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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 operations 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 **Bankers Trust Company, Des Moines, Iowa**, prepared by the **Federal Reserve Bank of Chicago** as of **June 15, 1998**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

The following table indicates the performance of **Bankers Trust Company, Des Moines, Iowa**, with respect to the lending, investment and service tests.

INSTITUTION'S RATING: This institution is rated **Satisfactory**.

LARGE INSTITUTION PERFORMANCE CRITERIA	BANKERS TRUST COMPANY PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

SUMMARY OF RATING

Lending Test

*The **lending test** evaluates a bank's record of helping to meet the credit needs of its assessment area through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. A bank's lending performance is evaluated based on the following criteria: 1) the volume of lending activity; 2) the proportion of lending within the assessment area; 3) the dispersion of loans in the assessment area; 4) the distribution of loans to borrowers of different income levels and businesses of different sizes; 5) the distribution of small business and farm loans by loan amount at origination; 6) the volume of community development lending; and 7) the use of*

innovative or flexible lending practices. Performance under the lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

Community development is defined as: 1) affordable housing (including multifamily housing) for low-or moderate-income individuals; 2) community services targeted to low-or moderate-income individuals; 3) activities that promote economic development by financing businesses or farms that meet certain size eligibility standards or have gross annual revenues of \$1 million or less; or 4) activities that revitalize or stabilize low- or moderate-income geographies.

The bank's strong loan-to-deposit (LTD) ratio, community development lending activity and use of flexible lending criteria enhance other components of the overall lending test evaluation where performance was not as strong. However, the level of HMDA-related loans generated in 1996 & 1997 is low and lessens the bank's performance in this category. The percentage of total loans in the assessment area, distribution of loans by geography income and by applicant income, distribution of loans to small businesses and small farms are reasonable and meet the standards for satisfactory performance. Overall, loans outstanding have increased by approximately 20% since the previous examination, and lending levels are reasonably consistent with peer group levels for all types of credit. The bank's LTD ratio exceeds its peer group and several local competitors. The LTD ratio is consistent with the strong economic conditions and housing growth occurring in the Des Moines Metropolitan Statistical Area (MSA). A substantial percentage of lending activity is conducted in the assessment area.

A majority of the bank's business and agricultural loans were in dollar amounts that readily serve the needs of small businesses and farms of all sizes. Small business lending in low- and moderate-income geographies was very strong. The bank's community development lending is also strong, and responsive to the credit needs of the assessment area's low- and moderate-income segment. According to representatives of housing interests in the community, low- and moderate-income housing is a primary need in the assessment area. Housing is a primary focus of the bank's community development lending program. The bank offers flexible, government-sponsored loan programs designed to make credit available for more qualified applicants throughout the assessment area.

Investment Test

*The **investment test** evaluates a bank's record of helping to meet the credit needs of its assessment area through qualified investments that benefit its assessment area or a broader statewide or regional area that includes the bank's assessment area. Qualified investments refer to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development. A bank's investment performance is evaluated based on the following criteria: 1) the dollar amount of qualified investments; 2) the innovativeness or complexity of qualified investments; and 4) the degree to which the qualified investments are not routinely provided by private investors.*

The bank's community development investments and donations by dollar volume and complexity is low in comparison to the bank's size, ability and the identified opportunities within the assessment area. The investment activities reviewed were targeted to identified needs and utilized community groups and organizations that promote availability of low-income housing and services that benefit low- and moderate-income individuals. In discussions with area representatives it was learned that financial support for low-income affordable housing and housing rehabilitation groups exists in the City of Des Moines. The bank has strong historical relationships with several low-and moderate-income housing-related organizations and other

organizations that provide services beneficial to the low- and moderate-income segment. This involvement may provide opportunities for the bank to increase its community investment activities. The bank's performance under the investment test is evaluated as low satisfactory.

Service Test

*The **service test** evaluates a bank's record of helping to meet the credit needs of its assessment area by analyzing the availability and effectiveness of a bank's systems for delivering retail banking services and the extent and innovativeness of its community development services. A bank's retail banking services are evaluated based on the following criteria: 1) the distribution of the bank's branches in geographies of different income levels; 2) the record of opening and closing branches; 3) the availability and effectiveness of alternative systems for delivering retail banking services; and 4) the range of services provided in low-, moderate-, middle-, and upper-income geographies.*

*In addition, a bank's **community development services** are evaluated based on the following criteria: 1) the extent of community development services offered and used; 2) the innovativeness of community development services, including whether they serve low- and moderate-income customers in new ways or serve groups of customers not previously served; 3) the degree to which they serve low- and moderate-income areas or individuals; and 4) their responsiveness to available opportunities for community development services. Community development services must have community development as their primary purpose and be related to the provision of financial services.*

The bank's retail services are accessible to the entire assessment area. Hours of operation are reasonable, and loan and deposit services are generally similar at all locations. The ATMs located in low- and moderate-income geographies, the lending by phone program, and the "Easy Access" to bank services could not be evaluated relative to delivering the bank's products and services to the low- and moderate-income segment of the assessment area. Nevertheless, they expand the availability of retail services beyond normal activities.

The bank provides community development services that focus on financial needs including the administering of grant monies and tax certificates provided by the IHAP, FHLB and IFA. The bank's participation in credit and home buying seminars, job programs and a low-cost checking program is noteworthy, although results are not monitored for effectiveness. The bank has not opened or closed any branches since the previous examination. The bank's performance under the service test is evaluated as high satisfactory.

DESCRIPTION OF INSTITUTION

Bankers Trust Company, with total assets of \$824,946,000 as of March 31, 1998, is a subsidiary of Ruan Financial Corporation, a one-bank holding company based in Des Moines, Iowa. Including the main office, the bank operates a total of nine offices. Except for the main office and the Skywalk office, which is directly across the street from its motor-bank location, all offices are equipped with a drive-up facility. In addition, the bank operates a total of 46 proprietary automated teller machines (ATMs) at various locations throughout the greater Des Moines area.

Bankers Trust Company operates in a highly competitive banking environment as the sixth largest bank by asset size in the Des Moines MSA. The primary competition in the greater Des Moines area includes: Norwest Bank Iowa NA, Nations Bank, Firststar Bank Iowa NA, AmerUs Bank, Brenton Bank NA, Mercantile Bank Midwest, First Bank (West Des Moines) and West Des Moines State Bank. Non-bank lenders such as Principal Mortgage and Norwest Mortgage

also provide significant competition in meeting local real estate lending needs. Additional local competition is provided by Iowa State Bank, Allied Group Inc., Telco Community Credit Union, Tradesman Credit Union, and State Employees Credit Union. Bankers Trust Company offers a complete array of credit products, which is supplemented through use of government sponsored/subsidized loan programs. Safe deposit, trust and investment services are also made available to the community.

The bank is predominantly a real estate lender. Based upon information contained in the March 31, 1998 Uniform Bank Performance Report (UBPR), approximately 69% of the bank's loan portfolio is concentrated in real estate. The distribution is illustrated in exhibit 1.

