



PUBLIC DISCLOSURE

February 1, 1999

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

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

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

**Office of the Comptroller of the Currency
Salt Lake City Field Office
2855 Cottonwood Parkway, Suite 370
Salt Lake City, Utah 84121**

NOTE: 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.

GENERAL INFORMATION

The Community Reinvestment Act 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 Community Reinvestment Act (CRA) performance of the **First National Bank of Pinedale**, prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of February 1, 1999. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

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

We assign this rating based on the following factors:

- C A substantial majority of loans are made in the bank’s assessment area.
- C Loan distribution reflects excellent penetration among individuals of different income levels and businesses of different sizes.
- C The bank’s loan-to-deposit ratio is reasonable.

The following table indicates the performance level of First National Bank of Pinedale, with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>First National Bank of Pinedale</u> PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio		X	
Lending in Assessment Area	X		
Lending to Borrowers of Different Incomes and to Businesses of Different Sizes	X		
Geographic Distribution of Loans	Not Meaningful		
Response to Complaints	No Complaints Received Since the Prior Examination		

DESCRIPTION OF INSTITUTION

First National Bank of Pinedale (FNB) is a full service community bank located in rural west-central Wyoming. FNB has one office and three automated teller machines (ATMs) in Pinedale and one ATM in Big Piney. On December 31, 1998, the bank had total assets of \$33 million. The bank is 100% owned by First National Bank Holding Company, a one-bank holding company. FNB has no subsidiaries or banking affiliates.

FNB provides a variety of credit and deposit services to support small businesses, consumers, and ranchers in the area. On September 30, 1998, commercial loans comprised 52% of outstanding loans, residential real estate loans 30%, consumer loans 11%, and agricultural loans 7%. Net loans represented 31% of total assets. The bank's loan portfolio continues to grow steadily, increasing 50% from December 31, 1995, to September 30, 1998.

The bank received a "Satisfactory" rating in the previous CRA Performance Evaluation dated April 10 1996. There are no financial or legal impediments which limit the bank's ability to help meet the credit needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREA

FNB's assessment area covers Sublette County and consists of two contiguous block numbering areas (BNAs). The assessment area includes the towns of Pinedale, Big Piney, and Marbleton. Approximately 5,579 people live in the assessment area. The assessment area's population increased 15% from 1990 to 1996. We concluded that the bank's assessment area meets the requirements of the CRA regulation and does not arbitrarily exclude any low- or moderate-income areas.

The 1998 Wyoming statewide non-metropolitan median family income (MFI) was \$41,900. The following table summarizes the income levels of individual BNA's and families located within the bank's assessment area:

1990 U.S. Census Income	# of BNAs	% of Families
Low Income (<50% MFI)	0	17%
Moderate Income (50-79% MFI)	0	22%
Middle Income (80-119% MFI)	2	25%
Upper Income (120+% MFI)	0	36%

DESCRIPTION OF ASSESSMENT AREA (continued)

The largest employment sectors are mining, services, and government. The principal economic activities in the county are oil and gas production, tourism and agriculture. The population growth in recent years results primarily from an influx of retirees and telecommuting professionals. These people enjoy the area's scenic beauty, recreational opportunities and relative isolation.

FNB's competition in the assessment area comes from a branch of a regional bank and a recently opened loan production office of a community bank.

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 that financial institutions are generally meeting the credit needs of the community. The development official reported that there is a need for home ownership and small business loans.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

FNB exhibits a reasonable loan-to-deposit ratio given the bank's size, financial condition, and assessment area credit needs. The bank's average loan-to-deposit ratio for the eight quarters ending September 30, 1998, was 45%. The average loan-to-deposit ratio for nine similarly situated banks in rural Wyoming was 57%. These banks had total assets ranging from \$25 million to \$50 million. The relatively low loan-to-deposit ratios for banks in rural Wyoming reflects the generally stagnant economic conditions in these markets. It is also noted that FNB increased their average LTD ratio significantly since the last CRA examination when it was 26%.

Lending in Assessment Area

The bank makes a substantial majority of its loans to borrowers located within its assessment area. FNB held 454 loans in their portfolio as of 1/12/99. Of these, 435 (96%) were made in the assessment area. We used bank prepared reports that tracked all loans in the portfolio within each BNA. We verified the bank's data for accuracy by comparing customer addresses to BNA maps.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (continued)

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

FNB's lending patterns reflect an excellent distribution among businesses and individuals of different

income levels. The bank originated 70% of business loans to entities with gross revenues less than \$250,000. In addition, the bank made 41% of consumer loans to low-income families. This record compares favorably to the group's 17% representation in the assessment area. The bank also made 52% of residential real estate loans to low- and moderate-income families, comparing favorably to these families' 39% representation in the assessment area.

We analyzed the distribution of twenty business loans made from January 1, 1998 to January 15, 1999. We obtained the gross revenue information from individual loan files. The bank frequently does not gather gross revenue information from commercial customers. This made it difficult to gather a large sample. The following chart reflects the distribution of business loan originations to businesses of various sizes.

Business Loan Sample Analysis

Gross Business Revenues	# of Loans	% of Loans
Less than \$100,000	7	35 percent
\$100,000 to \$250,000	6	30 percent
\$250,000 to \$500,000	6	30 percent
\$500,000 to \$1,000,000	1	5 percent
Greater than \$1,000,000	0	0 percent

We also reviewed the distribution of consumer and residential real estate loans made from January 1, 1998 to January 15, 1999. We reviewed 19 residential real estate loans and 24 consumer loans and gathered income information from the loan files. The following chart compares the bank's distribution of consumer and residential real estate loan originations (number of loans) to families of different income levels.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (continued)

Consumer and Residential Real Estate Loan Sample Analysis

Family Income	% of Consumer Loans	% of Residential RE Loans	% of Families in Assessment Area
Low (<\$20,950)	41 percent	5 percent	17 percent
Moderate (\$20,951-\$33,519)	33 percent	47 percent	22 percent
Middle (\$33,520-\$50,279)	13 percent	37 percent	25 percent
Upper (>\$50,280)	13 percent	11 percent	36 percent

Geographic Distribution of Loans

FNB's assessment area contains insufficient diversity to make a geographic distribution analysis meaningful. The assessment area consists of two BNA's, both of which are middle-income.

Record of Complaints and Compliance with Anti-discrimination Laws

There were no complaints about the bank's CRA performance from the public since the last CRA examination.

We reviewed the bank's compliance with the Equal Credit Opportunity Act and the Fair Housing Act. We did not find any violations of the substantive provisions of anti-discrimination laws and regulations