



## **PUBLIC DISCLOSURE**

August 25, 2003

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

**PINNACLE BANK - WYOMING  
RSSD# 561659**

**2000 MAIN STREET  
TORRINGTON, WYOMING 82240**

**Federal Reserve Bank of Kansas City  
925 Grand Boulevard  
Kansas City, Missouri 64198**

**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.

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## **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 access the institution's record of meeting the credit needs of its entire community, including low- and moderate-income (LMI) neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of each 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 CRA performance of Pinnacle Bank – Wyoming (Pinnacle Bank) as of August 25, 2003, prepared by the Federal Reserve Bank of Kansas City (Reserve Bank), the institution's supervisory agency. The agency rated the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

Definitions for many of the terms used in this performance evaluation can be found in Section 228.12 of Regulation BB. For additional convenience, a "Glossary of Common CRA Terms" is attached at the end of this performance evaluation in Appendix C.

**INSTITUTION RATING**

**INSTITUTION'S CRA RATING:** Pinnacle Bank - Wyoming is rated **"Satisfactory"**

Overall, the bank's CRA performance was rated "Satisfactory." The following table indicates the performance level of Pinnacle Bank with respect to the Lending, Investment, and Service Tests. In the following pages, an overall assessment is given for the bank's performance under each of these tests.

| PERFORMANCE LEVELS        | PINNACLE BANK - WYOMING |                 |              |
|---------------------------|-------------------------|-----------------|--------------|
|                           | PERFORMANCE TESTS       |                 |              |
|                           | Lending Test*           | Investment Test | Service Test |
| Outstanding               |                         |                 |              |
| High Satisfactory         | X                       |                 |              |
| Low Satisfactory          |                         | X               | X            |
| Needs to Improve          |                         |                 |              |
| Substantial Noncompliance |                         |                 |              |

\* The Lending Test is weighted more heavily than the Investment and Service Tests in determining the overall rating.

Major factors supporting the institution's rating include:

- The overall lending activity demonstrates a good responsiveness to assessment area credit needs.
- A substantial majority of loans were originated within the assessment area.
- The geographic distribution of loans reflects a good penetration among different geographies.

- The distribution of loans reflects a good penetration among borrowers of different income levels and businesses and farms of different sizes.
- The bank makes an adequate level of community development loans across the various assessment areas.
- The bank has an adequate level of qualified community development investments and grants.
- Delivery systems are accessible to essentially all portions of the bank's assessment areas and services are tailored to the needs of the assessment areas, including LMI geographies and individuals.
- The personnel of Pinnacle Bank provide an adequate level of community development services.

## **INSTITUTION**

### **DESCRIPTION OF INSTITUTION**

Pinnacle Bank is a wholly owned subsidiary of Pinnacle Bancorp, a \$3.2 billion holding company located in Central City, Nebraska. Headquartered in Torrington, Wyoming, the bank operates offices throughout the largely rural areas in the north and western portions of the state. In addition, the bank also operates one branch in the west-central portion of Nebraska in the town of Mitchell. As of the March 31, 2003 Report of Condition and Income Report (Call Report), the bank had assets of \$325,711,000. The bank's primary business lines focus on small business and agriculture lending. However, the bank also offers consumer and real estate loan products.

The bank operates a total of ten offices located in Cody, Cheyenne, Newcastle, Moorcroft, Thermopolis, Torrington, and Worland, Wyoming, and one office in Mitchell, Nebraska. Two branches are located in both Cody and Cheyenne, and one of the branches in Cheyenne was opened since the previous CRA evaluation. Each office operates a full-service automated teller machine (ATM). In addition, there are seven off-site cash dispensing ATMs located in Cody, Lingle, Ten Sleep, Thermopolis, Torrington, and Worland, Wyoming and Mitchell, Nebraska.

The bank has experienced only 3 percent growth between year-end 2001 and year-end 2002. According to Federal Deposit Insurance Corporation (FDIC) market share reports, the bank's most dominant market share is in Goshen County, which includes the town of Torrington. However, the bank's largest percentage of assets is located in Park County, which includes the town of Cody.

Pinnacle Bank received a CRA rating of "Satisfactory" at the previous examination dated July 30, 2001. There are no legal or financial impediments that prevent the bank from meeting the assessment area credit needs.

### **SCOPE OF EXAMINATION**

An evaluation of the bank's performance under the CRA was conducted as of August 25, 2003 using the Federal Financial Institutions Examination Council (FFIEC) interagency large bank examination procedures. The procedures require a review of the bank's lending, investment, and service activities since the prior CRA evaluation. This review included all commercial, agricultural, and residential real estate loans reported pursuant to CRA and Home Mortgage Disclosure Act (HMDA) data collection requirements. HMDA and CRA loans originated during the time period beginning July 31, 2001 and ending December 31, 2002 and community development loans originated between August 1, 2001 and August 22, 2003 were analyzed to determine the bank's performance under

the Lending Test. The Investment and Service Tests considered investments, grants, contributions made, and community service activities conducted since the prior CRA examination dated July 30, 2001. In addition, a review of the bank's level of lending activity as compared to other commercial banks operating in the same areas was conducted. Specifically, the bank's lending performance was compared to the performance of other large financial institutions reporting the origination of home mortgage loans and loans to businesses and farms. However, this aggregate lending data includes only a few lending institutions in the assessment areas, as many of the bank's competitors are not required to report their lending activity due to their asset size and branch locations. Therefore, in evaluating the bank's performance, the comparison between the bank's level of lending and the aggregate lending data was assigned less weight.

The bank has five separate assessment areas across two states. The Cody assessment area in Wyoming, is a nonmetropolitan area that includes the counties of Hot Springs, Park, and Washakie. The bank's branches in Cody, Thermopolis, and Worland are located in this assessment area. The Newcastle assessment area in Wyoming is another nonmetropolitan area that includes Weston County as well as a portion of Crook County. The bank operates two branches in this assessment area in Newcastle and Moorcroft. The third assessment area located in a nonmetropolitan area of Wyoming is the Torrington assessment area. Goshen County comprises this entire assessment area and the bank's main office in Torrington is located within the area. The final Wyoming assessment area is the Cheyenne assessment area, which is comprised of all of Larimer County. The county's boundaries also comprise a Metropolitan Statistical Area (MSA). The bank operates two branches within the area; both located in the city of Cheyenne. The bank's final assessment area is located in the state of Nebraska and is comprised of Sioux County and a portion of Scotts Bluff County. The area is nonmetropolitan, contains one bank office in the town of Mitchell, and is known as the Mitchell assessment area. When reaching conclusions for each test, greater weight was given to select assessment areas based on the number of branches, volume of lending, and market share. However, the evaluation included a full review of each assessment area.

Interviews with community contacts within the bank's assessment areas were conducted to ascertain the credit needs of the communities the bank serves, the availability of community development opportunities in the area, and the local economic environment. Additional community contacts previously contacted in the area were obtained from the FFIEC and were also considered.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

The overall conclusions regarding the Lending, Investment, and Service Tests are summarized at the beginning of each section. Supporting information is then divided into



performance characteristics that are described in Appendix A of Regulation BB, which implements the CRA.

In accordance with the CRA and HMDA data collection requirements for commercial banks with assets greater than \$250 million and offices located in metropolitan areas, Pinnacle Bank collected and compiled the required information for 838 small business loans, 826 small farm loans, and 454 real estate loans from July 31, 2001 to December 31, 2002. This data was analyzed under the Lending Test to determine the bank's performance with respect to assessment area loan concentration, geographic distribution of loans, and originations to borrowers of different income levels and to businesses and farms of different sizes. Data utilized for this analysis can be found in the Core Tables in Appendix D of this report.

## **LENDING TEST**

The overall rating for the institution under the Lending Test is High Satisfactory. The bank offers a significant number of credit products at lending levels that reflect a good responsiveness to the credit needs of the assessment area. In addition, a substantial majority of the loans were made within the institution's assessment areas. The geographic distribution of loans reflects a good penetration throughout the assessment area. The bank's loans are well distributed among individuals of different income levels and to businesses and farms of different sizes. The bank exhibits a good record of serving the credit needs of LMI individuals and geographies and of very small businesses and farms, consistent with safe and sound banking practices. The bank makes a relatively high level of community development loans and uses innovative and flexible lending practices in order to help meet assessment area credit needs.