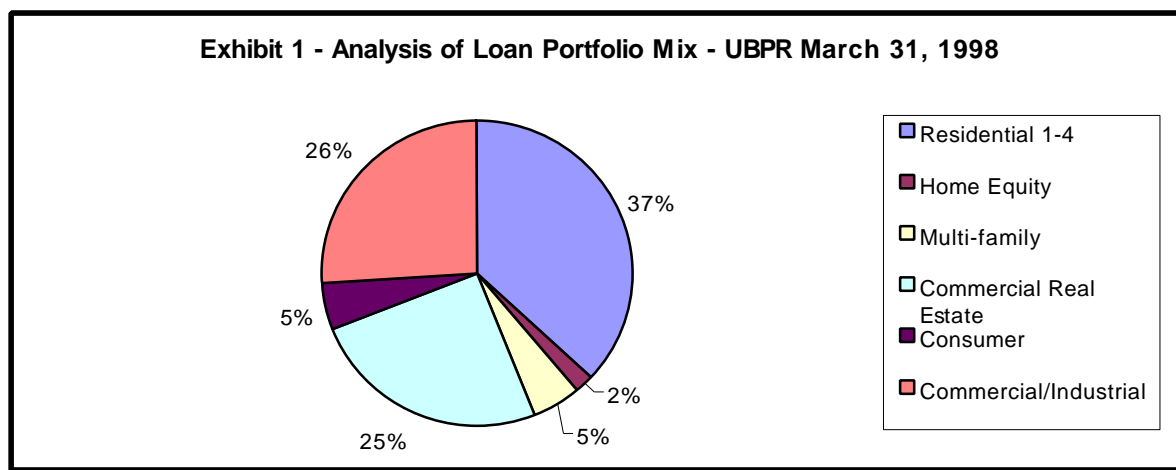


Exhibit 1 demonstrates that the loan portfolio consists primarily of real estate and commercial/industrial loans. The bank's peer group includes all insured commercial banks having assets between \$500 million and \$1 billion. Although not shown, the bank exceeds the peer group average in percentage of 1-4 family residential real estate, commercial real estate and commercial and industrial loans. Consumer loans, at 5%, are below the peer group average, as are construction & development loans, loans on farmland, and agricultural loans. These categories combined comprise less than 1% of total loans, and are not shown in exhibit 1 above.

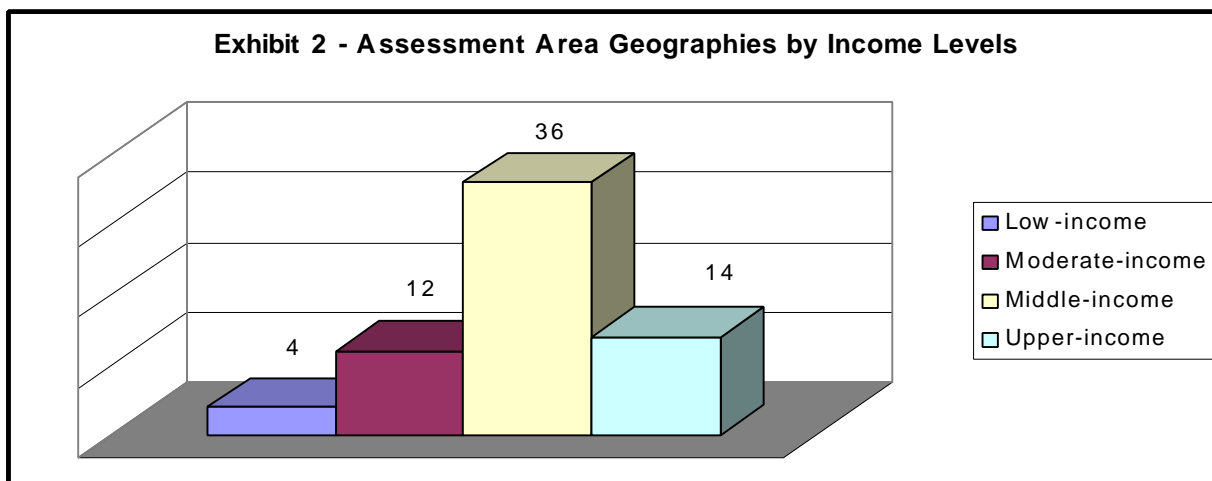
There are no apparent factors relating to the bank's financial condition and size, products offered, prior performance, legal impediments, or local economic conditions that would prevent the bank from meeting the community's credit needs.

DESCRIPTION OF ASSESSMENT AREA

The Community Reinvestment Act requires financial institutions to identify one or more "assessment areas" within which the appropriate regulatory agency will evaluate the bank's CRA performance. An institution's assessment area will include the towns, counties, or other political subdivisions where its branches are located and a substantial portion of its loans are made. Assessment areas must consist of one or more "block numbering areas (BNAs)" or census tracts, which are statistical subdivisions of a county. Census tracts are primarily used in metropolitan areas, while BNAs are used in non-metropolitan locations.

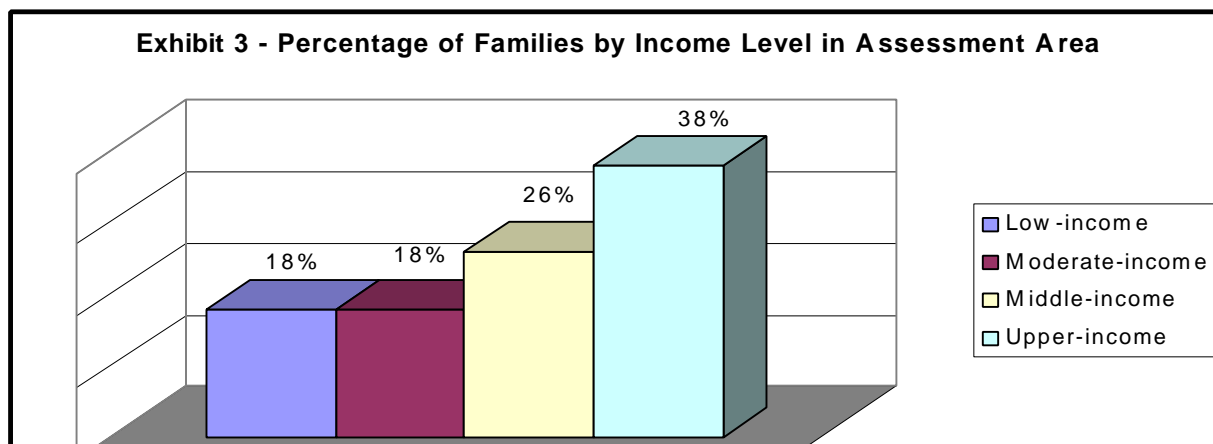
The bank has defined its assessment area as approximately 85% of the Des Moines Metropolitan Statistical Area (MSA 2120), or 66 of the MSAs 78 census tracts located in Polk County. According to the 1990 U.S. Census data, the population in the bank’s assessment area is 271,021, compared to 392,928 for the MSA as a whole.

Approximately 90% of the assessment area is White; the largest minority component of 5%, is Black. Des Moines is the largest city in the state and is the state’s capital. The bank is headquartered in the City of Des Moines. In addition to the City of Des Moines, the assessment area includes the communities of Windsor Heights, West Des Moines, Urbandale, Clive and Grimes. No low- or moderate-income or minority census tracts are arbitrarily excluded from the assessment area. Exhibit 2 shows the geographies of the assessment area, by income level.



As indicated in exhibit 2, sixteen or 24% of the census tracts are defined as either low- or moderate-income; census tracts with incomes of 80% or less of the MSA median family income. The number of low- and moderate-income geographies, as a percentage of total geographies, should be viewed contextually when used as a benchmark for residential lending analysis purposes. Twelve of the sixteen low- and moderate-income geographies are zoned residential. Four or 25% are zoned for industrial use, and the number of owner-occupied units in those tracts is low in comparison to the average for all low- and moderate-income geographies in the assessment area. (See supplemental lending analysis based on owner-occupancy under geographic distribution). Three of the low- and moderate tracts (#51, #52 and #53) are zoned industrial; Census tract #49 is zoned mixed residential and light industrial. Three of the 16 low- and moderate-income census tracts (12.00, 17.00 and 50.00) are defined as minority.

