mountain range in the western portion of the state. The assessment area does not have any low-income geographies. It has six moderate-income geographies. The University of Montana campus is the one geography that does not have an income designation. The assessment area meets the requirements of the regulation and does not exclude any LMI geographies.

USB has two branches and nine ATMs in the assessment area. USB has generated the second highest volume of deposits in the assessment area with \$178 million and a market share of 19%. The market leader is First Interstate Bank with a deposit market share of 32%. There are eleven banks with 29 offices serving the assessment area. This information was obtained from June 30, 1999 FDIC Deposit Market Share Reports.

The local economy is still dependent upon forestry and paper milling but retail and service industries now have the largest impact on the local economy. Agriculture, dairy, and refining sugarbeets impact the economy. Tourism is an increasingly important segment of the local economic structure. The University of Montana is, however, the largest employer.

Affordable housing is a significant concern. Community contacts made during the last two years indicate that the cost of housing has doubled since 1990.

According to the contacts, there are housing organizations that have created loan pools to be used in the construction of affordable single-family homes as well as multi-family rental units. Banks are the primary source of funds for the loan pools. The large student population also has placed considerable demand on available rental units.

The community contacts indicated that most of the new jobs consist of minimum wage retail or service industry jobs. While unemployment is low, many jobs do not earn a living wage and people must work several jobs. The student population also impacts the overall wage scale as students are more willing to accept part-time, minimum wage work. The contacts said that there seems to be division in the city government regarding how much economic development is desired. Proposed development opportunities become issues of great debate. As a result, the contacts indicated that local financial institutions are well aware of proposals and will volunteer if they wish to be involved.

The contacts said that there is a need for start-up loans for small businesses. They also said that there is a need for more Small Business Administration loans. The contacts said that there are opportunities to provide financing for businesses looking to locate or relocate to a newer industrial park created near the airport.

We reviewed six community contacts completed by regulatory agencies over the last two years. These contacts were local economic development organizations and two groups that promote affordable housing initiatives.

Missoula is the site of the state's only CDFI.

## 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; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; 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/assessment area.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage 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 rank and market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size)

throughout

those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

- Table 7. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income level in each 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 Home Improvement Loans** - See Table 7.
- Table 9. Borrower Distribution of Home Mortgage Refinance Loans** - See Table 7.
- Table 10. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 11. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each 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 14. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) -** For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of the population within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage of households by income level in each MSA/AA.

**Table 1. Lending Volume**

LENDING VOLUME												
State: Montana												
Evaluation Period: January 1, 1998 to December 31, 1999												
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA*	Home Mortgage**		Small Loans to Businesses**		Small Loans to Farms**		Community Development***		Total Reported Loans		% of Rated Area Loans(#) in MSA/AA
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full-Scope:												
Billings MSA	21.10	302	16,826	358	17,534	24	3,800	3	285	687	38,445	17.56
Great Falls MSA	20.10	306	14,771	210	15,567	18	1,431	1	300	535	32,069	13.67
Missoula	21.18	548	28,694	364	25,235	2	250	2	220	916	54,399	23.41
Limited-Scope:												
Bozeman	9.20	319	20,658	244	13,125	10	1,260	1	1,103	574	36,146	14.67
Butte	8.26	173	8,423	87	3,992	3	104	3	2,545	266	15,064	6.80
Havre	5.79	102	6,666	69	2,930	11	447	1	250	183	10,293	4.68
Helena	7.11	156	11,431	390	11,561	2	60	2	2,250	550	25,302	14.06
Miles City	7.26	162	6,162	34	1,105	6	437	0	0	202	7,704	5.16

(\*) Deposit data as of June 30, 1999.

(\*\*) The evaluation period for Home Mortgage Loans, Small Loans to Businesses and Small Loans to Farms is January 1, 1998 to December 31, 1999.

(\*\*\*) The evaluation period for Community Development Loans is January 1, 1998 to December 31, 1999.