### **Lending Activity:**

The bank's overall lending levels reflect good responsiveness to the assessment areas' credit needs. The bank offers a full range of credit products including home mortgages, home equity loans, mobile home loans, construction loans, development loans, consumer loans, business loans and agriculture loans. The bank also participates in several government-guaranteed loan programs through the Farm Service Agency (FSA), Small Business Administration (SBA), Veterans Administration (VA), Wyoming Community Development Authority (WCDA), Federal Housing Administration (FHA), and the United States Department of Agriculture (USDA).

Exhibit 1 details the volume of the bank's lending activity.

| <b>EXHIBIT 1</b>                   |              |            |                  |            |
|------------------------------------|--------------|------------|------------------|------------|
| <b>Summary of Lending Activity</b> |              |            |                  |            |
| <b>Loan Type</b>                   | <b>#</b>     | <b>%</b>   | <b>\$('000s)</b> | <b>%</b>   |
| HMDA home purchase                 | 159          | 8          | 10,125           | 7          |
| HMDA refinancings                  | 224          | 11         | 18,860           | 13         |
| HMDA home improvement              | 69           | 3          | 1,845            | 1          |
| HMDA multifamily                   | 2            | -          | 500              | 1          |
| <b>Total HMDA-related</b>          | <b>454</b>   | <b>22</b>  | <b>31,330</b>    | <b>22</b>  |
| <b>Total small business</b>        | <b>838</b>   | <b>40</b>  | <b>50,678</b>    | <b>36</b>  |
| <b>Total small farm</b>            | <b>826</b>   | <b>38</b>  | <b>59,775</b>    | <b>42</b>  |
| <b>TOTAL LOANS</b>                 | <b>2,118</b> | <b>100</b> | <b>141,783</b>   | <b>100</b> |

**Assessment Area Concentration:**

This performance criterion evaluates the concentration of loans originated by the bank in its combined assessment area. A substantial majority of the bank's lending activities occurred within the boundaries of the combined assessment area. Exhibit 2 illustrates by product type, the number and dollar amount of loan originations. An average of 86 percent of the number of loans and 83 percent of the dollar amount of loans were made within the assessment area. This demonstrates an excellent concentration of loans within the combined assessment area.

| <b>EXHIBIT 2</b>                                      |                                 |           |                  |           |                                  |           |                  |             |
|---|---------------------------------|-----------|------------------|-----------|----------------------------------|-----------|------------------|-------------|
| <b>Lending Inside and Outside the Assessment Area</b> |                                 |           |                  |           |                                  |           |                  |             |
|   | <b>Inside (by product type)</b> |           |                  |           | <b>Outside (by product type)</b> |           |                  |             |
|   | <b>#</b>                        | <b>%</b>  | <b>\$('000s)</b> | <b>%</b>  | <b>#</b>                         | <b>%</b>  | <b>\$('000s)</b> | <b>%</b>    |
| HMDA home purchase                                    | 129                             | 81        | 7,493            | 74        | 30                               | 19        | 2,632            | 26.0        |
| HMDA refinancings                                     | 208                             | 93        | 17,063           | 91        | 16                               | 7         | 1,797            | 9.0         |
| HMDA home improvement                                 | 59                              | 86        | 1,643            | 89        | 10                               | 14        | 202              | 11.0        |
| HMDA multifamily                                      | 2                               | 100       | 500              | 100       | 0                                | 0         | 0                | 0.0         |
| <b>Total HMDA-related</b>                             | <b>398</b>                      | <b>88</b> | <b>26,699</b>    | <b>85</b> | <b>56</b>                        | <b>12</b> | <b>4,631</b>     | <b>15.0</b> |
| <b>Total small business</b>                           | <b>738</b>                      | <b>88</b> | <b>44,060</b>    | <b>87</b> | <b>100</b>                       | <b>12</b> | <b>6,618</b>     | <b>13.0</b> |
| <b>Total small farm</b>                               | <b>691</b>                      | <b>84</b> | <b>47,352</b>    | <b>79</b> | <b>135</b>                       | <b>16</b> | <b>12,423</b>    | <b>21.0</b> |
| <b>TOTAL LOANS</b>                                    | <b>1,827</b>                    | <b>86</b> | <b>118,111</b>   | <b>83</b> | <b>291</b>                       | <b>14</b> | <b>23,672</b>    | <b>17.0</b> |

**Geographic and Borrower Distribution:**

The geographic distribution performance criterion focuses on the bank's lending penetration in the assessment area among geographies of different income levels, with a specific emphasis placed on the bank's performance in LMI geographies. The borrower distribution performance criterion evaluates the bank's loan originations to borrowers of different income levels and businesses and farms of varying revenue levels. This criterion places a special emphasis on loans originated to LMI individuals and to businesses and farms with annual revenues of \$1 million or less.

The geographic distribution of lending in the bank's assessment area is considered good. There is only one low-income geography in the combined assessment area, and this geography contains almost no population. However, there are 14 moderate-income geographies representing 33 percent of the total geographies in the combined assessment area. The percentage of home mortgage loans originated in these moderate-income tracts closely mirrors the percentage of families in these geographies at 23 percent versus 28 percent, respectively. Similarly, the bank originated 28 percent of its small business loans in the moderate-income tracts, while demographic information indicates that 34 percent of all businesses are located in these tracts. The bank's small farm loan penetration in the moderate-income geographies surpassed the expected levels as indicated by demographic information. The bank originated 48 percent of its small farm loans in these geographies, while only 27 percent of small farms are located in these geographies. Refer to Tables 2 through 6 in Appendix D for additional information on the bank's geographic distribution of loans.

Pinnacle Bank's distribution of loans to borrowers of different incomes and to businesses and farms of various revenue levels is also considered good. Based on demographic information, 42 percent of the families residing in the assessment area are LMI. The bank originated 35 percent of its home purchase loans, 25 percent of its home refinance loans, and 39 percent of its home improvement loans to LMI families. This penetration is considered very good, as LMI individuals often have income, down payment, or credit constraints that make it more difficult to obtain these types of loans. Refer to Tables 7 through 9 in Appendix D for additional information on the bank's borrower distribution of residential real estate-secured loans.

The bank's loan penetration to small businesses was comparable to the percentage of small businesses located within the assessment area as shown by demographic data. The bank's percentage of loans to small farms exceeded the demographics of the assessment area. As the bank's loan activity to small businesses and farms mirrors demographic data, the bank's performance is considered good. Refer to Tables 10 and 11 for additional information on the distribution of loans to businesses and farms of various revenue sizes.

### **Community Development Lending:**

This performance criterion evaluates a bank's responsiveness to community development lending opportunities in its assessment area. Refer to Table 1 in Appendix D for additional information on the bank's community development lending throughout the assessment area.

Overall, the bank originated nine community development loans for a total of \$4,541,361, representing a strong overall performance for the institution. The majority of these loans were originated in the Torrington assessment area. Pinnacle Bank's level of loan originations represents a large increase in the dollars of community development loans noted in the previous CRA evaluation in which five loans were originated in the amount of \$719,398. However, at this examination, no community development loans were originated in the Cheyenne assessment area, a metropolitan area in which community development opportunities are available.

### **INVESTMENT TEST**

This performance criterion evaluates the degree to which the institution's qualified investments serve affordable housing needs, assist community services targeted to LMI individuals, or enhance economic development issues in the bank's assessment area. In addition, this criterion evaluates the bank's responsiveness to available investment opportunities and the use of innovative or complex investments not routinely provided by other institutions.

The overall rating for the institution under the Investment Test is Low Satisfactory. The bank provides an adequate level of participation in qualified community development grants. The bank did not purchase any community development securities or bonds. However, community contacts throughout the assessment area confirmed that qualified community development initiatives were few and that securities and bonds meeting community development purposes have not been issued in the past few years. In total, the bank donated \$50,569 to organizations that provide community development services. Details of the qualified donations are provided in Table 12 of Appendix D.

### **SERVICE TEST**

The overall rating for Pinnacle Bank under the Service Test is Low Satisfactory. The bank's delivery systems are accessible to essentially all portions of the assessment area. To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and to LMI individuals. Services, including business hours, do not vary in a way that inconveniences the assessment area, particularly LMI individuals and

geographies. Given the bank's size, financial capacity, and resources, Pinnacle Bank provides an adequate level of community development services in the bank's overall assessment area.