The median family income for the assessment area is \$37,109, substantially similar to the total MSA. The assessment area includes a total of 70,799 families, the breakdown of these



families, by income levels, is shown in Exhibit 3.

As shown in exhibit 3, the majority of families in the assessment area are upper-income, followed by the middle-income level. Low- and moderate-income families constitute 36% of the total families in the assessment area.

The assessment area's housing market consists of 115,003 total housing units: approximately 60% are owner occupied, 35% are rental units, and 5% are vacant. The median housing value in the assessment area is \$57,512 and approximately 34% of the housing stock was built prior to 1950. In comparison, the median housing value for the MSA is \$58,731, with approximately 32% of the housing stock built prior to 1950. Median gross monthly rent for the assessment area is \$437, compared to \$427 for the MSA. Housing within the assessment area is predominately single-family, and approximately 74% of the housing stock consist of one-to-four family units (84,583 of 115,003 total units).

An affordability ratio developed by dividing the median household income by the median household value for a given area or group of geographies is helpful in comparing housing costs for different areas. An area with a higher ratio generally has more affordable housing than areas with lower ratios. According to the 1990 U.S. Census data, the affordability ratio for the bank's assessment area .531, in comparison to .576, the average for the State of Iowa. This indicates that housing is less affordable in the assessment area, on average, than for the state. This data indicates that low-income housing programs would be necessary and beneficial to residents in the assessment area.

Exhibit 4 lists the major area employers.

Exhibit 4 MAJOR AREA EMPLOYERS		
EMPLOYER	EMPLOYMENT	INDUSTRY
The Principal Financial Group-Des Moines	8,300	Insurance/Financial Services
Hy-Vee Inc.—Des Moines	6,000	Grocery
Central Iowa Health System-Des Moines	5,000	Medical Services
Maytag—Newton	3,250	Appliance Manufacturer
Communications Data Services, Inc.- Des Moines	3,000	Data Processing Services
Pella Corporation—Pella	2,500	Window Manufacturer
Mercy Hospital Medical Center-Des Moines	2,220	Medical Services
Blue Cross, Blue Shield of Iowa- Des Moines	2,066	Insurance, Financial Services
Vermeer-- Pella	1,960	Agricultural Equipment Manufacturer
Fisher Controls—Marshalltown	1,768	Control Valve Manufacturer

*Based on Des Moines Chamber of Commerce Information.

The data in exhibit 4 shows a diverse employer base in the Des Moines MSA. According to the Iowa Work Force Development, Polk County and the Des Moines MSA had an unemployment rate of 1.9% as of June 1998. In comparison, the June 1997 unemployment rate was 2.7% for Polk County, and 2.6% for the Des Moines MSA. The State of Iowa reported rates were 2.5% and 3.2%, for the same time periods in 1998 and 1997. The combination of a strong economy with low unemployment and a high cost of housing indicate that credit needs would include housing assistance programs for low-income residents.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Fair Lending

A sample of the bank's loans and denied applications were reviewed to determine whether loan policies and lending standards were in compliance and implemented on a fair and equitable basis. No evidence of prohibited discriminatory credit practices was detected. The bank is in compliance with the substantive provisions of antidiscrimination laws and regulations, including the Equal Credit Opportunity and Fair Housing Acts.

LENDING TEST

Lending Volume

Bankers Trust Company's loan portfolio was reviewed to evaluate its lending volume, loan mix, and how the bank's performance compares to its peer group and a sample of local competitors. The bank's loan-to-deposit ratio (LTD) averaged 90% for the six quarters ended March 31, 1998, compared to 77% for the peer group. The six-quarter average LTD ratio for the bank and its peer group is summarized in exhibit 5.

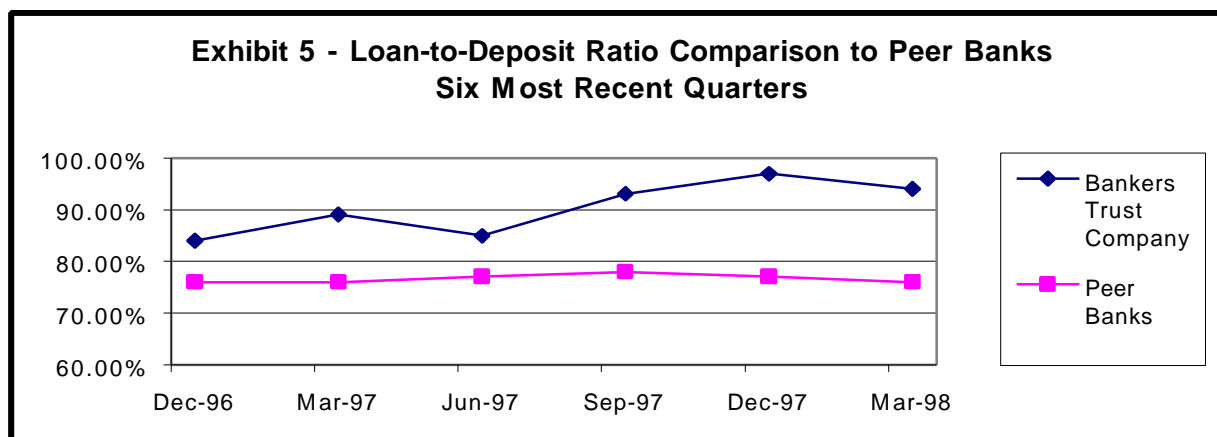
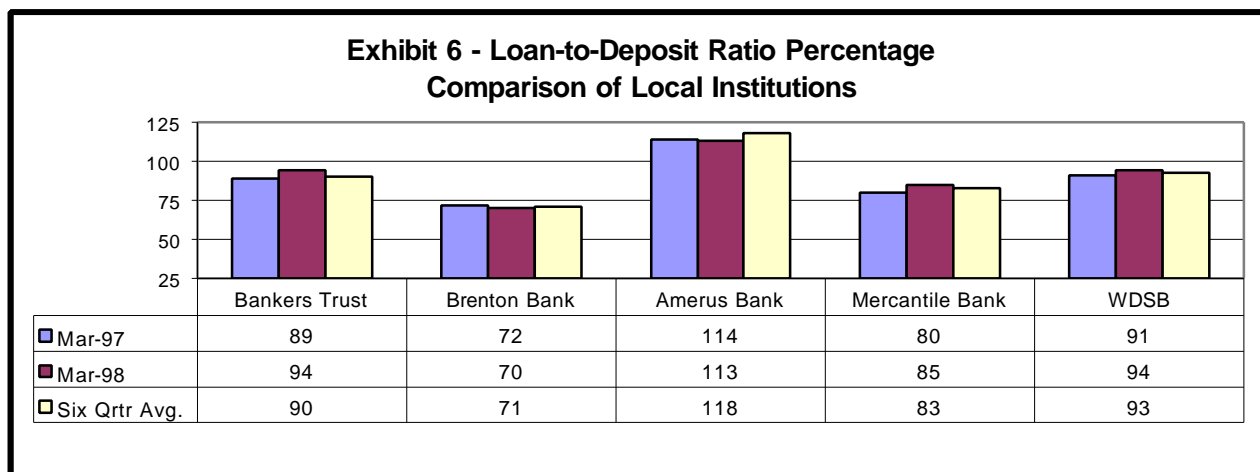