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

Geographic Distribution: HOME PURCHASE																State: Montana		Evaluation Period: January 1, 1999 to December 31, 1999	
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	% USB Loans	% Owner Occ Units	% USB Loans	% Owner Occ Units	% USB Loans	% Owner Occ Units	% USB Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**			
Full-Scope:																			
Billings MSA	1.86	3.03	11.93	6.06	66.59	48.48	19.63	42.42	37	0.29	0.00	0.29	0.17	0.68	33	13.69			
Great Falls MSA	0.10	0.00	13.79	12.50	70.61	54.17	15.51	33.33	15	0.89	0.00	1.23	0.54	2.00	24	9.96			
Missoula	0.00	0.00	12.62	14.03	47.82	56.14	39.56	29.82	21	0.86	0.00	0.85	1.15	0.53	57	23.65			
Limited-Scope:																			
Bozeman	0.00	0.00	6.65	6.06	63.61	54.55	29.73	39.39	14	1.89	0.00	1.52	1.31	3.29	66	27.39			
Butte	0.00	0.00	12.92	5.56	45.69	44.44	41.39	50.00	9	1.80	0.00	0.00	2.73	1.06	18	7.47			
Havre	0.00	0.00	6.29	0.00	37.30	20.00	56.41	80.00	5	3.59	0.00	0.00	3.92	3.52	10	4.15			
Helena	0.00	0.00	2.48	7.69	44.24	23.08	53.28	69.23	16	0.70	0.00	12.50	0.58	0.60	13	5.39			
Miles City	0.00	0.00	2.68	0.00	97.32	100.00	0.00	0.00	5	5.38	0.00	0.00	5.43	0.00	20	8.30			

(\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*) 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.



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

Geographic Distribution: HOME IMPROVEMENT																State: Montana		Evaluation Period: January 1, 1998 to December 31, 1999	
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	% USB Loans	% Owner Occ Units	% USB Loans	% Owner Occ Units	% USB Loans	% Owner Occ Units	% USB Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**			
Full-Scope:																			
Billings MSA	1.86	0.00	11.93	13.08	66.59	61.68	19.63	25.23	4	9.59	0.00	6.06	9.65	11.85	107	14.32			
Great Falls MSA	0.10	0.00	13.79	16.54	70.61	62.20	15.51	21.26	2	10.67	0.00	12.73	9.94	11.83	127	17.00			
Missoula	0.00	0.00	12.62	23.08	47.82	43.16	39.56	33.76	1	38.92	0.0	47.27	34.94	40.46	234	31.33			
Limited-Scope:																			
Bozeman	0.00	0.00	6.65	4.76	63.61	70.48	29.73	24.76	2	30.05	0.00	25.00	35.61	20.00	105	14.06			
Butte	0.00	0.00	12.92	8.82	45.69	48.53	41.39	42.65	2	23.16	0.00	29.41	17.53	30.16	68	9.10			
Havre	0.00	0.00	6.29	0.00	37.30	9.09	56.41	90.91	3	22.22	0.00	0.00	7.14	29.03	11	1.47			
Helena	0.00	0.00	2.48	0.00	44.24	46.34	53.28	53.66	3	16.57	0.00	0.00	15.85	17.78	41	5.49			
Miles City	0.00	0.00	2.68	0.00	97.32	100.00	0.00	0.00	1	43.84	0.00	0.00	44.44	0.00	54	7.23			

(\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*) 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.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE				State: Montana		Evaluation Period: January 1, 1998 to December 31, 1999							Total Home Mortgage Refinance Loans			
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					#	% of Total**
	% Owner Occ Units	% USB Loans	% Owner Occ Units	% USB Loans	% Owner Occ Units	% USB Loans	% Owner Occ Units	% USB Loans		Overall	Low	Mod	Mid	Upp		
Full-Scope:																
Billings MSA	1.86	2.48	11.93	14.91	66.59	60.25	19.63	22.36	14	1.94	1.56	2.46	1.88	1.93	161	14.95
Great Falls MSA	0.10	0.00	13.79	16.77	70.61	59.35	15.51	23.87	7	4.00	0.00	5.33	3.69	4.29	155	14.39
Missoula	0.00	0.00	12.62	19.46	47.82	40.08	39.56	40.08	9	4.39	0.00	7.32	3.51	4.69	257	23.86
Limited-Scope:																
Bozeman	0.00	0.00	6.65	4.05	63.61	64.86	29.73	31.08	5	4.60	0.00	4.55	4.51	4.78	148	13.74
Butte	0.00	0.00	12.92	9.30	45.69	40.70	41.39	50.00	4	6.17	0.00	4.35	5.18	7.67	86	7.99
Havre	0.00	0.00	6.29	0.00	37.30	18.52	56.41	81.48	1	20.17	0.00	0.00	20.00	20.22	81	7.52
Helena	0.00	0.00	2.48	0.00	44.24	42.57	53.28	57.43	8	4.34	0.00	0.00	4.25	4.50	101	9.38
Miles City	0.00	0.00	2.68	0.00	97.32	100.00	0.00	0.00	1	31.25	0.00	0.00	31.25	0.00	88	8.17