**Retail Services:**

This performance criterion evaluates the accessibility of the bank's branches, availability of alternative delivery systems, services and hours, and changes in branch locations. As illustrated in Table 13 of Appendix D, the bank has one branch in a moderate-income geography and nine branches in middle-income geographies. Each branch also operates a full-service ATM. Although other ATMs are available in the assessment area, these machines are cash dispensing only. Pinnacle Bank also offers alternative 24-hour banking systems such as on-line and telephone banking. The bank's overall delivery systems are accessible to essentially all portions of the assessment area.

One new branch was opened since the prior examination. This branch was opened in August 2001 in a middle-income geography in the city of Cheyenne. The bank has not closed any branches and, therefore, the accessibility of delivery systems to LMI individuals and geographies has not been adversely affected.

Overall, the bank's loan and deposit products and services, alternative banking products, and business hours and locations address the convenience and needs of its customers across the entire assessment area. The bank's hours of operation also were comparable across each assessment area.

**Community Development Services:**

Overall, Pinnacle Bank personnel provide an adequate level of community development services designed to meet the needs of the bank's assessment areas. Bank officers and employees have assisted various community organizations by providing financial and operating expertise, fundraising assistance, and leadership to these organizations. These organizations have a primary purpose of either economic development or providing services and assistance to LMI individuals.

**COMPLIANCE WITH ANTIDISCRIMINATION LAWS**

An evaluation of the bank's fair lending activities was conducted during the examination to determine compliance with the broad, nondiscriminatory provisions of the Equal Credit Opportunity Act and the Fair Housing Act. The FFIEC Interagency Fair Lending Alternative Procedures for low risk banks were used for this analysis. No violations of the substantive provisions of the antidiscrimination laws and regulations were identified. Further, the bank was not engaged in any other illegal credit practices inconsistent with helping to meet community credit needs.

STATE OF WYOMING

|                                      |                                 |
|--------------------------------------|---------------------------------|
| <b>CRA RATING FOR WYOMING:</b>       | <u><i>Satisfactory</i></u>      |
| <i>The Lending Test is rated:</i>    | <u><i>High Satisfactory</i></u> |
| <i>The Investment Test is rated:</i> | <u><i>Low Satisfactory</i></u>  |
| <i>The Service Test is rated:</i>    | <u><i>Low Satisfactory</i></u>  |

Major factors supporting the institution's rating for the state of Wyoming include:

- Lending levels reflect a good responsiveness to Wyoming's assessment area credit needs, with a substantial majority of the bank's loans made in the designated assessment areas.
- The geographic distribution of residential real estate-secured, small business, and small farm loans reflects an excellent penetration of lending in the LMI geographies.
- The distribution of loans by borrower profile reflects good penetration to individuals of different income levels and to businesses and farms of different revenue sizes.
- The level of community development loans in the Wyoming assessment areas is good. Overall, the bank has extended an adequate level of community development loans. However, two Wyoming assessment areas did not originate any community development loans. The level of community development lending in the Torrington assessment area was excellent.
- The level of qualified community development investments is considered adequate. Although no community development securities or bonds were purchased, the availability of these types of investments is limited. However, the bank donated adequately to organizations that promote community development initiatives throughout the Wyoming assessment areas.
- Delivery services are reasonably accessible to essentially all portions of the Wyoming assessment areas.
- The bank offers a wide range of retail products and services, which are offered consistently throughout the assessment areas.
- Bank personnel participate in an adequate level of community development services throughout the majority of the Wyoming assessment areas.

## **SCOPE OF EXAMINATION**

The scope of the examination for the state of Wyoming was consistent with the overall examination scope described on page 6 and page 51. The state of Wyoming includes four of the bank's five assessment areas, each of which received a full-scope review. In determining the overall state rating, the Cody and Torrington assessment areas were given greater weight due to the bank's deposit and loan activity in these areas.

Combined, the state of Wyoming assessment areas produce 89 percent of the institution's total deposits and 88 percent of the total loans. Therefore, the analysis of the bank's performance in the state of Wyoming is substantially similar to the analysis of the institution overall.

## **DESCRIPTION OF INSTITUTION'S OPERATIONS IN WYOMING**

The bank operates within three nonmetropolitan areas and one metropolitan area in the state of Wyoming. The first nonmetropolitan assessment area is Cody. The bank operates four branches in this assessment area, which is located in the north central portion of the state. Two branches are located in Cody, one branch is located in Thermopolis, and one branch is located in Worland. The second nonmetropolitan area is Newcastle, which is located in the northwestern portion of the state. The bank operates two locations in this assessment area in the towns of Moorcroft and Newcastle. The final nonmetropolitan area is Torrington, located in the east central portion of the state near the state line of Nebraska. The bank's main office is located in this assessment area. The metropolitan assessment area, in which the bank operates two branches, is Cheyenne. Located within a MSA, this assessment area contains the most population and is much less dependent upon agriculture than the other assessment areas in the state. The Cheyenne assessment area contains the only branch located within a moderate-income geography. All of the other branches operated in the state are located in middle-income geographies. Each Wyoming assessment area is detailed in this evaluation in subsequent sections that analyze the institution's performance in the metropolitan and nonmetropolitan areas. Please refer to these sections for more information on the individual Wyoming assessment areas.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WYOMING**

The overall conclusions regarding the Lending, Investment, and Service Tests for Wyoming are summarized in the following sections. Supporting information for each test is divided into performance characteristics as described in Appendix A of Regulation BB. Data utilized for this analysis, including the bank's performance, aggregate lending data, and area demographic information, can be found in the Core Tables in Appendix D of this report.

### **LENDING TEST**

Pinnacle Bank's performance in the state of Wyoming is rated "High Satisfactory." The bank has a strong geographic distribution of lending among geographies of various income levels, as well as among individuals of various income levels and businesses and farms of different revenue sizes. Community development loans were originated in both the Cody and Torrington assessment areas. Overall, the bank is responsive to the credit needs of the Wyoming assessment areas.

#### **Lending Activity:**

The bank's lending activity in Wyoming is representative of the overall lending activity of the institution. Based on a review of the bank's available loan products, numbers and dollars of loans originated, and information garnered from community contacts, the bank's lending activity reflects good responsiveness to assessment area credit needs.

#### **Geographic and Borrower Distribution:**

The bank's lending distribution in Wyoming reflects an excellent penetration among geographies of various income levels. The bank's level of lending in the moderate-income geographies is strong. In the Cheyenne assessment area, 56 percent of the loans originated were to individuals residing within the moderate-income geographies, while only 29 percent of the owner-occupied units are located in these geographies. Lending in the Cody and Torrington assessment areas also was good, as 18 percent and 59 percent of the HMDA loans originated were in moderate-income geographies. This performance was comparable to the percentage of owner-occupied units in these geographies at 16 percent and 61 percent, respectively. Please refer to Tables 2 through 4 in Appendix D for additional information.

The bank's distribution of small business and small farm loans among geographies of varying income levels closely mirrored the demographics of the assessment areas. The percentage of loans originated to small farms in the Cheyenne and Torrington assessment areas was notably strong, exceeding the lending suggested by the demographics by over



15 percentage points. Please refer to Tables 5 and 6 in Appendix D for additional information.

The bank's lending distribution to borrowers of different income levels and to businesses and farms of various revenue sizes is good. An acceptable level of HMDA loans was originated to LMI borrowers, and lending to businesses and farms with revenues of less than \$1 million mirrored the percentage of these entities located in the assessment areas. Refer to Tables 7 through 11 in Appendix D for additional details.

#### **Community Development Loans:**

There were a total of seven community development loans in an aggregate amount of \$4,509,796 originated in the Wyoming assessment areas. The majority of these loans were originated in the Torrington assessment area. Although no community development loans were originated in the Newcastle or Cheyenne assessment areas, this overall level of community development lending is considered good.

#### **INVESTMENT TEST**

The Investment Test for the state of Wyoming is rated "Low Satisfactory." There were no qualified community development securities or bonds purchased by the bank, but donations to organizations that promote community development in the assessment areas were made. Overall, the availability of community development investments is limited in the Wyoming assessment areas. However, some opportunities exist within the Cheyenne assessment area, and the bank's investments in this area were limited. Refer to Table 12 in Appendix D for detailed information on the bank's number and dollar amounts of community development investments.

#### **SERVICE TEST**

The Wyoming state rating under the Service Test is "Low Satisfactory." The bank's service delivery systems are accessible to essentially all portions of the assessment areas. A new branch was opened in the city of Cheyenne in a middle-income geography. The opening of this branch had no adverse impact on the accessibility of delivery systems in other moderate-income geographies or to LMI individuals. Services, products, and business hours are tailored to the needs of each assessment area and do not inconvenience LMI individuals.