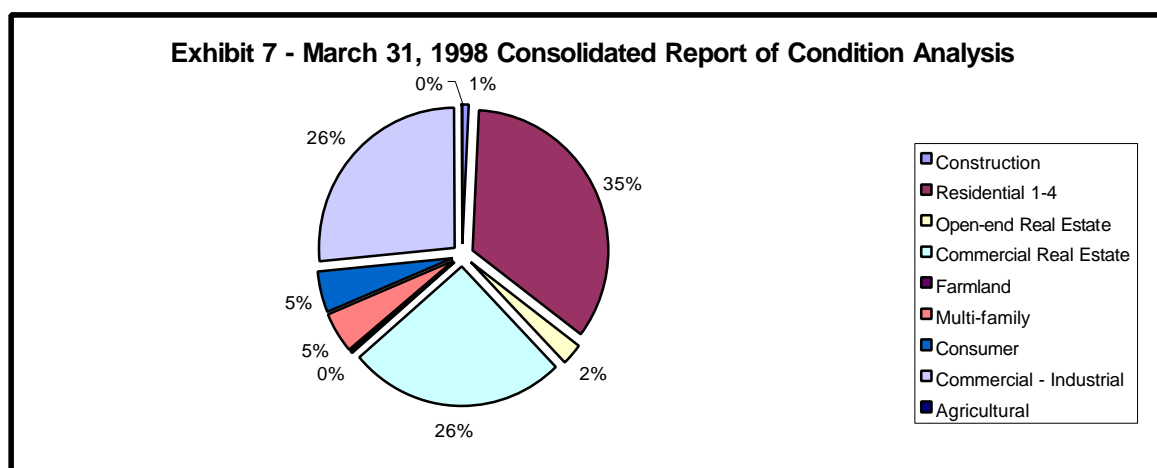
Exhibit 5 indicates that the loan-to-deposit ratio for Bankers Trust Company has consistently exceeded the ratios reported by the peer group during the previous six quarters.

The loan-to-deposit ratio comparisons for Bankers Trust Company and competitors, Brenton Bank, Amerus Bank, Mercantile Bank Midwest, and West Des Moines State Bank (WDSB) is summarized in the following Exhibit 6.



Of the similar competitors in the assessment area shown in exhibit 6, two competitors, Amerus Bank and West Des Moines State Bank had higher LTD ratios. Amerus Bank is much larger in asset size than Bankers Trust Company. West Des Moines State Bank is smaller in asset size. The bank's LTD ratio consistently exceeds peer and some of its major local competitors, and exceeds the standards for satisfactory performance.

A review of the March 31, 1998 Consolidated Report of Condition and Income revealed that approximately 70% of the portfolio is secured by real estate. The primary products are residential 1-4 family loans, commercial real estate, and commercial/industrial loans. Exhibit 7 shows the entire loan distribution.

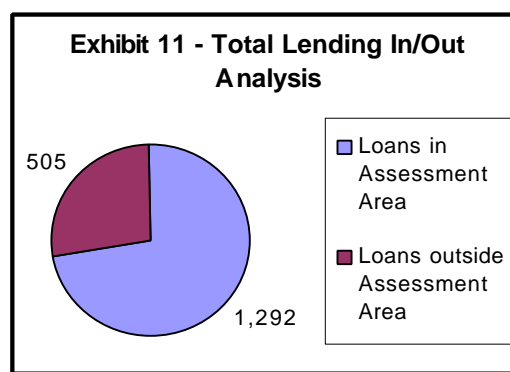
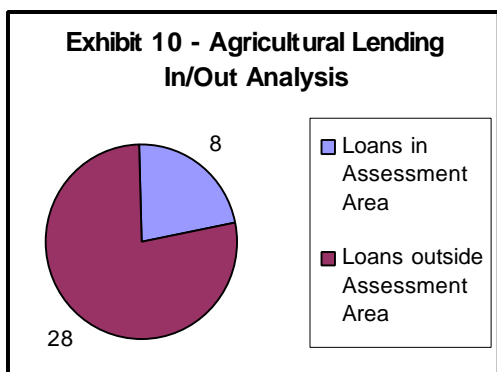
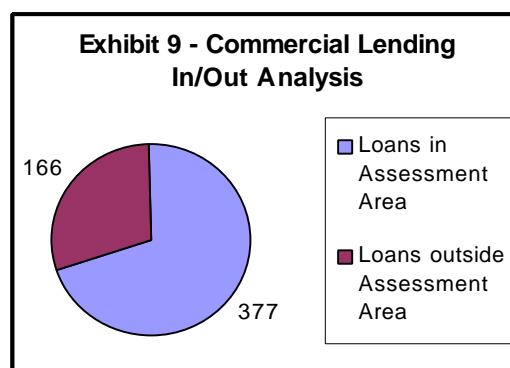
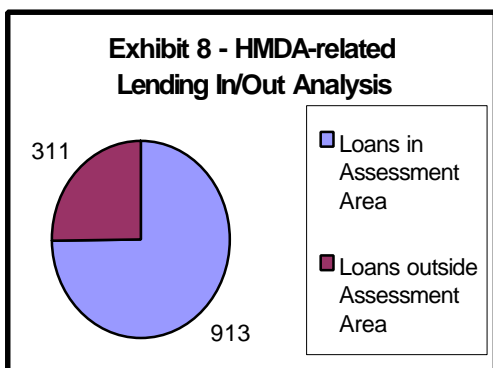


Overall, total loans increased by \$85.4 million or approximately 22% since the previous examination, from \$391.5 million to \$476.9 million, according to the September 30, 1996 Consolidated Report of Condition and Income. The bank experienced an increase of \$34.5 million or approximately 38%, in outstanding commercial/industrial loans. Construction and agricultural loans secured by real estate decreased slightly both in dollar amount and

percentage of the total loan portfolio. Commercial loans secured by real estate increased by \$29.8 million or approximately 32% since the previous examination. Loans of all types secured by real estate increased by \$54.9 million or approximately 20% since the previous examination.

Geographic Distribution of Loans

The bank's commercial and agricultural originations for 1996, 1997, and through June 1998, and the 1996 and 1997 HMDA loans were reviewed to determine the distribution of lending within the assessment area compared to total loans and the distributions within geographies, by income level. In this time period, the bank originated 1,797 HMDA-related, commercial and agricultural loans totaling \$201,693,000: 1,224 HMDA-related loans totaling \$112,285,000; 537 commercial loans totaling \$85,182,000 and 36 farm loans totaling \$4,226,000 million. The distribution of these loans within the bank's assessment area is shown in exhibits 8 through 11.



As exhibits 8 through 11 illustrate, approximately 75% of HMDA-related loans, 70% of commercial loans, 22% of agricultural loans and 72% of total loans were originated within the assessment area. Although not shown in the above chart, \$123,189,000 or 61% of the total dollar amount of loans was within the assessment area. The bank's HMDA-related loans represent the largest number (913) and dollar amount (\$66,952,000). HMDA-related loans also represented the highest percentage of lending activity in the assessment area equaling 75% of the total number of loans, and 54% of the total dollar amount of loans. The lowest percentage (22%) of loans within the assessment area was agricultural loans. According to management, the low number of these loans in the assessment area is attributed to minimal agricultural

production within the bank's assessment area. The bank's level of lending activity within the assessment area is reasonable.

Distribution of HMDA Loans by Geography Income

In 1996, the bank originated a total of 472 loans totaling \$36,057,000 within the assessment area. Exhibit 12 shows the distribution of these loans by geography income level. For comparison purposes, the market aggregate lending activity is also shown.