(\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*) 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.

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

Geographic Distribution: SMALL LOANS TO BUSINESSES																State: Montana		Evaluation Period: January 1, 1998 to December 31, 1999	
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 Businesses	% USB Loans	% of Businesses	% USB Loans	% of Businesses	% USB Loans	% of Businesses	% USB Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**			
<b>Full-Scope:</b>																			
Billings MSA	17.15	14.25	15.25	17.32	57.02	53.91	10.58	14.53	3	5.52	9.06	4.06	4.06	9.82	358	20.39			
Great Falls MSA	14.10	9.52	26.18	25.71	52.98	64.29	6.73	10.48	2	16.29	7.69	10.43	15.13	18.46	210	11.96			
Missoula	0.00	0.00	36.06	37.09	40.52	40.38	22.89	22.53	2	20.49	0.00	18.73	17.40	19.09	364	20.73			
<b>Limited-Scope:</b>																			
Bozeman	0.00	0.00	13.76	11.48	66.43	53.28	19.81	35.25	4	7.61	0.00	1.21	7.72	11.03	244	13.90			
Butte	0.00	0.00	26.07	29.89	44.63	39.08	29.30	31.03	4	8.40	0.00	11.11	3.99	16.36	87	4.95			
Havre	0.00	0.00	3.68	1.45	60.76	66.67	35.56	31.88	1	47.73	0.00	25.00	50.00	30.77	69	3.93			
Helena	0.28	0.77	2.68	0.26	51.29	62.56	45.76	36.41	3	21.53	100.00	16.67	23.85	13.37	390	22.21			
Miles City	0.00	0.00	0.80	0.00	99.20	100.00	0.00	0.00	2	11.82	0.00	0.00	8.17	0.00	34	1.94			

(\*) Based on 1998 Aggregate Small Business Data only. Market rank is for all income categories combined.

(\*\*) 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.

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

Geographic Distribution: SMALL LOANS TO FARMS					State: Montana		Evaluation Period: January 1, 1998 to December 31, 1999					Total Small Farm Loans				
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					#	% of Total**
	% of Farms	% USB Loans	% of Farms	% USB Loans	% of Farms	% USB Loans	% of Farms	% USB Loans		Overall	Low	Mod	Mid	Upp		
Full-Scope:																
Billings MSA	2.50	4.17	6.25	8.33	83.75	83.33	7.50	4.17	3	7.07	0.00	40.00	7.09	0.00	24	31.58
Great Falls MSA	3.42	0.00	4.79	0.00	83.56	83.33	8.22	16.67	3	8.86	0.00	0.00	6.15	0.00	18	23.68
Missoula	0.00	0.00	20.31	0.00	47.66	100.00	32.03	0.00	0	0.00	0.00	0.00	0.00	0.00	2	2.63
Limited-Scope:																
Bozeman	0.00	0.00	3.90	20.00	75.38	70.00	20.72	10.00	3	13.51	0.00	100.00	12.00	9.09	10	13.16
Butte	0.00	0.00	3.33	0.00	60.00	100.00	36.67	0.00	3	14.29	0.00	0.00	40.00	0.00	3	3.95
Havre	0.00	0.00	4.59	0.00	64.29	36.36	31.12	63.64	2	26.67	0.00	0.00	2.50	0.00	11	14.47
Helena	0.79	0.00	0.79	0.00	50.79	50.00	47.62	50.00	2	29.41	0.00	0.00	12.50	20.00	2	2.63
Miles City	0.00	0.00	12.00	0.00	88.00	100.00	0.00	0.00	2	8.89	0.00	0.00	2.50	0.00	6	7.89

(\*) Based on 1998 Aggregate Small Farm Data only. Market rank is for all income categories combined.

