



**SMALL BANK**

---

Comptroller of the Currency  
Administrator of National Banks  
Washington, DC 20219

---

## **PUBLIC DISCLOSURE**

**January 26, 2004**

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**First National Bank of Gillette  
Charter Number 15158**

**319 South Gillette Avenue  
Gillette, WY 82716**

**Comptroller of the Currency  
Billings, Montana Field Office  
490 North 31st Street, Suite 220  
Billings, MT 59101-1256**

**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 2002. We randomly selected 20 commercial loans, 20 automobile loans and 20 residential real estate loans. We obtained demographic information from the 1990 United States Census.

Bank management actively participates in loan programs offered by the Small Business Association and Wyoming Community Development Association.

- First National Bank of Gillette (FNBG) has a reasonable distribution of loans to small businesses.

FNBG has demonstrated good performance of lending to small businesses. Management participates in the Small Business Administration loan program. Based on demographic data obtained from 2002 Dun and Bradstreet reports, 94 percent of the assessment area businesses have sales less than \$1 million. FNBG originated 100 percent by number and by dollar of commercial loans to small businesses. In addition, the bank originated 50 percent of their small business loans to businesses with revenues less than \$250 thousand.

- The bank has a good record of lending to individuals of different income levels.

The distribution of residential real estate borrowers is good. Based on 20 borrowers sampled, the bank's performance in originating loans to low- and moderate-income individuals is satisfactory compared to the percentage of low- to moderate-income individuals in the assessment area (AA) population.

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

97 percent of the number and 95 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 (LTD) 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. We compared the bank's loan-to-deposit ratio with three other institutions. Based on this comparison, FNBG'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 June 30, 2003. FNBG's loan-to-deposit ratio average was 41 percent, compared to the three similarly situated banks of 53%. However, FNBG sold \$59 million of loans on the secondary market for 2002. This lending activity reflects an adjusted LTD ratio of 75%, which compares favorable to the similarly situated banks.

- FNBG's assessment area contains insufficient diversity to make a geographic distribution analysis meaningful. The assessment area consists of nine census tracts, seven of which are upper-income and two of which are middle-income.
- FNBG 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 Gillette (FNBG) is a community bank operating in rural, northeast Wyoming. As of December 31, 2003, total assets equaled \$227 million and net loans to total assets were 36 percent. The First National Bank of Gillette Holding Company, a one-bank holding company, wholly owns the bank. The bank owns three ATMs, all located in Gillette. FNBG's business focus is small commercial lending and servicing their existing consumer base. The bank is also expanding its role in Small Business Administration lending.

The prior Community Reinvestment Act Performance Evaluation was dated November 2, 1998 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**

FNBG's assessment area (AA) includes all of Campbell County, which is not part of a metropolitan statistical area. The AA is comprised of two middle-income and seven upper-income census tracts and does not arbitrarily exclude any low- or moderate-income areas. According to 1990 Census data, 60 percent of the 11,538 housing units in the AA were owner occupied, and 13 percent were vacant. Census data also lists the population of the AA at 29,370. 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 local economic development sources, the average cost of a new home is \$139,170 and the average cost of an existing home is \$133,582. The average age of a county resident is 32 years.

The AA's economy is largely dependent on the energy business, primarily extracting and exporting coal and methane gas. Based on total number of employees in 2002, the assessment area's largest industries are Services (26 percent), Retail trade (15 percent), Construction (11 percent) and Mining (9 percent). Major employers include local school districts, the coal and methane mining companies and local and federal government agencies. FNBG's competition in

the assessment area comes from branches of Wells Fargo, US Bank and First Interstate Bank. First National Bank of Gillette is the only locally owned bank in the county.

We contacted a Gillette city government official to discuss economic conditions and credit needs. The town of Gillette has a stable economic base with the major employers being Campbell County School District, Kennecott Energy and Powder River Coal Company. The financial institutions are supportive of the community. They have also participated in the low-income housing project.

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