



# INTERMEDIATE SMALL BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## PUBLIC DISCLOSURE

April 2, 2013

### COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank  
Charter Number 14252

307 Hustan Avenue, Fort Pierre, SD 57532

Office of the Comptroller of the Currency  
4900 S. Minnesota Avenue, Suite 300, Sioux Falls, SD 57108

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.**

**The Lending Test is rated: Satisfactory.**

**The Community Development Test is rated: Satisfactory.**

- The bank's loan-to-deposit ratio is more than reasonable given the bank's size and financial condition and the assessment area (AA) credit needs.<sup>1</sup>
- A majority of the bank's loans by number (87 percent) and dollar volume (80 percent) are located within the AA.
- Borrower distribution is reasonable for farms and businesses of different sizes and residential borrowers of different incomes.
- Geographic distribution of business, agricultural, and residential loans is reasonable.
- Community Development lending volume and investments are satisfactory at 3.02 percent of tier one capital.

## **Scope of Examination**

First National Bank (FNB) is evaluated under the Intermediate Small Bank examination procedures, which include a Lending Test and a Community Development Test for the State of South Dakota and the State of Colorado. The Lending Test evaluates the bank's record of meeting the credit needs of its AAs through its lending activities. The Community Development Test evaluates the bank's responsiveness to community development needs in the bank's AAs by community development loans, qualified investments, and services.

The evaluation includes business, agricultural, and residential loans originated from January 1, 2010 to December 31, 2012. We evaluated business, agricultural, and residential loans, as they were the primary products the bank originated within the period. We also considered community development loans, investments, and services for the same period.

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<sup>1</sup> The net loan-to-deposit ratio and percentage of loans and other lending-related activity in the assessment area only apply to the institution overall. No discussion of these performance criteria applies to sections of the performance evaluation relating to states and multistate metropolitan areas.

## COMMUNITY DEVELOPMENT TEST

### Responsiveness to Community Development Needs

The bank's performance under the Community Development Test in South Dakota is Satisfactory. Total community development lending and investments in South Dakota represent 1.72 percent of tier one capital.

FNB provides the community a reasonable level of community development lending and investments. They originated two community development loans for \$438 thousand during the period and have a remaining balance on a third community development loan in the amount \$1.35 million. FNB has a \$250 thousand qualified investment, which benefit seniors in a veteran's home in the AA.

FNB provides an adequate level of community development services. FNB services 59 affordable housing loans (Habitat for Humanity), a service that is responsive to the affordable housing needs of low-income individuals. In addition, FNB provides educational services within two rural moderate-income census tracts through its financial literacy program. Bank officers provide financial expertise to a corporation providing apartments to low- and moderate-income families and teach first-time homebuyer classes for two non-profit corporations.