(\*\*) 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.

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

Borrower Distribution: HOME PURCHASE		State: Montana		Evaluation Period: January 1, 1998 to December 31, 1999												
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	% USB Loans*	% of Families	% USB Loans*	% of Families	% USB Loans*	% of Families	% USB Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full-Scope:																
Billings MSA	18.76	6.06	18.15	15.15	25.08	24.24	38.01	54.55	37	0.29	0.38	0.13	0.25	0.69	33	13.69
Great Falls MSA	17.44	8.33	18.71	8.33	23.97	25.00	39.88	58.33	15	0.89	1.69	0.00	0.53	2.13	24	9.96
Missoula	18.87	5.26	15.48	15.78	20.25	29.82	45.40	49.12	21	0.86	1.45	0.00	1.17	1.26	57	23.65
Limited-Scope:																
Bozeman	16.55	0.00	16.63	15.15	23.57	19.70	43.25	65.15	14	1.89	0.00	0.76	1.00	3.28	66	27.39
Butte	19.54	5.56	16.42	16.67	20.14	11.11	43.89	66.67	9	1.80	0.00	1.18	0.81	3.51	18	7.47
Havre	17.71	0.00	12.95	20.00	23.44	30.00	45.89	50.00	5	3.59	0.00	5.71	4.62	3.45	10	4.15
Helena	14.40	7.69	14.09	15.38	22.55	30.77	48.96	46.15	16	0.70	3.03	0.00	1.38	0.64	13	5.39
Miles City	21.97	15.00	18.13	15.00	23.65	30.00	36.26	40.00	5	5.38	12.00	2.70	7.02	5.97	20	8.30

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

(\*\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*\*) 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.

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

Borrower Distribution: HOME IMPROVEMENT																State: Montana		Evaluation Period: January 1, 1998 to December 31, 1999	
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	% USB Loans*	% of Families	% USB Loans*	% of Families	% USB Loans*	% of Families	% USB Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***			
Full-Scope:																			
Billings MSA	18.76	4.67	18.15	17.76	25.08	24.30	38.01	53.27	4	9.59	1.59	7.69	7.74	15.32	107	14.32			
Great Falls MSA	17.44	1.57	18.71	11.81	23.97	29.13	39.88	57.48	2	10.67	2.13	4.50	11.47	13.44	127	17.00			
Missoula	18.87	5.56	15.48	12.39	20.25	23.93	45.40	58.12	1	38.92	50.00	41.03	30.95	42.71	234	31.33			
Limited-Scope:																			
Bozeman	16.55	1.90	16.63	8.57	23.57	20.95	43.25	68.57	2	30.05	16.67	31.82	31.71	30.07	105	14.06			
Butte	19.54	5.88	16.42	16.18	20.14	30.88	43.89	47.06	2	23.16	9.09	33.33	19.57	25.27	68	9.10			
Havre	17.71	9.09	12.95	0.00	23.44	36.36	45.89	54.55	3	22.22	25.00	0.00	30.77	19.23	11	1.47			
Helena	14.40	2.44	14.09	14.63	22.55	34.15	48.96	48.78	3	16.57	14.29	15.00	22.64	14.61	41	5.49			
Miles City	21.97	5.56	18.13	5.56	23.65	25.93	36.26	62.96	1	43.84	28.57	27.27	36.84	55.56	54	7.23			

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

(\*\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*\*) 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.