Bank officers and employees in the Wyoming assessment areas are adequately involved in various community organizations that have community development as their primary purpose. Involvement includes providing financial expertise in the operations, fundraising, budgeting, and management of these organizations. However, the level of involvement in qualified community development services is limited in the Cheyenne assessment area.

**METROPOLITAN AREA  
CHEYENNE MSA #1580**

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE CHEYENNE, WYOMING,  
ASSESSMENT AREA**

The bank's only metropolitan area is comprised of Larimer County and contains the state's largest city and capital, Cheyenne. The assessment area is located in the southeast corner of the state and consists of 18 census tracts. The population of the assessment area, based on 2000 census data, was 81,607, which represents a 12 percent increase since 1990. The area has a strong economic dependence upon government and military-related industries. Current job growth in the area is weak, with several industries losing jobs over the past year. However, the real estate market remains strong and experienced noticeable growth over the past two years. As a result of strong growth in residential real estate, housing prices are less affordable than in the state as a whole. Refer to Exhibit 3 for detailed information on the demographics of the assessment area.

Pinnacle Bank operates two offices in this assessment area, both within the city limits of Cheyenne. One branch is located on the southern edge of downtown Cheyenne in a moderate-income tract. The second branch was opened in August 2001 on the north side of Cheyenne in a middle-income tract. Within the past month, this branch was relocated from an office in a strip mall to a newly constructed building located in the same shopping center. Each branch contains a full-service ATM and a drive-up facility. The offices in this assessment area are the newest to Pinnacle Bank, and, as of June 30, 2002, accounted for only 6.5 percent of the bank's deposits and 2.5 percent of the area market share.

Competition from other financial and credit institutions is very strong in this assessment area. At least 12 other banks operate in this assessment area, as well as several credit unions, finance companies, and mortgage companies. Pinnacle Bank is one of the few institutions with a branch located in the moderate-income geography on the south side of the city, and therefore, this office serves the retail and credit needs of this moderate-income geography.

| EXHIBIT 3                                 |                                 |                        |                                    |                |  |              |                           |              |
|---|---------------------------------|------------------------|------------------------------------|----------------|--|--------------|---------------------------|--------------|
| Cheyenne MSA Assessment Area Demographics |                                 |                        |                                    |                |  |              |                           |              |
| Income Categories                         | Tract Distribution              |                        | Families by Tract Income           |                | Families < Poverty Level as % of Families by Tract |              | Families by Family Income |              |
|   | #                               | %                      | #                                  | %              | #  | %            | #                         | %            |
| Low-income                                | 0                               | 0.0                    | 0                                  | 0.0            | 0  | 0.0          | 3,792                     | 18.8         |
| Moderate-income                           | 7                               | 38.9                   | 6,477                              | 32.2           | 877  | 13.5         | 3,824                     | 19.0         |
| Middle-income                             | 7                               | 38.9                   | 9,122                              | 45.3           | 739  | 8.1          | 4,781                     | 23.8         |
| Upper-income                              | 4                               | 22.2                   | 4,528                              | 22.5           | 148  | 3.3          | 7,730                     | 38.4         |
| <b>Total Assessment Area</b>              | <b>18</b>                       | <b>100.0</b>           | <b>20,127</b>                      | <b>100.0</b>   | <b>1,764</b>                                       | <b>8.8</b>   | <b>20,127</b>             | <b>100.0</b> |
|   | Housing Units by Tract          | Housing Types by Tract |                                    |                |  |              |                           |              |
|   |                                 | Owner-occupied         |                                    |                | Rental   |              | Vacant                    |              |
|   |                                 | #                      | % of AA                            | % by Geography | #  | %            | #                         | %            |
| Low-income                                | 0                               | 0                      | 0.0                                | 0.0            | 0  | 0.0          | 0                         | 0.0          |
| Moderate-income                           | 11,329                          | 5,359                  | 29.1                               | 47.3           | 4,702  | 41.5         | 1,268                     | 11.2         |
| Middle-income                             | 13,115                          | 8,709                  | 47.3                               | 66.4           | 3,674  | 28.0         | 732                       | 5.6          |
| Upper-income                              | 6,063                           | 4,339                  | 23.6                               | 71.6           | 1,309  | 21.6         | 415                       | 6.8          |
| <b>Total Assessment Area</b>              | <b>30,507</b>                   | <b>18,407</b>          | <b>100.0</b>                       | <b>60.3</b>    | <b>9,685</b>                                       | <b>31.7</b>  | <b>2,415</b>              | <b>7.9</b>   |
|   | Total Businesses by Tract       |                        | Businesses by Tract & Revenue Size |                |  |              |                           |              |
|   |                                 |                        | Less Than or = \$1 Million         |                | Over \$1 Million                                   |              | Revenue Not Reported      |              |
|   | #                               | %                      | #                                  | %              | #  | %            | #                         | %            |
| Low-income                                | 0                               | 0.0                    | 0                                  | 0.0            | 0  | 0.0          | 0                         | 0.0          |
| Moderate-income                           | 1,885                           | 49.3                   | 1,623                              | 48.2           | 157  | 63.8         | 105                       | 49.3         |
| Middle-income                             | 1,307                           | 34.2                   | 1,182                              | 35.1           | 62   | 25.2         | 63                        | 29.6         |
| Upper-income                              | 632                             | 16.5                   | 560                                | 16.7           | 27   | 11.0         | 45                        | 21.1         |
| Tract not reported                        | 0                               | 0.0                    | 0                                  | 0.0            | 0  | 0.0          | 0                         | 0.0          |
| <b>Total Assessment Area</b>              | <b>3,824</b>                    | <b>100.0</b>           | <b>3,365</b>                       | <b>100.0</b>   | <b>246</b>   | <b>100.0</b> | <b>213</b>                | <b>100.0</b> |
|   | Percentage of Total Businesses: |                        |                                    | <b>88.0</b>    |  | <b>6.4</b>   |                           | <b>5.6</b>   |

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE CHEYENNE, WYOMING, ASSESSMENT AREA**

The overall conclusions regarding the Lending, Investment and Service Tests for this assessment area are summarized in the following sections. Supporting information for each test is divided into performance characteristics as described in Appendix A of Regulation BB. Data utilized for this analysis, including the bank's performance, aggregate-lending data, and area demographic information, can be found in the Core Tables in Appendix D of this evaluation.

### **LENDING TEST**

Pinnacle Bank's lending performance in the Cheyenne MSA assessment area is rated "High Satisfactory." The geographic distribution of lending based on the income level of the census tract is considered excellent. The distribution of lending based on the income level of the borrower is excellent, while the distribution of lending based on the revenue sizes of businesses and farms is considered good. The bank did not make any community development loans in this assessment area.

#### **Lending Activity:**

The lending activity for the bank in the Cheyenne assessment area reflects an adequate responsiveness to the credit needs in the area. Refer to Table 1 in Appendix D for the information used to evaluate the bank's lending activity. Approximately 5 percent of Wyoming loans are in the Cheyenne assessment area, consistent with the percentage of deposits of 7 percent. This indicates the bank is lending in the community where deposits are being accepted.

#### **Geographic Distribution:**

The geographic distribution of HMDA loans among geographies of various income levels is excellent. Although the bank's volume of HMDA loans is low, over 50 percent of these loans are originated in moderate-income geographies. This compares favorably against the demographics of the assessment area, in which only 29 percent of owner-occupied units are located in the moderate-income geographies. The assessment area does not contain any low-income geographies. Refer to Tables 2 through 4 in Appendix D for additional information on the bank's home mortgage lending in this assessment area.

The geographic distribution of small business and farm loans is good. The percentage of small business and small farm loans originated was compared to the percentage of small businesses and farms located within geographies of different income levels. As shown in Table 5 of Appendix D, the bank's level of small business lending in the moderate-income geographies was less than the percentage of businesses located in these geographies.

However, the bank's level of small farm lending in the moderate-income geographies exceeded the percentage of farms located in these geographies, as shown in Table 6 of Appendix D. Overall, the bank's level of small business and farm lending mirrored the performance of the aggregate lenders in the area.

**Distribution by Borrower Income and Revenue Size of the Business:**

The bank's HMDA loan activity to borrowers of different income levels was considered in this analysis. Overall, the bank originated 15 percent of its HMDA loans to low-income borrowers and 20 percent to moderate-income borrowers. Although the bank did not originate any home-improvement loans to LMI borrowers, only two of these loans were originated overall in the assessment area.