EXHIBIT 12						
BANKERS TRUST COMPANY						
1996 HMDA-related Originations by Census Tract Income and as a Percentage of Total Originations in Comparison to Area Demographics and 1996 Aggregate Loan Data						
Census Tract Income Classification	Demographics		Bankers Trust Company Within Assessment Area		Aggregate Within Assessment area	
	# of Census Tracts	% of Total Census Tracts	# of Orig's	% of Total Orig's	# of Orig's	% of Total Orig's
Low – 0 to 49%	4	6.06	7	1.48	181	1.65
Moderate – 50 to 79%	12	18.18	35	7.42	1,077	9.81
Middle – 80 to 119%	36	54.55	208	44.07	6,036	54.95
Upper - > 120%	14	21.21	222	47.03	3,690	33.59
Totals	66	100.00	472	100.00	10,984	100.00

As exhibit 12 illustrates, the bank's lending in low- and moderate-income geographies is below aggregate, or less than the average for all lenders in the assessment area. The bank originated 42 loans, approximately 9% of its HMDA-related loans in low- and moderate-income census tracts, compared to 1,258 loans or 11% in low- and moderate-income census tracts by aggregate lenders. The bank's percentage of loans in these tracts is also well below the 24% distribution of low- and moderate-income census tracts in the assessment area, as a percentage of total census tracts. The bank exceeds aggregate lending in the upper-income category.

The 42 low- and moderate-income originations totaled \$1,529,000, or 4% of the total dollar amount of HMDA-related lending. The distribution of loans by product type in low- and moderate-income tracts consisted of 22 or 8% of 261 conventional mortgages, 4 or 7% of 54 refinancings, and 15 or 10% of 153 home improvement loans. One, of three multi-family originations was located in a low-income tract.

In 1997, the bank originated a total of 441 loans totaling \$30,895,000 within the assessment area. Exhibit 13 shows the distribution of these loans by geography income level. For comparison purposes, the market aggregate lending activity is also shown.

Exhibit 13						
BANKERS TRUST COMPANY						
1997 HMDA-related Originations by Census Tract Income and as a Percentage of Total Originations in Comparison to Area Demographics and 1997 Aggregate Loan Data						
Census Tract Income Classification	Demographics		Bankers Trust Company Within Assessment Area		Aggregate Within Assessment area	
	# of Census Tracts	% of Total Census Tracts	# of Orig's	% of Total Orig's	# of Orig's	% of Total Orig's
Low - 0 to 49%	4	6.06	13	2.98	243	2.10
Exhibit 13						
BANKERS TRUST COMPANY						
1997 HMDA-related Originations by Census Tract Income and as a Percentage of Total Originations in Comparison to Area Demographics and 1997 Aggregate Loan Data						
Census Tract Income Classification	Demographics		Bankers Trust Company Within Assessment Area		Aggregate Within Assessment area	
	# of Census Tracts	% of Total Census Tracts	# of Orig's	% of Total Orig's	# of Orig's	% of Total Orig's
Upper - > 120%	14	21.21	195	44.49	3,861	33.33
Totals	66	100.00	441	100.00	11,586	100.00

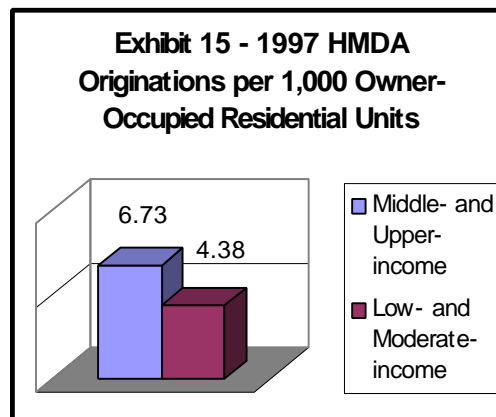
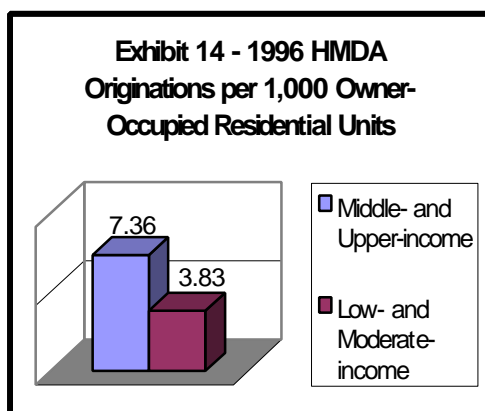
In 1997, the bank's number of total loans decreased by 6.5% from 1996 volume, while the number of total loans for aggregate increased by 5.2%. Exhibit 13 shows that the bank's 11% of total loans originated in low- and moderate-income census tracts was below the 13% for aggregate, and well below the 24% distribution of low- and moderate-income tracts in the assessment area. The bank exceeds aggregate lending in the low- and upper-income categories.

The 48 originations in low- and moderate-income tracts totaled \$1,986,000, or 6% of the total dollar amount of HMDA-related lending. The distribution of loans by product type in low- and moderate-income tracts consisted of 19 or 8% of 232 conventional mortgages, 8 or 16% of 49 refinancings, and 21 or 14% of 155 home improvement loans. In 1997, the bank originated five multi-family loans; four were located in middle-income tracts, and one was located in an upper-income tract.

The bank's percentage of HMDA-related originations in low- and moderate-income census tracts increased from 9% of total in 1996, to 11% in 1997, as its number of total originations decreased. In the same period, the percentage of aggregate originations in low- and moderate-income tracts increased from 11% to 13% and total originations also increased.

According to the 1990 U.S. Census data presented on page 7 in this evaluation, it was noted that approximately 25% of low- and moderate-income geographies were zoned primarily commercial/industrial, with fewer residential housing units located in those tracts. To provide additional insight into the bank's HMDA-related lending in low- and moderate-income tracts in comparison to lending in middle- and upper-income tracts, HMDA-related loans were reviewed

and compared on the basis of the number of loans originated per 1,000 owner-occupied housing units in the geographies. While a geographic distribution of HMDA loans shows originations by location, this analysis demonstrated the bank's performance relative to the potential opportunities to make HMDA-related loans in the assessment area. The percentage of HMDA-related originations per 1,000 owner-occupied housing units located in low- and moderate-income census tracts compared on the same basis to lending in middle- and upper-income census tracts is shown in exhibit 14 for 1996, and in exhibit 15 for 1997.



Exhibits 14 and 15 illustrate the bank's record of HMDA-related lending in low- and moderate-income tracts in comparison to its record of lending in middle- and upper-income census tracts using the same basis, loans per 1,000 owner-occupied residential units in the tracts. The charts show that, in 1996, the bank made 7.36 loans for every 1,000 owner-occupied residential housing units located in middle- and upper-income tracts. However, there were only 3.83 loans per 1,000 owner-occupied residential housing units in low- and moderate-income tracts. In 1997, the performance improved somewhat although lending in low- and moderate-income tracts was still significantly less per 1,000 residential units than in middle- and upper-income tracts. There were 6.73 loans per 1,000 units in middle- and upper-income tracts in comparison to 4.38 loans per 1,000 units in low- and moderate-income tracts.

Distribution of Commercial and Farm Loans by Geography Income

In 1996, 1997, and through June 1998, the bank originated 371 commercial loans totaling \$36,167,000 and 8 agricultural loans totaling \$1,480,000 in the assessment area. Of these totals, 108 or 29% of the number of commercial loans were made in low- and moderate-income census tracts, which exceeds the 24% distribution of these tracts in the assessment area. A total of \$18,023,000 or 50% of the dollar amount of these loans was in low- and moderate-income census tracts. This dispersion of lending demonstrates the bank's willingness to make commercial/industrial loans throughout the assessment area, including in low- and moderate-income areas. No agricultural loans were originated in low- or moderate-income census tracts.

The geographic distribution of the bank's HMDA-related lending is reasonable, although lending in low- and moderate-income census tracts was deemed low in comparison to aggregate lending, area demographics and the bank's lending in middle- and upper-income tracts. The geographic distribution of commercial lending is also reasonable. The penetration of commercial lending in low- and moderate-income tracts was high and attributable, in part, to local zoning ordinances. The level of agricultural lending was not considered significant to the overall evaluation.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

HMDA-related Loans

The bank's 1996 and 1997 HMDA-related loans were analyzed to determine the bank's distribution of loans to borrowers of different income levels. These loans were analyzed as a percentage of total originations, in comparison to area demographics and to aggregate lending results. The distribution of the bank's 1996 and 1997 HMDA-related loans is shown in exhibits 16 and 17.

