



Comptroller of the Currency
Administrator of National Banks

Northeastern District
1114 Avenue of the Americas, Suite 3900
New York, New York 10036

PUBLIC DISCLOSURE

April 13, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The First National Bank Of Wyoming
Charter Number 9428
120 W Camden-Wyoming Avenue
Wyoming, Delaware 19934-0279**

**Office of the Comptroller of the Currency
1025 Connecticut Avenue, NW - Suite 708
Washington, D.C. 20036**

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 (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 Community Reinvestment Act (CRA) performance of **The First National Bank of Wyoming** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **December 31, 1997**. 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**”.

The primary factors supporting the bank’s overall rating include:

- o The loan-to-deposit ratio averaged 76% since our last review in March 1995. Similarly situated financial institutions’ loan to deposit ratio averaged 71% over the same time period.
- o A substantial majority of Home Mortgage Disclosure Act (HMDA) reportable loans originations are made within the bank’s assessment area.
- o The bank has a good record of lending to small businesses, small farms, and borrowers of different income levels.

The following table indicates the performance level of *The National Bank of Wyoming* with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	THE NATIONAL BANK OF WYOMING 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	Insufficient data for a meaningful analysis.		
Response to Complaints	FNB Wyoming has not received any complaints since the previous exam.		

DESCRIPTION OF INSTITUTION

The First National Bank of Wyoming is a \$183 million community bank, headquartered in Wyoming, Delaware, which neighbors the state capital, Dover. There is no holding company, and the stock is closely held by 320 stockholders. The bank owns a 30% interest in Delmarva Bank Data Processing Center, Inc. in Easton, Maryland. In October 1997, the bank purchased two branches of the Delaware based J.C. Penney National Bank. As of December 31, 1997, total assets were \$183 million, gross loans totaled \$105 million, and total deposits were \$159 million. Residential mortgages represent 69% of total loans; commercial loans represent 21%; consumer loans 9%; and agriculture loans 1%. The bank offers a full range of loan and deposit services, which are well suited to help meet the credit needs of its assessment area.

The bank serves the community from its headquarters location in Wyoming and four branch locations in West Dover, Harrington, Dover, and Canterbury, Delaware. All branches are full service, offer 24 hour Automatic Teller Machine (ATM) access, and convenient hours to accommodate the needs of customers. Management states that the bank's strongest competition is from credit unions, followed closely by regional and multinational financial institutions with branches in the area. Out of 170 financial institutions in the county, the bank is ranked 11th for market share with 2.72% of all loans in the county. The Bank has no impediments, legal or otherwise, which would hinder their efforts to meet the credit needs of the bank's assessment area.

DESCRIPTION OF ASSESSMENT AREA

The assessment area is defined as all of Kent county. The assessment area complies with CRA regulatory requirements and does not arbitrarily exclude low- or moderate-income census tracts. The Kent County population is 122,510 with an updated median family income of \$40,900. The major employers in the assessment area include the state and local government, Proctor and Gamble, Playtex, and ILC (a.k.a. International Latex Corp.), the nation's primary space suit manufacturer. The Dover Air Force Base, home to the largest aerial military port facility on the East Coast, is also located near Wyoming. It is not targeted for closure by the Base Re-Alignment and Closure Act (BRAC), and will continue to contribute to the local economy. Unemployment has been declining since late 1996 and is currently around 3%. Management and the Board continue to identify the primary credit needs within the bank's assessment area as commercial lending, particularly to small businesses, and residential real estate loans.

As part of our examination, we contacted local organizations to discuss economic conditions and community credit needs. These local organizations identified the following community credit needs: small business lending, education financing, and low-cost auto loans. The latter is particularly pertinent due to the States's efforts to move welfare recipients to the workforce.

The demographics and characteristics of the bank's assessment area reflects:

<i><u>Census Tract Characteristics</u></i>			<i><u>Family Income Characteristics</u></i>	
<i>Tract Type</i>	<i>Number</i>	<i>Percent</i>	<i>Level of Income</i>	<i>Percent</i>
Low	0	0%	Low	19%
Moderate	2	7%	Moderate	18%
Middle	24	77%	Middle	25%
Upper	5	16%	Upper	38%
Total	31	100%		100%

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-To-Deposit Ratio

FNB Wyoming's average loan-to-deposit ratio is 76%, indicating a reasonable commitment in meeting the credit needs of the bank's assessment area. We reviewed the eleven quarters since the previous CRA exam as of June 1995. The bank's average ratio is comparable to the 71% average for similarly situated financial institutions in the assessment area. The purchase of the two J.C. Penney Bank branches increased loans by \$45 million and deposits by \$87 million. As a result, the loan-to-deposit ratio declined from 78% to 65% in the final quarter of 1997.

Lending In Assessment Area

A majority of HMDA reportable loan originations are made within the bank's assessment area. HMDA reportable loan originations within the assessment area represent 93% of the number and 85% of the dollar volume of loan originations.

In addition, the bank lends to several local organizations with community development objectives. The missions of these organizations include assistance with housing rehabilitation projects, temporary housing for the homeless, affordable housing programs, neighborhood improvement efforts, and child care services for low to moderate income families.

Lending To Businesses of Different Sizes And To Borrowers of Different Incomes

The overall distribution of loans to borrowers of different incomes is good. Using 1996 and 1997 HMDA loan reports we determined that 42% of the number and 23% of the dollar amount of loans were made to low- and moderate- income individuals. These percentages are comparable to the family income characteristics noted in the table under *Description of Assessment Area* above.

Lending to Borrowers of Different Incomes

Income of Borrower	Number of Originations	Percent	Dollar amount of Originations (000)	Percent
Low	45	11%	\$610	4%
Moderate	127	31%	\$2,975	19%
Middle	90	22%	\$3,561	23%
Upper	149	36%	\$8,511	54%
Total	411	100%	\$15,657	100%

FNB Wyoming has a strong record of lending to small businesses and small farms. We tested and relied on management reports and the June 30, 1997 Call Report to evaluate small business lending. Based on our sample, 89% of the number of commercial, commercial real estate, and farm loans are for less than \$1 million. Additionally, 98% of the number of commercial, commercial real estate, and agricultural borrowers have annual revenues of \$1 million or less.

The following reflects the distribution of small business and small farm loans as of June 30, 1997:

Commercial and Commercial Loans Outstanding to Small Businesses

Loan Size	# of Loans	% of Loans	\$(000)	% of Dollars
<\$100M	265	79%	\$ 5,300	27%
\$100M-\$250M	50	15%	\$ 5,795	29%
\$250M-\$1MM	21	6%	\$ 8,731	44%
Total	336	100%	\$19,826	100%

Agricultural Loans to Farms

Loan Size	# of Loans	% of Loans	\$(000)	% of Dollars
<\$100M	10	45%	\$ 210	11%
\$100M-\$250M	9	41%	\$1,218	62%
\$250M-\$1MM	3	14%	\$ 534	27%
Total	22	100%	\$1,962	100%

Geographic Distribution Of Loans

There are no low and two moderate income census tracts in the bank's assessment area. As such, a geographic analysis of the distribution of loans is not meaningful.

Response To Complaints

The bank did not receive any complaints regarding their Community Reinvestment Act performance since the prior examination.

Compliance With Anti-discrimination Laws

No violations of fair lending laws nor discriminatory lending practices were noted during the concurrent Fair Lending examination.