This penetration to LMI borrowers closely mirrors the percentage of LMI families located in the Cheyenne assessment area and, thus, is considered good. Refer to Tables 7 through 9 in Appendix D for additional details.

The bank's level of lending to businesses with gross annual revenues of \$1 million or less is good. As shown in Table 10 of Appendix D, 88 percent of the businesses operating in the assessment area had revenues of \$1 million or less. Pinnacle Bank's loan penetration of 87 percent is comparable to the proportion of small businesses. In addition, 74 percent of the bank's loans to businesses, regardless of revenue size, are in amounts of \$100,000 or less, indicating willingness by the bank to lend in small dollar amounts.

The bank's level of lending to farms with gross annual revenues of \$1 million or less is also good. Small farms comprise 93 percent of the total farms in the assessment area and the bank's penetration was similar at 90 percent. Once again, the bank originated a large percentage of farm loans in amounts of \$100,000 or less, which are the loan amounts typically needed by the very small farms.

**Community Development Lending:**

The bank did not originate any community development loans in this assessment area. Although competition for participation in these types of loans is strong, the bank was encouraged to seek out opportunities for community development lending in this area as they become available.

**INVESTMENT TEST**

This test evaluates the degree to which the institution's qualified investments serve affordable housing needs, assist community services targeted to LMI individuals, or enhance economic development issues in the assessment area. In addition, this criterion

evaluates the bank's responsiveness to available opportunities and the use of innovative or complex investments.

Pinnacle Bank's performance in the Cheyenne assessment area is rated "Needs to Improve." The bank has a poor level of qualified community development investments in this assessment area. Although the availability of security and bond investments is low, the bank also had little participation in community development grant or donation activities. Charitable contributions over a two-year period included one qualified contribution for \$300. Management was again encouraged to seek qualified investment opportunities in this assessment area to ensure that this performance does not impact future ratings.

## **SERVICE TEST**

The Cheyenne assessment area's rating under the Service Test is "Low Satisfactory." The bank's delivery systems are accessible to essentially all portions of its assessment area. Services, products, and business hours do not vary in a way that inconveniences the needs of certain portions of the assessment area. As the bank operates a branch located in a moderate-income geography, the bank's services are especially accessible to LMI individuals. Bank officers contribute their financial expertise to a limited number of community service organizations.

### **Retail Services:**

This criterion evaluates the accessibility of the bank's branches, availability of alternative delivery systems, services and hours, and changes in branch locations. Refer to Tables 14 and 15 in Appendix D for the information used to evaluate the bank's retail services.

Pinnacle Bank has two branches and two full-service ATMs in the Cheyenne assessment area. Delivery systems are accessible to essentially all portions of the assessment area. One branch and one ATM are located in a moderate-income geography, and the other branch and second ATM are located in a middle-income geography. In addition, bank services are available through the Internet and over the telephone 24 hours a day. On-line features include branch location and product information, personal deposit account information, interaccount transfers, statement copies, and bill payment.

The bank opened one additional branch in this assessment area in August 2001. The addition of this new branch has not adversely affected the accessibility of the bank's delivery systems, especially to LMI individuals and geographies. The bank's services do not vary in a way that inconveniences certain portions of the assessment area, particularly LMI individuals. The bank's services and business hours are generally

convenient to customers. Branch hours, including drive-up facility hours, are 7:30 a.m. to 5:30 p.m., Monday through Friday, and 8:30 a.m. to 12:00 p.m. on Saturdays.

**Community Development Services:**

This criterion evaluates the extent of bank personnel's involvement in community development services, the innovativeness of those services, and the degree to which they serve LMI individuals. Qualified community development services include services that have as their primary purpose community development, are related to the provision of financial services, and have not been considered in the evaluation of the bank's other retail banking services. One bank employee within the Cheyenne assessment area provided time and service to one organization with an economic development purpose. As a board member of the South Cheyenne Community Development Association, the employee provides budgeting, marketing, and planning assistance to the organization. Management was encouraged to find other ways to contribute in additional community development roles.



**NONMETROPOLITAN ASSESSMENT AREA  
CODY, WYOMING**

**DESCRIPTION OF INSTITUTION'S OPERATIONS AND AREA ECONOMY IN THE CODY,  
WYOMING, ASSESSMENT AREA**

The Cody assessment area is geographically the bank's largest and is comprised of Hot Springs, Park, and Washakie Counties. This assessment area is located in the northwestern portion of the state, abutting Shoshone National Forest. The bank operates four branches and four full-service ATMs in this assessment area. Two branches and two ATMs are located in the town of Cody in Park County, one branch and one ATM are located in the town of Worland in Washakie County, and the final branch and ATM are located in the town of Thermopolis in Hot Springs County. All branches and ATMs are located in middle-income geographies. As of June 30, 2002, this assessment area accounted for 46 percent of the bank's total deposits, but only 19 percent of the area market share.

The Cody assessment area contains 13 block numbering areas (BNAs). According to the 2000 census, the population of the area was 38,957, which represented an increase of 7 percent over 1990 figures. Tourism is the economic mainstay, but the area economy also relies on agriculture. The largest employers in the area are located in Park County and include AMFAC Parks and Resorts (hotels/motels), Anheuser-Busch, Northwest College, Marathon Oil, and Yellowstone Park Medical Center. The largest employer in Hot Springs County is the county school system and in Washakie County is Burlington Northern Railroad.

A depressed national economy and agricultural sector resulted in declining area job bases and increasing unemployment rates. All three area counties lost jobs in 2002 and unemployment increased. Despite the lagging economy, Park County continued to see a large increase in housing permit issues and as a result, the owner-occupancy rate for the area rose. Refer to Exhibit 4 for detailed information on the demographics of this assessment area.

In an effort to obtain a perspective on local economic conditions and possible credit needs in the assessment area, a community contact was made with a city official in Cody and a county official in Worland. The community contact for Cody stated that tourist visits have not declined as a result of the events of September 11, 2001. However, Marathon Oil significantly reduced its work force in the area, and while economic efforts have brought new jobs to the area, these jobs have a much lower wage scale. The community contact also stated that there are very few affordable housing units available to purchase, but a new development is underway that will help fill the affordable housing void.

The community contact for Worland stated that the overall area economy has been flat and there has been a slight population decrease in Washakie County. The county is largely agriculture based, and the poor crop production in recent years as a result of the drought has decreased the local tax base. The area's greatest current resource is its artesian wells. The capacity of these wells is one of the largest west of the Mississippi River, and a water development is underway to bring water to the county's surrounding areas. By selling some of these water rights, the county should become more economically viable. The age of housing stock is an issue for the county, especially among moderately priced homes.

| EXHIBIT 4<br>Cody Assessment Area Demographics |                           |                                    |                          |                  |  |                      |                           |              |
|--|---------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories                              | Tract Distribution        |                                    | Families by Tract Income |                  | Families < Poverty Level as % of Families by Tract |                      | Families by Family Income |              |
|  | #                         | %                                  | #                        | %                | #  | %                    | #                         | %            |
| Low-income                                     | 1                         | 7.7                                | 28                       | 0.3              | 6  | 21.4                 | 2,017                     | 20.2         |
| Moderate-income                                | 2                         | 15.4                               | 1,515                    | 15.1             | 180  | 11.9                 | 2,077                     | 20.8         |
| Middle-income                                  | 10                        | 76.9                               | 8,451                    | 84.6             | 574  | 6.8                  | 2,608                     | 26.1         |
| Upper-income                                   | 0                         | 0.0                                | 0                        | -/-              | 0  | 0.0                  | 3,292                     | 32.9         |
| <b>Total Assessment Area</b>                   | <b>13</b>                 | <b>100.0</b>                       | <b>9,994</b>             | <b>100.0</b>     | <b>760</b>   | <b>7.6</b>           | <b>9,994</b>              | <b>100.0</b> |
|  | Housing Units by Tract    | Housing Types by Tract             |                          |                  |  |                      |                           |              |
|  |                           | Owner-occupied                     |                          |                  | Rental   |                      | Vacant                    |              |
|  |                           | #                                  | % by AA                  | % by Geography   | #  | %                    | #                         | %            |
| Low-income                                     | 54                        | 23                                 | 0.2                      | 42.6             | 15   | 27.8                 | 16                        | 29.6         |
| Moderate-income                                | 2,398                     | 1,511                              | 15.9                     | 63.0             | 636  | 26.5                 | 251                       | 10.5         |
| Middle-income                                  | 14,015                    | 7,961                              | 83.9                     | 56.8             | 3,710  | 26.5                 | 2,344                     | 16.7         |
| Upper-income                                   | 0                         | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>                   | <b>16,467</b>             | <b>9,495</b>                       | <b>100.0</b>             | <b>57.7</b>      | <b>4,361</b>                                       | <b>26.5</b>          | <b>2,611</b>              | <b>15.8</b>  |
|  | Total Businesses by Tract | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |
|  |                           | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  |                           | #                                  | %                        | #                | %  | #                    | %                         |              |
| Low-income                                     | 0                         | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income                                | 401                       | 14.7                               | 354                      | 14.5             | 32   | 20.8                 | 15                        | 11.2         |
| Middle-income                                  | 2,331                     | 85.3                               | 2,090                    | 85.5             | 122  | 79.2                 | 119                       | 88.8         |
| Upper-income                                   | 0                         | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Tract not reported                             | 0                         | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>                   | <b>2,732</b>              | <b>100.0</b>                       | <b>2,444</b>             | <b>100.0</b>     | <b>154</b>   | <b>100.0</b>         | <b>134</b>                | <b>100.0</b> |
|  |                           | Percentage of Total Businesses:    |                          | 89.5             |  | 5.6                  |                           | 4.9          |