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

Borrower Distribution: HOME MORTGAGE REFINANCE					State: Montana		Evaluation Period: January 1, 1998 to December 31, 1999					Total Home Mortgage Refinance Loans				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					#	% of Total***
	% of Families	% USB Loans*	% of Families	% USB Loans*	% of Families	% USB Loans*	% of Families	% USB Loans*		Overall	Low	Mod	Mid	Upp		
Full-Scope:																
Billings MSA	18.76	6.21	18.15	24.84	25.08	27.95	38.01	40.99	14	1.94	2.27	3.28	2.58	2.39	161	14.95
Great Falls MSA	17.44	5.81	18.71	16.77	23.97	27.10	39.88	49.68	7	4.00	7.00	5.32	5.54	5.10	155	14.39
Missoula	18.87	2.33	15.48	13.62	20.25	24.90	45.40	59.14	9	4.39	4.23	6.78	5.07	5.70	257	23.86
Limited-Scope:																
Bozeman	16.55	2.70	16.63	6.76	23.57	22.97	43.25	67.57	5	4.60	10.71	5.05	5.33	5.99	148	13.74
Butte	19.54	6.98	16.42	9.30	20.14	30.23	43.89	53.49	4	6.17	9.76	5.15	7.83	7.16	86	7.99
Havre	17.71	2.47	12.95	6.17	23.44	23.46	45.89	67.90	1	20.17	25.00	14.29	23.40	25.40	81	7.52
Helena	14.40	1.98	14.09	12.87	22.55	16.83	48.96	68.32	8	4.34	2.86	9.09	4.38	6.43	101	9.38
Miles City	21.97	5.68	18.13	28.41	23.65	23.86	36.26	42.05	1	31.25	20.00	54.29	27.27	35.14	88	8.17

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

(\*\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*\*) 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.

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

Borrower Distribution: SMALL LOANS TO BUSINESSES			State: Montana		Evaluation Period: January 1, 1998 to December 31, 1999				
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share***		Total Small Loans To Businesses	
	% of Businesses*	% USB Loans**	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total****
Full-Scope:									
Billings MSA	73.57	50.28	91.90	5.59	2.51	5.52	4.53	358	20.39
Great Falls MSA	73.65	49.52	86.67	7.14	6.19	16.29	9.54	210	11.96
Missoula	74.06	41.21	88.19	4.95	6.87	21.42	11.64	364	20.73
Limited-Scope:									
Bozeman	77.30	45.49	90.57	3.69	5.74	7.61	4.68	244	13.90
Butte	73.75	62.07	91.95	5.75	2.30	8.40	7.00	87	4.95
Havre	72.48	59.42	97.10	2.90	0.00	47.73	42.59	69	3.93
Helena	70.63	79.49	97.69	1.79	0.51	21.53	22.51	390	22.21
Miles City	72.71	58.82	94.12	5.88	0.00	11.82	7.00	34	1.94

(\*) 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 38.83% of small loans to businesses originated and purchased by USB in the Billings MSA, 37.41% in the Great Falls MSA, and 45.88% in the Missoula Assessment Area.

(\*\*\*) Based on 1998 Aggregate Small Business Data only.

(\*\*\*\*) 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.



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

Borrower Distribution: SMALL LOANS TO FARMS		State: Montana		Evaluation Period: January 1, 1998 to December 31, 1999					
MSA/Assessment Area:	Farms with Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share***		Total Small Farm Loans	
	% of Farms*	% USB Loans**	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total****
Full-Scope:									
Billings, MSA	96.25	62.50	45.83	37.50	16.67	7.07	4.91	24	31.58
Great Falls MSA	96.23	77.78	83.33	11.11	5.56	8.86	5.80	18	23.68
Missoula	94.53	50.00	50.00	50.00	0.00	0.00	0.00	2	2.63
Limited-Scope:									
Bozeman	94.59	90.00	60.00	40.00	0.00	13.51	12.12	10	13.16
Butte	96.67	100.00	100.00	0.00	0.00	14.29	16.67	3	3.95
Havre	97.45	63.64	90.91	9.09	0.00	26.67	22.22	11	14.47
Helena	96.03	50.00	100.00	0.00	0.00	29.41	15.38	2	2.63
Miles City	95.33	100.00	83.33	0.00	16.67	8.89	7.75	6	7.89

(\*) 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.

(\*\*\*) Based on 1998 Aggregate Small Farm Data only.

(\*\*\*\*) 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.