Exhibit 16						
BANKERS TRUST COMPANY						
1996 HMDA-related Originations by Borrower Income and as a Percentage of Total Originations in Comparison to Area Demographics and 1996 Aggregate Loan Data						
Borrower Income Classification	Demographics		Bankers Trust Company within Assessment Area		Aggregate Within Assessment Area	
	# of Families	% of Total Families	# of Orig's	% of Total Orig's	# of Orig's	% of Total Orig's
Low – 0 to 49%	12,599	17.80	42	9.00	1,344	12.55
Moderate – 50 to 79%	13,132	18.55	88	18.84	2,642	24.67
Middle – 80 to 119%	18,491	26.12	124	26.55	3,186	29.75
Upper - > 120%	26,577	37.53	213	45.61	3,537	33.03
Totals	70,799	100.00	467*	100.00*	10,709*	100*

*The number of originations by borrower income does not include loans for which income was not identified; the percentages of total originations also do not include these numbers.

Exhibit 16 shows that approximately 36% of the families within the assessment area are classified as low- and moderate-income. The bank's 1996 distribution of loans to low- and moderate-income individuals is below aggregate, or less than the average percentage reported by all lenders in the assessment area. On a percentage basis, 28% of the bank's 1996 HMDA-related loans were made to low- and moderate-income borrowers. In comparison, 37% of aggregate HMDA-related loans were made to low- and moderate-income borrowers. The bank exceeds aggregate in lending to upper-income individuals.

Exhibit 17 shows the bank's 1997 HMDA-related lending results in comparison to area demographics and 1997 aggregate lending.

Exhibit 17						
BANKERS TRUST COMPANY						
1997 HMDA-related Originations by Borrower Income and as a Percentage of Total Originations in Comparison to Area Demographics and 1997 Aggregate Loan Data						
Borrower Income Classification	Demographics		Bankers Trust Company within Assessment Area		Aggregate Within Assessment Area	
	# of Families	% of Total Families	# of Orig's	% of Total Orig's	# of Orig's	% of Total Orig's
Low – 0 to 49%	12,599	17.80	50	11.46	1,513	13.38
Moderate – 50 to 79%	13,132	18.55	103	23.62	2,924	25.86
Middle – 80 to 119%	18,491	26.12	105	23.43	3,372	29.83
Upper - > 120%	26,577	37.53	178	41.07	3,497	30.93
Totals	70,799	100.00	436*	100.00*	11,306*	100*

*The number of originations by borrower income does not include loans for which income was not identified; the percentages of total originations also do not include these numbers.

When comparing 1996 with 1997, the bank's percentage of HMDA-related originations to low- and moderate-income borrowers increased from 28% in 1996, to 35% in 1997. The 1997 percentage is very similar to the area demographics of 36% low- and moderate-income families in the assessment area. Yet, in comparison to the aggregate distribution of 39% of total originations to low- and moderate-income families, the bank's HMDA-related originations to low- or moderate-income families was below the average for all HMDA-related reporting lenders in the assessment area. The bank exceeds aggregate lending in the upper-income category.

Overall, the distribution of the bank's 1996 and 1997 HMDA-related loans to all income levels is reasonable.

Small Business and Small Farms Loans

Small business loans are those loans with an original loan balance of less than \$1 million made to businesses with less than \$1 million in gross annual revenues. Small farm loans are those loans with an original loan balance of less than \$500,000 made to farms with less than \$1 million in gross annual revenues.

According to the June 30, 1998 Consolidated Report of Condition and Income, the bank's loan portfolio contained outstanding loans to small businesses as shown in exhibit 18.

Exhibit 18		
BANKERS TRUST COMPANY		
Non-farm-Nonresidential Real Estate Secured Loans		
Distribution by Loan Amount	Number of Loans	Amount of Loans (000's)

Less than or equal to \$100,000	38	1,799
Greater than \$100,000 through \$250,000	36	5,313
Greater than \$250,000 through \$1 Million	69	33,840
Totals	143	\$40,952
Commercial and Industrial Loans		
Less than or equal to \$100,000	197	4,906
Greater than \$100,000 through \$250,000	98	11,117
Greater than \$250,000 through \$1 million	78	25,779
Totals	373	\$41,802

According to the June 30, 1998 Consolidated Report of Condition and Income, the bank's loan portfolio contained outstanding loans to small farms as shown in exhibit 19.

Exhibit 19		
BANKERS TRUST COMPANY		
Agricultural Loans Secured by Farmland		
Distribution by Loan Amount	Number of Loans	Dollar Amount of Loans (000's)
Less than or equal to \$100,000	2	114
Greater than \$100,000 through \$250,000	4	486
Greater than \$250,000 through \$1 Million	1	392
Totals	7	\$992
Agricultural Operating/Production Loans		
Less than or equal to \$100,000	7	168
Greater than \$100,000 through \$250,000	1	104
Greater than \$250,000 through \$1 Million	1	460
Totals	9	\$732

As illustrated in exhibits 18 and 19, lending by number and dollar amount is distributed throughout all categories by loan size. This demonstrates the bank's commitment to making loans to small businesses and small farms of different sizes.

The bank's 1996, 1997 and the preliminary data through May 1998 for commercial and agricultural loans as reported for purposes of the CRA, were reviewed to determine the distribution of these loans to small businesses and small farms. The bank reported 525 commercial loans totaling \$83,370,000 and 36 agricultural loans totaling \$4,226,000. The distribution of these loans to small businesses and small farms is shown in exhibit 20.

Exhibit 20				
BANKERS TRUST COMPANY				
Loans to Small Businesses and Small Farms With Revenues Less than \$1.0 Million				
Loan Type	Number of Loans	% of Total Loans	Dollar Amount of Loans (000's)	% of Total Dollar Amount
Small Business	295	56.19	27,500	32.99
Farm Loans	30	83.33	3,024	71.56
Totals	325	57.93	\$30,524	34.85

As illustrated in exhibit 20, 325 or 58% of the number and \$30,524,000 or 35% of the dollar amount of the bank's commercial and agricultural loans were made to small businesses and small farms. Loans to small businesses represent the highest number (295) and dollar amount (\$27,500,000) of loans in exhibit 20. A majority of the bank's commercial and agricultural loans were made to small businesses and small farms.

Community Development Loans

A community development loan means a loan that: 1) has as its primary purpose community development; 2) has not been reported or collected by the bank for consideration in the bank's assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan; and 3) benefits the bank's assessment area or a broader statewide or regional area that includes the bank's assessment area. The bank's community development loans are as follows in exhibit 21.