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE CODY, WYOMING, ASSESSMENT AREA**

The overall conclusions regarding the Lending, Investment, and Service Tests for this assessment area are summarized in the following sections. Supporting information for each test is divided into performance characteristics as described in Appendix A of Regulation BB. Data utilized for this analysis, including the bank's performance, aggregate lending data, and area demographic information, can be found in the Core Tables in Appendix D of this evaluation.

### **LENDING TEST**

Pinnacle Bank's lending performance in the Cody assessment area is rated "High Satisfactory." The geographic distribution of lending based on the income level of the geography is considered good. The distribution of lending based on borrower profile is also good. The bank made one community development loan and also makes use of innovative and flexible lending practices.

#### **Lending Activity:**

The lending activity for the bank in the Cody assessment area reflects a good responsiveness to the credit needs in the area. Refer to Table 1 in Appendix D for the information used to evaluate the bank's lending activity. Approximately 41 percent of Wyoming loans are in the Cody assessment area, similar to the percentage of deposits of 46 percent. This indicates the bank is lending in the community where deposits are being accepted. The Cody branch in this assessment area also processes mortgage loans to be sold on the secondary market for several other Pinnacle Bank branches. By employing specialists in secondary market residential real estate lending, the bank is more readily able to competitively meet the mortgage loan needs of the entire Pinnacle Bank assessment area.

Government-insured and guaranteed loan programs are utilized as needed to meet customer credit needs. Many of the guaranteed programs that promote residential real estate-secured lending have been utilized on a limited basis in the past two years. According to bank personnel, this is a result of the low interest rates currently available on conventional mortgage loans. The low interest rates allow borrowers to qualify for a higher payment amount under conventional loan products, which have lower fee and mortgage insurance requirements. In addition, more conventional mortgage loan options are now available that meet the needs of LMI borrowers. Exhibit 5 details the government-insured loans originated in the Cody assessment area since the previous CRA evaluation.

| <b>EXHIBIT 5<br/>GOVERNMENT-INSURED LOANS IN THE CODY ASSESSMENT AREA</b> |               |                      |
|---|---------------|----------------------|
|   | <b>Number</b> | <b>Dollar Amount</b> |
| FSA   | 1             | 70,000               |
| SBA   | 5             | 2,271,000            |
| USDA  | 3             | 1,955,331            |
| VA  | 2             | 230,200              |
| WCDA  | 2             | 133,700              |
| <b>TOTALS</b>   | <b>13</b>     | <b>4,660,231</b>     |

**Geographic Distribution:**

The geographic distribution of HMDA loans among geographies of various income levels is good. Across HMDA product types, the bank originated an average of 18 percent of these loans in the moderate-income geographies. This compares favorably against the demographics of the assessment area, in which 16 percent of owner-occupied units are located in the moderate-income geographies. The assessment area contains one low-income BNA. However, this geography has very little population, thereby inhibiting the bank's ability to lend in this geography. Refer to Tables 2 through 4 in Appendix D for additional information on the bank's home mortgage lending in this assessment area.

The geographic distribution of small business and farm loans is good. The percentage of small business and small farm loans originated was compared to the percentage of small businesses and farms located within geographies of different income levels. As shown in Table 5 of Appendix D, the bank's level of small business lending in the moderate-income geographies exceeded the percentage of businesses located in these geographies, and also exceeded the performance of the aggregate lenders. The bank's level of small farm lending in the moderate-income geographies was less than the percentage of farms located in these geographies, as shown in Table 6 of Appendix D. However, the bank's level of small farm lending in these geographies exceeded the performance of the aggregate lenders. No businesses and very few farms are located in the low-income BNA in the assessment area. Therefore, the bank's lack of lending in this BNA is not a concern.

**Distribution by Borrower Income and Revenue Size of the Business:**

The bank's HMDA loan activity to borrowers of different income levels was considered in this analysis. Overall, the bank originated 9 percent of its HMDA loans to low-income borrowers and 23 percent to moderate-income borrowers, which is considered good. The bank's penetration to low-income borrowers is less than the percentage of low-income families in the assessment area. However, low-income borrowers often have financial constraints that inhibit their ability to obtain a mortgage loan. In addition, almost 9 percent of the area's families are below poverty level, and many of these families would

be categorized as low-income. The penetration of loans to moderate-income borrowers exceeded the demographics of the area, which indicate that 21 percent of families are moderate-income. Refer to Tables 7 through 9 in Appendix D for additional details.

The bank's level of lending to businesses with gross annual revenues of \$1 million or less is good. As shown in Table 10 of Appendix D, 89 percent of the businesses operating in the assessment area had revenues of \$1 million or less. Pinnacle Bank's loan penetration of 88 percent is comparable to the proportion of small businesses. In addition, 86 percent of the bank's loans to businesses, regardless of revenue size, are in amounts of \$100,000 or less, indicating willingness by the bank to lend in small dollar amounts.

The bank's level of lending to farms with gross annual revenues of \$1 million or less is excellent. Small farms comprise 92 percent of the total farms in the assessment area and the bank's penetration of 97 percent exceeded the demographics. Once again, the bank originated a large percentage of farm loans in amounts of \$100,000 or less, which are the loan amounts typically needed by the very small farms.

#### **Community Development Lending:**

The bank originated one community development loan in the Cody assessment area. This loan was made by the Worland branch and assisted a farmers' cooperative with the purchase of the local sugar beet plant. This plant was facing possible closure as a result of the insolvency of its current owner. The closure of this plant would bring economic hardship to the local community, as numerous farmers sell beets to the plant and many other local residents are employed there. Therefore, this loan promoted economic development in the area and helped stabilize the local agricultural economy.

#### **INVESTMENT TEST**

This test evaluates the degree to which the institution's qualified investments serve affordable housing needs, assist community services targeted to LMI individuals, or enhance economic development issues in the assessment area. In addition, this criterion evaluates the bank's responsiveness to available opportunities and the use of innovative or complex investments.

Pinnacle Bank's performance in the Cody assessment area is rated "Low Satisfactory." The bank has an adequate level of qualified community development investments in this assessment area. Although there is limited availability of security and bond investments to purchase, the bank participated in community development grant and donation activities as available. Charitable contributions over a two-year period included 13 qualified contributions totaling \$16,832. The organization types that received financial assistance from the bank included economic development organizations, food banks, scholarship programs targeted to LMI college students, and a family planning clinic

that primarily serves LMI individuals. Refer to Table 12 in Appendix D for additional information on the bank's qualified investments.

Pinnacle Bank also provides Interest on Lawyers Trust Accounts (IOLTAs) to local attorneys. These deposit accounts earn interest and are not charged any service or activity fees. The money earned on these accounts is submitted to the Wyoming Lawyers Trust Account Foundation in order to provide legal services to the state's low-income citizens.

Community contacts within the Cody assessment area stated that the bank is responsive to area concerns with contributions to, or involvement in, local organizations.