**Table 12. Qualified Investments**

QUALIFIED INVESTMENTS									
State: Montana Evaluation Period: January 1, 1998 to December 31, 1999									
MSA/Assessment Areas:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$'s	#	\$ (000's)
<b>Full-Scope:</b>									
Billings MSA	0	0	15	1,522	15	1,522	36.07	0	0
Great Falls MSA	0	0	10	2,629	10	2,629	62.31	0	0
Missoula	0	0	10	52	10	52	1.23	0	0
<b>Limited-Scope:</b>									
Bozeman	0	0	0	0	0	0	0.00	0	0
Butte	0	0	1	2	1	2	0.05	0	0
Havre	0	0	0	0	0	0	0.00	0	0
Helena	0	0	4	12	4	12	0.28	0	0
Miles City	0	0	1	2	1	2	0.05	0	0

(\*)  $\Delta$ Prior Period Investments means investments made in a previous evaluation period that are outstanding as of the examination date.

(\*\*)  $\Delta$ Unfunded Commitments means legally binding investment commitments that are tacked and reported 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: Montana				Evaluation Period: January 1, 1998 to December 31, 1999									
MSA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in MSA/AA	# of USB 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-Scope:																	
Billings MSA	21.10	2	16.67	50.00	0.00	50.00	0.00	0	0	0	0	0	0	3.60	14.16	64.07	18.17
Great Falls MSA	20.10	3	25.00	33.33	33.33	33.33	0.00	0	0	0	0	0	0	0.85	17.25	68.92	12.98
Missoula	21.18	2	16.67	0.00	50.00	0.00	50.00	0	0	0	0	0	0	0.00	17.55	45.35	35.20
Limited-Scope:																	
Bozeman	9.20	1	8.33	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	16.40	59.67	23.93
Butte	8.26	1	8.33	0.00	100.0	0.00	0.00	0	0	0	0	0	0	0.00	15.78	43.60	40.62
Havre	5.79	1	8.33	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	11.40	35.97	52.63
Helena	7.11	1	8.33	0.00	0.00	100.00	0.00	0	0	0	0	0	0	1.04	2.21	46.56	50.18
Miles City	7.26	1	8.33	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	3.73	96.27	0.00

**Table 14. Geographic and Borrower Distribution of Consumer Loans (Optional)**

Geographic and Borrower Distribution: CONSUMER LOANS								State: Montana		Evaluation Period: January 1, 1998 to December 31, 1999								
MSA/Assessment Area:	Geographic Distribution								Borrower Distribution									
	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Total Consumer Loans	
	% of Pop*	% USB Loans	% of Pop*	% USB Loans	% of Pop*	% USB Loans	% of Pop*	% USB Loans	% of Hshlds	% USB Loans	% of Hshlds	% USB Loans	% of Hshlds	% USB Loans	% of Hshlds	% USB Loans	#	% of Total**
Full-Scope:																		
Billings MSA	3.60	2.23	14.16	10.45	64.07	63.35	18.17	23.97	23.59	17.15	16.39	26.18	19.61	27.85	40.42	28.82	2,019	24.60
Great Falls MSA	0.85	0.42	17.25	15.12	68.92	67.36	12.98	17.11	22.52	18.01	16.19	22.36	21.32	24.87	39.97	34.76	1,204	14.67
Missoula	0.00	0.00	17.55	16.38	45.35	39.44	35.20	43.93	23.30	16.33	15.68	18.42	16.96	24.65	44.06	4.60	1,648	20.08
Limited-Scope:																		
Bozeman	0.00	0.00	16.40	8.96	59.67	59.14	23.93	31.90	22.11	14.44	16.21	16.49	18.38	25.34	43.30	43.74	1,439	17.53
Butte	0.00	0.00	15.78	6.45	43.60	40.50	40.62	53.05	26.88	15.23	16.80	15.60	16.22	32.48	40.11	36.70	558	6.80
Havre	0.00	0.00	11.40	0.00	35.97	25.23	52.63	74.77	22.27	25.23	13.32	19.37	17.27	22.07	47.14	33.33	222	2.70
Helena	1.04	0.13	2.21	0.00	46.56	39.84	50.18	60.03	18.32	7.52	14.23	12.62	18.38	25.77	49.08	54.09	753	9.17
Miles City	0.00	0.00	3.73	0.00	96.27	100.00	0.00	0.00	26.22	21.43	15.50	21.98	19.40	25.82	38.88	30.77	365	4.45

(\*) The percentage of the population in the MSA/assessment area that resides in these geographies.

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