Exhibit 21	
BANKERS TRUST COMPANY	
Community Development Loans	
Community Development Loan	Description
Business Park - Revitalization Program	A \$5 million loan on a commercial project located in an area targeted by the City of Des Moines to be revitalized. The funds are used to develop a dumpsite in a moderate-income census tract into a business park.
Citizens for Community Improvement Revitalization, Redevelopment and Improvement Program	The bank has a \$4 million agreement with Citizens for Community Improvement (CCI) to assist in the revitalization, redevelopment and improvement of low- and moderate-income residential neighborhoods in the City of Des Moines. Twenty-three loans totaling \$1,256,699 have been made under this agreement.
Exhibit 21	
BANKERS TRUST COMPANY	
Community Development Loans	
Community Development Loan	Description
Neighborhood Finance Corporation- Purchase and Rehabilitation Program	The bank has committed a total of \$3.2 million to Neighborhood Finance Corporation (NFC) participation loan pool for the purchase and rehabilitation of residential dwellings in low- and moderate-income neighborhoods targeted for revitalization by the City of Des Moines. The loan pool was started in 1990, and is in its seventh phase. From January 1, 1991 to May 31, 1998, NFC has originated 1,149 loans totaling \$50,137,624. Approximately 70% of these loans were made to low- and moderate-income borrowers.
Young Men's Christian Association	The bank made two loans in the amount of \$1,556,883 to the YMCA to provide assistance to low- and moderate-income families. The YMCA is

(YMCA)	located in a Low- and moderate-income census tract, in an area designated as an enterprise community.
Neighborhood Housing Services' Neighborhood Housing Services of America Partnership Program (NHSA)	The bank has committed \$855,000 to Neighborhood Housing Services' Neighborhood Housing Services of America Partnership Program (NHSA). The program provides financing for home purchases for low- and moderate-income borrowers. NHSA is supported by a Federal Home Loan Bank grant totaling \$75,000. The grant money is used to buy-down the interest rate 100 basis points below NHSA's cost of funds. Two loans totaling \$113,000 have been made under this program.
Neighborhood Housing Services-First Mortgage Program	The bank also participates in Neighborhood Housing Services' First Mortgage Program. The program covers a 12 county area. The program makes available three tiers of interest rates based on the following median family income: 80%, 81-114% and 115% plus. Two loans totaling \$95,000 have been made to low-income borrowers.

In addition to the community development loans listed in exhibit 21, the bank made available to various organizations in the assessment area \$3,418,309 in community development loans that benefited low- or moderate-income individuals. The total amount of the bank's community development lending was \$18,125,192 or 35% of the bank's total equity capital.

Other Loan Data – HMDA-related Lending

Bankers Trust Company originates loans through several government-sponsored loan programs that utilize flexible underwriting criteria, in an effort to make credit more widely available to low- and moderate-income individuals in the assessment area. The bank takes the borrower's loan application, performs other settlement activities and temporarily funds the loan; however, they do not make the credit decision. Since the bank does not make the credit decision, the loans are not required to be recorded on its HMDA-LAR. This loan activity is considered similarly with other HMDA-related loan activity.

Since the previous examination, the bank has originated a significant number of government sponsored loan programs: Federal Housing Administration (FHA) loan programs, Veteran Administration (VA) loan program and Small Business Administration (SBA) low-doc loan program. Loan volume under these programs is summarized in exhibit 22.

Exhibit 22		
BANKERS TRUST COMPANY		
Government-Sponsored Loan Programs		
Loan Program	Number of Loans	Dollar Amount of Loans (000's)
FHA	302	24,288
VA	57	5,505
SBA	3	148
Totals	362	\$29,941

As illustrated in exhibit 22, the bank's participation in residential housing financing programs with flexible lending standards that target low-income individuals is noteworthy. Since the previous examination, bank participation in the FHA loan program has increased by 184 loans, or \$16,210,000. In addition, the bank accepts applications for guaranteed student loans on

behalf of the Iowa Student Loan Liquidity Corporation. Since the previous examination, the bank accepted approximately 2,298 student loan applications totaling \$7,353,000. The bank's participation in flexible loan programs somewhat offsets the below average HMDA-related lending performance in low- and moderate-income geographies previously noted under distribution of lending by geography and applicant income.

Conclusion Regarding Community Development Lending

The bank's level of community development lending represents a strong response to the identified credit needs of the assessment area's low- and moderate-income segment. The bank's community development lending exceeds the standards for satisfactory performance.

Conclusion Regarding the Lending Test

A majority of the bank's loans are within the assessment area. Community development lending is conducted at a very high level and targets the needs of low- and moderate-income consumers. The bank's use of innovative and flexible lending practices expands standard underwriting criteria to include additional qualified loan applicants without undue risk to the bank, and better serves its community. The bank has a very strong loan-to-deposit ratio. Since the previous examination, overall lending increased substantially, although HMDA-related lending declined 6.5% while aggregate HMDA-related lending in the assessment area increased by 5.2%. The bank's record of lending in low- and moderate-income census tracts and to low- and moderate-income families is below the average for all lenders in the assessment area. However, this is somewhat offset by a significant volume of community development lending and use of flexible loan programs. A majority of the bank's commercial and agricultural loans were made to small businesses and small farms in the area and loan amounts were sufficient to meet the needs of borrowers of all sizes. The bank's performance under the lending test is rated high satisfactory.

INVESTMENT TEST

The bank's qualified community development investments are shown in exhibit 23.

Exhibit 23	
BANKERS TRUST COMPANY	
Qualified Community Development Investments	
Type of Investment	\$ AMOUNT
Polk and Warren Counties, Iowa General Obligation School Bond, Series 1991. The proceeds of the bond issue are used to finance various improvements to school facilities and to construct two new school buildings. Of the ten schools to benefit from these funds, four are located in moderate-income census tract (CT): Hiatt Middle School, addition to and remodel (CT 17.00), Harding Middle School, addition to and remodel (CT 5.00), King/Perkins Elementary School, remodel (CT 12.00) and Cattell Elementary School, replaced with new school (CT 5.00).	\$140,000
A three year commitment to the Greater Des Moines Housing Trust Fund, which is a pool of funds for the development of affordable housing throughout Polk County. The funds will provide affordable housing for residents below 80% of the MSA median family income.	45,000
Total Investment Amount	\$185,000

In addition to the investments noted in exhibit 23, the bank made a total of \$190,475 in donations to organizations that provide housing or services that benefit low- or moderate-income individuals.

Conclusion Regarding Investment Test

The dollar volume and complexity of these activities is low in comparison to the bank's size, ability and the investment opportunities within the assessment area. The bank's performance under the investment test is evaluated as low satisfactory.

SERVICE TEST

Retail Services

The bank relies primarily upon its branch network for delivering retail and community development services within the assessment area. Including the main office, the bank has nine offices, of which three are located in low- or moderate-income census tracts. All locations, with the exception of the downtown motor bank, are full-service, and are located in the City of Des Moines. In addition, the bank operates 46 full-service automatic teller machines (ATMs) and seven drive-up facilities located in the assessment area.

Exhibit 24 details the branch office and ATM locations, and income levels of geographies in which they are located.

Exhibit 24			
BANKERS TRUST COMPANY			
Office Locations, Income Level of Census Tract Location and Type of Facility			
Address of Facility	Census Tract	Income Level of Census Tract	Type of Facility
665 Locust Street	51.00	Low-income	Main Office
7 th & Grand (Skywalk)	51.00	Low-income	Branch
6 th & Grand (Motorbank)	51.00	Low-income	Branch
3905 Merle Hay Road	8.01	Middle-income	Branch
1113 East Army Post Road	46.02	Middle-income	Branch
150 East Euclid	4.00	Middle-income	Branch
7000 University Avenue Windsor Heights	9.01	Middle-income	Branch
1111 University Clive	112.02	Upper-income	Branch
110 South Main Street Grimes	113.00	Middle-income	Branch
BANKERS TRUST COMPANY			
ATM's Located in Low- or Moderate-Income Census Tracts			
501 5 th Avenue	51.00	Low-income	ATM
1425 Ingersoll Avenue	51.00	Low-income	ATM (Two)
1100 7 th Street	50.00	Low-income	ATM
603 E. 12 th Street	51.00	Low-income	ATM
700 E. University Avenue	48.00	Moderate-income	ATM
1200 Pleasant Street	51.00	Low-income	ATM (Two)
665 Locust Street	51.00	Low-income	ATM
1330 E. University Avenue	48.00	Moderate-income	ATM

1111 E. Army Post Road	47.00	Moderate-income	ATM
700 Grand Avenue	51.00	Low-income	ATM

Three or 25% of the bank’s offices, twelve or 26% of the bank’s ATMs and one or 14% of the bank’s drive-up facilities are located in low- and moderate-income geographies. The hours of operation for the bank’s drive-up facilities is from 7:30 a.m. to 6:00 p.m. Customers may obtain cash, balance inquires, and make transfers between accounts at ATMs participating in the SHAZAM network. SHAZAM services all of Iowa and provides connecting services to many additional networks. All of the bank’s nine branches, with the exception of the downtown motor bank, take applications for various types of credit. The Clive Office serves as the headquarters for the bank’s mortgage lending; however, mortgage originators are available at other locations.