### **SERVICE TEST**

The Cody assessment area's rating under the Service Test is "Low Satisfactory." The bank's delivery systems are accessible to essentially all portions of its assessment area. Services, products, and business hours do not vary in a way that inconveniences the needs of certain portions of the assessment area. Bank officers and employees contribute their financial expertise to an adequate number of community service organizations.

#### **Retail Services:**

This criterion evaluates the accessibility of the bank's branches, availability of alternative delivery systems, services, and hours, and changes in branch locations. Refer to Tables 14 and 15 in Appendix D for the information used to evaluate the bank's retail services.

Pinnacle Bank has four branches and four full-service ATMs in the Cody assessment area. Delivery systems are accessible to essentially all portions of the assessment area. All of the branches and ATMs in the area are located in middle-income geographies. In addition, bank services are available through the Internet and over the telephone 24 hours a day. On-line features include branch location and product information, personal deposit account information, interaccount transfers, statement copies, and bill payment.

The bank has not opened or closed any branches in this assessment area. The bank's services do not vary in a way that inconveniences certain portions of the assessment area, particularly LMI individuals. The bank's services and business hours are generally convenient to customers. Branch hours, including drive-up facility hours, are generally 7:30 a.m. to 5:00 p.m., Monday through Friday, and 8:30 a.m. to 12:00 p.m. on Saturday. However, hours vary slightly among the Cody, Worland, and Thermopolis branches to meet customer needs.

**Community Development Services:**

This criterion evaluates the extent of bank personnel's involvement in community development services, the innovativeness of those services, and the degree to which they serve LMI individuals. Qualified community development services include services that have as their primary purpose community development, are related to the provision of financial services, and have not been considered in the evaluation of the bank's other retail banking services.

The bank provides an adequate level of community development services to the assessment area. Bank management, officers, and staff have donated 282 hours to 6 different qualified organizations in the Cody assessment area. Two of these organizations promote economic development initiatives in the assessment area. Two additional organizations assist with the needs of LMI individuals and families in the area. Finally, one organization provides education to first-time homebuyers and one organization provides networking and other services to small businesses in the area.



**NONMETROPOLITAN ASSESSMENT AREA  
NEWCASTLE, WYOMING**

**DESCRIPTION OF INSTITUTION'S OPERATIONS AND AREA ECONOMY IN THE  
NEWCASTLE, WYOMING, ASSESSMENT AREA**

The Newcastle assessment area is comprised of Weston County and a portion of Crook County in the northeastern portion of the state near the South Dakota state line. The bank operates two branches and two full-service ATMs in this assessment area. One branch and one ATM are located in the town of Newcastle in Weston County, and the second branch and ATM are located in the town of Moorcroft in Crook County. All branches and ATMs are located in middle-income geographies. As of June 30, 2002, this assessment area accounted for 10 percent of the bank's total deposits and 9 percent of the area market share.

The Newcastle assessment area contains only three BNAs. In 1990, the area population totaled 7,123. There is no direct correlation between 1990 and 2000 census data because of census tract boundary changes, but there are indications that the area population grew over that period. Countywide, Crook County's population grew by 11.2 percent from 1990 to 2000 and Weston County's population grew by 1.9 percent. Agriculture, mining, and tourism are vital to the area's economy with agriculture dominant in Crook County and mining and tourism predominant in Weston County. The area's largest employers include Mellor Wrecking (used merchandise stores), Kennecott Energy Company (coal mining services), Weston County Health Services, Mountainwest Millwork (sawmill services), Community Education (junior colleges), and Halliburton Company (mining). The area also contains several tourist attractions, including Black Hills National Forest, Devils Tower National Monument, and Keyhole State Park.

A failing agricultural sector and declining employment bases showed a weak credit market. Statewide crop and cattle markets were severely effected by a multi-year drought. In addition, after increasing in 2001, the area's employment base decreased substantially in 2002. Crook County's employment base decreased by 4.7 percent in 2002, and Weston County's decreased by 2.0 percent. The age of housing stock in the area indicates a need for housing rehabilitation. However, the age of housing units also contributes to increased affordability of housing in the area. See Exhibit 6 for additional demographic information.

In an effort to obtain a perspective on local economic conditions and possible credit needs in the assessment area, a community contact was made with a local rural development organization. The community contact for the Newcastle assessment area stated that Crook and Weston Counties are more depressed than the surrounding areas, which benefit economically from large coal and mineral deposits. There is a strong need for

community development in these counties, but the local governments appear unwilling to institute initiatives that would promote this development. The contact also confirmed that there is a need for new housing in the area, as the majority of homes, especially those that are more affordable, were built in the 1950s. There is also a shortage of rental units in the area.

| <b>EXHIBIT 6<br/>Newcastle Assessment Area Demographics</b> |  |   |                               |                         |  |                             |                                  |              |
|---|--|---|-------------------------------|-------------------------|--|-----------------------------|----------------------------------|--------------|
| <b>Income Categories</b>                                    | <b>BNA Distribution</b>                |   | <b>Families by BNA Income</b> |                         | <b>Families &lt; Poverty Level as % of Families by BNA</b> |                             | <b>Families by Family Income</b> |              |
|   | <b>#</b>                               | <b>%</b>                                    | <b>#</b>                      | <b>%</b>                | <b>#</b>   | <b>%</b>                    | <b>#</b>                         | <b>%</b>     |
| Low-income  | 0                                      | 0.0   | 0                             | 0.0                     | 0  | 0.0                         | 353                              | 17.9         |
| Moderate-income   | 0                                      | 0.0   | 0                             | 0.0                     | 0  | 0.0                         | 343                              | 17.3         |
| Middle-income   | 3                                      | 100.0                                       | 1,975                         | 73.4                    | 171  | 8.7                         | 628                              | 31.8         |
| Upper-income  | 0                                      | 0.0   | 0                             | 0.0                     | 0  | 0.0                         | 651                              | 33.0         |
| <b>Total Assessment Area</b>                                | <b>3</b>                               | <b>100.0</b>                                | <b>1,975</b>                  | <b>100.0</b>            | <b>171</b>   | <b>8.7</b>                  | <b>1,975</b>                     | <b>100.0</b> |
|   | <b>Housing Units by BNA</b>            | <b>Housing Types by BNA</b>                 |                               |                         |  |                             |                                  |              |
|   |  | <b>Owner-occupied</b>                       |                               |                         | <b>Rental</b>  |                             | <b>Vacant</b>                    |              |
|   |  | <b>#</b>                                    | <b>% by AA</b>                | <b>% by Geography</b>   | <b>#</b>   | <b>%</b>                    | <b>#</b>                         | <b>%</b>     |
| Low-income  | 0                                      | 0   | 0.0                           | 0.0                     | 0  | 0.0                         | 0                                | 0.0          |
| Moderate-income   | 0                                      | 0   | 0.0                           | 0.0                     | 0  | 0.0                         | 0                                | 0.0          |
| Middle-income   | 3,478                                  | 2,032                                       | 100.0                         | 58.4                    | 577  | 16.6                        | 869                              | 25.0         |
| Upper-income  | 0                                      | 0   | 0.0                           | 0.0                     | 0  | 0.0                         | 0                                | 0.0          |
| <b>Total Assessment Area</b>                                | <b>3,478</b>                           | <b>2,032</b>                                | <b>100.0</b>                  | <b>58.4</b>             | <b>577</b>   | <b>16.6</b>                 | <b>869</b>                       | <b>25.0</b>  |
|   | <b>Total Businesses by BNA</b>         | <b>Businesses by BNA &amp; Revenue Size</b> |                               |                         |  |                             |                                  |              |
|   |  | <b>Less Than or = \$1 Million</b>           |                               | <b>Over \$1 Million</b> |  | <b>Revenue Not Reported</b> |                                  |              |
|   |  | <b>#</b>                                    | <b>%</b>                      | <b>#</b>                | <b>%</b>   | <b>#</b>                    | <b>%</b>                         |              |
| Low-income  | 0                                      | 0.0   | 0                             | 0.0                     | 0  | 0.0                         | 0                                | 0.0          |
| Moderate-income   | 0                                      | 0.0   | 0                             | 0.0                     | 0  | 0.0                         | 0                                | 0.0          |
| Middle-income   | 403                                    | 100.0                                       | 363                           | 100.0                   | 19   | 100.0                       | 21                               | 100.0        |
| Upper-income  | 0                                      | 0.0   | 0                             | 0.0                     | 0  | 0.0                         | 0                                | 0.0          |
| BNA not reported  | 0                                      | 0.0   | 0                             | 0.0                     | 0  | 0.0                         | 0                                | 0.0          |
| <b>Total Assessment Area</b>                                | <b>403</b>                             | <b>100.0</b>                                | <b>363</b>                    | <b>100.0</b>            | <b>19</b>  | <b>100.0</b>                | <b>21</b>                        | <b>100.0</b> |
|   | <b>Percentage of Total Businesses:</b> |   |                               | <b>90.1</b>             |  | <b>4.7</b>                  |                                  | <b>5.2</b>   |

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE NEWCASTLE, WYOMING, ASSESSMENT AREA**

The overall conclusions regarding the Lending, Investment, and Service Tests for this assessment area are summarized in the following sections. Supporting information for each test is divided into performance characteristics as described in Appendix A of Regulation BB. Data utilized for this analysis, including the bank's performance, aggregate lending data, and area demographic information, can be found in the Core Tables in Appendix D of this evaluation.

