



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

July 30, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank Of Pinedale
Charter Number 15076**

**61 East Pine Street
Pinedale, WY 82941**

**Comptroller of the Currency
Adc-montana, Wyoming, Idaho &
490 North 31st Street Suite 220
Billings, MT 59101**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it 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.

INSTITUTION'S CRA RATING

This institution is rated Satisfactory.

Our evaluation of the bank's lending performance is based upon our review of loans originated in 2001 and 2002. We randomly selected 31 commercial loans and 24 residential real estate loans. We obtained demographic information from the 1990 United States Census.

Management participates with two different mortgage lenders to offer national competitive rates to their borrowers.

- First National Bank of Pinedale (FNBP) has an excellent distribution among small businesses.

The bank has achieved a strong distribution of loans among small businesses of different sizes. Based on demographic data obtained from 2002 Dun and Bradstreet reports, 71 percent of the assessment area businesses have sales less than \$1 million. FNB originated 96 percent by number and 97 percent by dollar of commercial loans to small businesses. In addition, the bank originated 71 percent of its small business loans to businesses with revenues less than \$250,000.

- The bank has an excellent record of lending to individuals of different income levels.

The distribution of residential real estate borrowers is good. Based on 22 borrowers sampled, the bank's performance in originating loans to low- and moderate-income individuals is outstanding compared to the percentage of low- to moderate-income individuals in the assessment area (AA) population.

- FNBP originated a majority of its loans in the assessment area.

Specifically, 87 percent of the number and 69 percent of the dollar volume of all loans originated during the review period were made within the bank's assessment area.

- The bank's average loan-to-deposit ratio reflects a satisfactory responsiveness to community credit needs and is comparable to similarly situated banks.

Similarly situated banks are those banks of similar business lines and comparable asset size operating in the same geography. Since no banks are similarly sized and operating in FNBP's assessment area, we compared the bank's loan-to-deposit ratio with three larger institutions headquartered in southwestern Wyoming. Based on this comparison, FNBP's loan-to-deposit ratio indicates a reasonable responsiveness to area credit needs. We averaged each bank's loan-to-deposit ratio for the last thirteen quarters for comparison ending March 31, 2003. FNBP's loan-to-deposit ratio ranged from 42 percent to 61 percent, with an average of 53 percent. In comparison, the three other institutions had a thirteen-quarter, loan-to-deposit average of 57 percent.

- The geographic distribution of loans is not a meaningful analysis.

FNBP's assessment area contains insufficient diversity to make a geographic distribution analysis meaningful. The assessment area consists of two middle-income census tracts.

- FNBP did not receive any consumer complaints about its performance in helping to meet the credit needs of the assessment area during the evaluation period.
- We found no evidence of illegal discrimination or other illegal credit practices.

DESCRIPTION OF INSTITUTION

First National Bank of Pinedale (FNBP) is a small, community bank operating in rural, west-central Wyoming. As of March 31, 2003, total assets equaled \$37 million and net loans to total assets were 40 percent. First National Bank Holding Company, a one-bank holding company, wholly owns the bank. The bank owns six 24-hour ATMs located in Pinedale and Big Piney. FNBP's business focus is to provide a variety of credit and deposit services to support the needs of small businesses, agricultural producers, and consumers located within the AA.

The prior Community Reinvestment Act Performance Evaluation was dated February 1 1999, with a "Satisfactory" rating.

The bank does not have any financial or legal impediments that prevent it from meeting the credit needs of the community/assessment area.

Please refer to the bank's *CRA Public File* for more information.

DESCRIPTION OF ASSESSMENT AREA

FNBP's AA consists of Sublette County, Wyoming, and is not part of a metropolitan statistical area. The AA is comprised of two middle-income census tracts and does not arbitrarily exclude any low- or moderate-income areas. According to 1990 Census data, 44 percent of the 2,911 housing units in the AA were owner occupied, and 37 percent were vacant. Census data also lists the population of the AA at 4,843. For 2003, the US Department of Housing and Urban Development (HUD) estimates the non-metropolitan, median family income (MFI) for Wyoming at \$50,700. Based on information obtained from a local realtor, the average price of a home in Sublette County ranges from \$115,000 - \$150,000

Sublette County's economy is largely dependent on the oil and gas industry, tourism and agriculture. Based on total number of employees in 2002, the assessment area's largest industries are Services (28 percent), Retail trade (12 percent), Construction (11 percent) and Agriculture (9 percent). Major employers include federal and state governments, local school districts, and the oil and gas industry. FNBP's competition in the assessment area comes from a Community First National Bank branch in Big Piney and a First National Bank West branch in Pinedale.

We contacted a community development official in the assessment area to discuss economic

conditions and credit needs. This individual stated that the local economy is stable, and the financial institutions are generally meeting the credit needs of the community.

Please refer to the bank's *CRA Public File* for more information.