Office and ATM Hours of Operation

The bank’s hours of operation are summarized in exhibit 25.

Exhibit 25			
BANKERS TRUST COMPANY			
Banking Hours			
Locations	Day of Week	Lobby Hours	Drive-up/Walk-up Hours
<ul style="list-style-type: none"> 665 Locust Street 7th & Grand (Skywalk) 	Monday-Friday ATM – Open 24 hours	7:30 A.M. to 5:30 P.M.	Not Applicable
<ul style="list-style-type: none"> 6th & Grand 	Monday-Friday Closed Saturday ATM – Open 24 Hours	Not Applicable	7:30 A.M. to 5:30 P.M.
<ul style="list-style-type: none"> 1111 University Ave. 150 E. Euclid 3905 Merle Hay Rd. 110 S. Main Street (Grimes) 1113 E. Army Post Rd. 7000 University Avenue (Windsor Heights) 	Monday-Friday Saturday	9:00 A.M. to 5:00 P.M. 8:00 A.M. to 12:00 P.M.	7:30 A.M. to 6:00 P.M. 8:00 A.M. Noon

While not shown, 17 of the bank’s ATMs are located in retail establishments. The hours for these ATM locations are the same as the respective retailer, which generally exceed normal banking hours. Four of the ATMs located in retail establishment are in low- or moderate-income census tracts. The remaining nineteen ATMs are operational 24 hours per day. The bank’s ATMs offer bilingual services for Spanish speaking customers. The bank’s offices are reasonably accessible throughout the assessment area, and hours of operations for its offices and ATMs also are reasonable.

Alternative Systems for Delivering Retail Banking Services

The bank utilizes alternative systems for delivering banking services to the local community as shown in exhibit 26.

EXHIBIT 26	
BANKERS TRUST COMPANY Alternative Delivery Systems	
Delivery System	Purpose of Delivery System
<ul style="list-style-type: none"> Nursing home visits 	Bank employees make weekly visits to three nursing homes located in low- or moderate-income areas to provide full banking services to nursing home residents. The three facilities have approximately 503 residents. Usage based on applicant income is not tracked for the nursing home visit program.
EXHIBIT 26	
BANKERS TRUST COMPANY Alternative Delivery Systems	
<ul style="list-style-type: none"> Lending by phone 	The bank's customer service staff take loan applications by phone from 7:30 a.m. until 6:00 p.m. Monday-Friday and 8:00 a.m. until 12:00 p.m. on Saturdays. Usage of this phone system is not tracked by applicant income.
<ul style="list-style-type: none"> Easy Access 	The bank provides Easy Access, an automated voice response system, which allows customers to bank by phone around-the-clock. This service allows customers to obtain account, rate, loan and other information on a 24-hour basis. Easy Access handles from 8,000-10,000 calls each month. The percentage of use for this system by low- and moderate-income residents was not available.

Alternative delivery systems are not monitored by the bank to determine use or effectiveness in serving the needs of low- and moderate-income consumers, therefore, their contribution to improving the availability of services could not be evaluated.

Services Targeting Low- and Moderate-Income Individuals

Preferred Advantage, the low cost checking program account is directed at low- or moderate-income individuals. The account provides individuals with low cost checking, 100 basis points below regular checking, and a low minimum balance. Results based on a sample of 81 accounts showed 36% were located in low- and moderate-income geographies.

Service-related Community Development Activities

EXHIBIT 27 – BANKERS TRUST COMPANY Community Development Services	
Service	Description
<ul style="list-style-type: none"> Iowa Homeowners Assistance Program (IHAP)-Grant Monies 	The bank administers grant monies provided by the state that pay up to one half of the closing cost for first-time home buyers whose income is 80% or less of the median family income for the MSA. In the examination period, the bank administered funds to facilitate 28 loans through this program.
<ul style="list-style-type: none"> Iowa Finance Authority Mortgage Credit Certificates (IFA) 	The State of Iowa Finance Authority provides certificates to first-time home buyers to enable them to deduct an additional percentage of their mortgage interest off their federal income taxes. In the examination period, the bank originated 17 loans that utilized the certificate program.
<ul style="list-style-type: none"> Federal Home Loan Bank (FHLB) Grant 	The bank administers a \$375,000 Federal Home Loan Bank grant (\$375,000) directed at low- and moderate-income

Monies Purchase Mortgage/Rehabilitation Program	individuals. Applicants can receive up to \$5,000 to purchase or rehabilitate a home. No grant monies had been dispersed as of the examination date
EXHIBIT 27 – BANKERS TRUST COMPANY Community Development Services	
Service	Description
<ul style="list-style-type: none"> Credit and Home Buying Seminars 	The bank sponsored or participated in credit education and home buying seminars targeted to low- and moderate-income individuals. At these seminars and during the application process, the bank makes available Spanish and Vietnamese interpreters. In the examination period, the bank participated in eight such seminars.
<ul style="list-style-type: none"> Homes of Oakridge Summer Youth Program 	Bankers Trust Company sponsors this program, which provide life-skills training and employment opportunities to low-income youth. The bank pays the salaries of these individuals when they are placed in summer jobs. In the examination period, a total of 30 youths were placed in jobs, and the bank paid salaries totaling \$24,000.
<ul style="list-style-type: none"> Chamber of Commerce Employment Program 	Bankers Trust Company partners with the local chamber of commerce to provide permanent employment to low- or moderate-income individuals who reside in the designated Enterprise Zone. This effort allows these individuals to learn job skills in a corporate environment. In the examination period, the bank hired one individual through this program.

The bank's community development services are designed to target identified needs in the community. The results are often minimal or difficult to monitor and demonstrate.

Record of Opening and Closing Offices

The bank has adopted a written branch closing policy. No branches have been closed or opened since the previous examination.

Conclusion

The bank's retail services are accessible to the entire assessment area. Hours of operation are reasonable, and loan and deposit services are generally similar at all locations. The ATMs located in low- and moderate-income geographies, the lending by phone program and the "Easy Access" to bank services could not be evaluated relative to delivering the bank's products and services to the low- and moderate-income segment of the assessment area. Nevertheless, they expand the availability of retail services beyond normal activities. The bank provides community development services that focus on financial needs including the administering of grant monies and tax certificates provided by the IHAP, FHLB and IFA. Other services include participation in credit and home buying seminars, Homes of Oakridge Summer Youth jobs program, the chamber of commerce job programs and a low-cost checking program. These community development services are commendable as they target identified needs in the community. The advantage to low- and moderate-income residents was not discernible, as results were not available for review.

The bank's Preferred Advantage checking account is a service targeted to low- or moderate-income individuals. A sample of accounts previewed during the examination reflected a 36% penetration within low- and moderate-income geographies and the bank's effort to direct savings needed by low- and moderate-income people. The bank has not opened or closed any branches since the previous examination. The bank's performance under the service test is evaluated as high satisfactory.