



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

May 30, 2012

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Federal Savings Bank
Charter Number 703619

46 W Brundage St
Sheridan, WY 82801-4216

Office of the Comptroller of the Currency

ADC-SALT LAKE CITY Field Office
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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.

- A substantial majority of First Federal Savings Bank's (FFSB) loans originated during the evaluation period are within the bank's assessment area (AA).
- FFSB's loan-to-deposit ratio (LTD) is reasonable in comparison to similarly situated banks in Wyoming (WY).
- The distribution of loans to borrowers of different incomes is reasonable.
- There have been no consumer complaints regarding FFSB's Community Reinvestment Act (CRA) performance during the evaluation period.

SCOPE OF EXAMINATION

This Performance Evaluation of FFSB assesses the bank's record of meeting the credit needs of the communities in which it operates. We evaluated FFSB's CRA performance under the Lending Test using Small Bank CRA procedures. This evaluation covers the period from the date of the previous CRA examination, March 5, 2007, through May 30, 2012.

The evaluation period for the lending test covers loans originated from January 1, 2010 through May 30, 2012. For the purposes of the evaluation, the primary loan product is home loans, which include home purchase, home improvement, and home refinance loans. Home loans represent 44 percent by number and 69 percent by dollar volume of loans originated during the evaluation period.

DESCRIPTION OF INSTITUTION

FFSB is a community bank operating in Sheridan, WY. The bank operates two full service facilities, both of which are located in Sheridan, WY. The current local economy for the AA is characterized as stable. The local economy is heavily influenced by mineral extraction.

As of March 31, 2012, FFSB had total assets of \$223 million, with net loans representing 45 percent of total assets. The bank's primary focus is home mortgage lending. By dollar amount, the loan portfolio consisted of 87 percent real estate loans, 11 percent business loans, and two percent consumer loans.

There were no merger or acquisition activities during the evaluation period. FFSB does not have any financial or legal impediments that prevent it from meeting the credit needs of the AA. The prior CRA Performance Evaluation dated March 5, 2007, resulted in a "Satisfactory" rating.

FFSB is responsive to the needs of the communities it serves as identified through a

community contact. During our review, we interviewed a community contact with a statewide affordable housing agency. The contact stated pressing needs in the community were home ownership and financial literacy counseling, as well as construction and permanent financing for multi-family housing, including affordable housing.

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

DESCRIPTION OF ASSESSMENT AREA(S)

FFSB's AA includes all of Sheridan County and consists of seven middle-income census tracts (CTs). The AA is contiguous, meets the requirements of the regulation, and does not arbitrarily exclude low- or moderate-income geographies.

Competition from other financial institutions is strong. According to the FDIC Insured Institutions Deposit Market Share Report, nine financial institutions have a presence in the AA, with 13 offices throughout Sheridan County. FDIC market share data as of June 31, 2011 indicates FFSB's deposits total \$171 million, which equates to a 24 percent market share.

According to 2000 U.S. Census Data, the total population of the bank's AA is 26,560. Approximately 21 percent of families are considered low-income, 19 percent moderate income, 23 percent middle-income, and 37 percent upper-income. The 2000 U.S. Census Data indicates 11 percent of families in the AA live below the poverty level.

Business demographic data for 2011 shows 4,213 businesses in the AA: 2,952 (71 percent) have revenues of \$1 million or less, 123 (three percent) have revenues over \$1 million, and 1,138 (26 percent) did not report revenues.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

[FFSB's average LTD ratio is reasonable given the bank's size, financial condition, and credit needs of the AA. As of March 31, 2012, FFSB's LTD ratio is 60 percent. Over the past 25 quarters, since the last CRA examination, the bank's quarterly average LTD ratio was 69 percent and ranged from 53 to 85 percent. The quarterly average of 15 other similarly situated banks over the same time period was 70 percent and ranged from 40 to 105 percent]

Lending in Assessment Area

[A substantial majority of loans by number and dollar volume are originated within the bank's AA. One hundred percent of sampled loans by number and dollar volume were made to borrowers within the bank's AA during the evaluation period. The table below shows loans originated inside the AA by number and dollar volume.]

Lending in Sheridan County AA										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Loans	25	100%	0	0%	25	\$4,344,156	100%	\$0	0%	\$4,344,156
Total	25	100%	0	0%	25	\$4,344,156	100%	\$0	0%	\$4,344,156

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

[FFSB’s lending to borrowers of different income reflects reasonable penetration in the AA. Lending to businesses of different sizes was not included in the analysis as business loans are not a primary loan product.]

Borrower Distribution of Home Loans

The distribution of home loans to borrowers of different incomes is reasonable. Lending to moderate-income borrowers exceeds the percentage of moderate-income families in the AA and is considered more than reasonable. Lending to low-income borrowers is below the percentage of low-income families in the AA. However, it is considered reasonable given the higher degree of difficulty these borrowers have in qualifying for loans. In the AA, approximately 11 percent of families live below the poverty level. The table below displays the borrower distribution of home loans as compared to the demographic data.]

Borrower Distribution of Consumer Loans in Sheridan County AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Loans	20.55%	8.00%	19.10%	20.00%	23.31%	24.00%	37.04%	48.00%

Geographic Distribution of Loans

[Geographic distribution of loans was not included in the analysis as there are no low or moderate-income CTs in the AA.]

Responses to Complaints

[FFSB did not receive any CRA-related complaints during the evaluation period.]

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.).