**LENDING TEST**

Pinnacle Bank's lending performance in the Newcastle assessment area is rated "High Satisfactory." The distribution of lending based on borrower profile is excellent. The bank did not originate any community development loans and made limited use of innovative and flexible lending practices. The geographic distribution of lending based on the income level of the geography was not evaluated, as the assessment area contains only middle-income BNAs.

**Lending Activity:**

The lending activity for the bank in the Newcastle assessment area reflects a good responsiveness to the credit needs in the area. Refer to Table 1 in Appendix D for the information used to evaluate the bank's lending activity. Approximately 13 percent of Wyoming loans are in the Newcastle assessment area, which is slightly higher than the percentage of deposits of 9 percent. This indicates the bank is lending in the community where deposits are being accepted.

Government-insured and guaranteed loan programs are utilized as needed to meet customer credit needs. In the past two years, the bank used these products on a limited basis, originating two SBA loans for \$151,000.

**Geographic Distribution:**

This performance criterion focuses on the bank's penetration of loans among geographies of different income levels in the bank's assessment area, particularly in LMI geographies. As all of the geographies in this assessment area are designated as middle-income, this performance criterion was not evaluated.

**Distribution by Borrower Income and Revenue Size of the Business:**

The bank's HMDA loan activity to borrowers of different income levels was considered in this analysis. Overall, the bank originated 4.5 percent of its HMDA loans to low-income

borrowers and 25 percent to moderate-income borrowers, which is considered good. The bank's penetration to low-income borrowers is less than the percentage of low-income families in the assessment area. However, low-income borrowers often have financial constraints that inhibit their ability to obtain a mortgage loan. In addition, almost 10 percent of the area's families are below poverty level, and many of these families would be categorized as low-income. The penetration of loans to moderate-income borrowers exceeded the demographics of the area, which indicate that 21 percent of families are moderate-income. Overall, the bank's penetration of lending in both low- and moderate-income BNAs exceeded the performance of the aggregate lenders. Refer to Tables 7 through 9 in Appendix D for additional details.

The bank's level of lending to businesses with gross annual revenues of \$1 million or less is excellent. As shown in Table 10 of Appendix D, 90 percent of the businesses operating in the assessment area had revenues of \$1 million or less. Pinnacle Bank's loan penetration of 100 percent exceeds the percentage of small businesses. In addition, 71 percent of the bank's loans to businesses, regardless of revenue size, are in amounts of \$100,000 or less, indicating willingness by the bank to lend in small dollar amounts.

The bank's level of lending to farms with gross annual revenues of \$1 million or less is good. Small farms comprise 98 percent of the total farms in the assessment area and the bank's penetration of 99 percent mirrors the demographics. Once again, the bank originated a large percentage of farm loans in amounts of \$100,000 or less, which are the loan amounts typically needed by the very small farms.

### **Community Development Lending:**

The bank did not originate any community development loans in the Newcastle assessment area. Although a community contact stated that there is a strong need for community development in the assessment area, the contact also stated that no opportunities have been available in the past few years.

### **INVESTMENT TEST**

This test evaluates the degree to which the institution's qualified investments serve affordable housing needs, assist community services targeted to LMI individuals, or enhance economic development issues in the assessment area. In addition, this criterion evaluates the bank's responsiveness to available opportunities and the use of innovative or complex investments.

Pinnacle Bank's performance in the Newcastle assessment area is rated "Low Satisfactory." The bank has an adequate level of qualified community development investments in this assessment area. Although there is limited availability of security and bond investments to purchase, the bank participated in community development grant

and donation activities as available. Charitable contributions over a two-year period included six qualified contributions totaling \$4,134. The majority of the bank's donations were to organizations that provide food and gifts to LMI residents in the assessment area. A donation was also made to a scholarship fund for LMI students to attend college. Refer to Table 12 in Appendix D for additional information on the bank's qualified investments.

## **SERVICE TEST**

The Newcastle assessment area's rating under the Service Test is "Low Satisfactory." The bank's delivery systems are accessible to essentially all portions of its assessment area. Services, products, and business hours do not vary in a way that inconveniences the needs of certain portions of the assessment area. Bank officers and employees contribute their financial expertise to an adequate number of community service organizations.

### **Retail Services:**

This criterion evaluates the accessibility of the bank's branches, availability of alternative delivery systems, services and hours, and changes in branch locations. Refer to Tables 14 and 15 in Appendix D for the information used to evaluate the bank's retail services.

Pinnacle Bank has two branches and two full-service ATMs in the Newcastle assessment area. Delivery systems are accessible to essentially all portions of the assessment area. All of the branches and ATMs in the area are located in middle-income geographies. In addition, bank services are available through the Internet and over the telephone 24 hours a day. On-line features include branch location and product information, personal deposit account information, interaccount transfers, statement copies, and bill payment.

The bank has not opened or closed any branches in this assessment area. The bank's services do not vary in a way that inconveniences certain portions of the assessment area, particularly LMI individuals. The bank's services and business hours are generally convenient to customers. Hours, including drive-up facility hours, for the Newcastle branch are 7:30 a.m. to 5:30 p.m., Monday through Friday, and 8:30 a.m. to 11:30 a.m. on Saturday. Hours at the Moorcroft branch are slightly varied with hours of 8:00 a.m. to 4:00 p.m., Monday through Friday, and 9:00 a.m. to 12:00 p.m. on Saturday.

### **Community Development Services:**

This criterion evaluates the extent of bank personnel's involvement in community development services, the innovativeness of those services, and the degree to which they serve LMI individuals. Qualified community development services include services that have as their primary purpose community development, are related to the provision of

financial services, and have not been considered in the evaluation of the bank's other retail banking services.

The bank provides an adequate level of community development services to the assessment area. Bank officers have donated 235 hours to two qualified organizations in the Newcastle assessment area. One of these organizations promotes economic development initiatives in the assessment area. The other organization assists small businesses in the area with networking and other services. A community contact stated that a bank officer at the Newcastle branch has been very active in recent community development initiatives. The officer formed a community development committee and is assisting the community with the preparation of a self-assessment.

**NONMETROPOLITAN ASSESSMENT AREA  
TORRINGTON, WYOMING**

**DESCRIPTION OF INSTITUTION'S OPERATIONS AND AREA ECONOMY IN THE  
TORRINGTON, WYOMING, ASSESSMENT AREA**

The Torrington assessment area consists of Goshen County in rural southeast Wyoming. Pinnacle bank is headquartered in Torrington and the bank also operates a full-service ATM in this area. The branch and ATM are located in a middle-income geography. The bank has its most dominant presence in this assessment area. As of June 30, 2002, this assessment area accounted for 31 percent of the bank's total deposits and 32 percent of the area market share.

The Torrington assessment area contains six BNAs. According to 2000 census data, the area population is 12,538, which represents an increase of only 1.3 percent over 1990. The population of the area is aging, as 16 percent of the total population is over 64 years old. Agriculture plays an important role in the area economy, though the area also houses several service industries. The area's largest employers include Holly Sugar Corporation, Goshen County School District, Community Hospital, St. Joseph's Children's Home, and Eastern Wyoming College.

Poor statewide farming industries, affected by a continuing and severe drought and a declining employment base, resulted in a weak area economy. The area's shrinking labor force, which decreased substantially in both 2001 and 2002, forestalled increased unemployment. As in many other rural areas in Wyoming, the housing stock age of 41 years is an issue. Therefore, housing rehabilitation is a need in the area. Housing prices are generally affordable, and include both mobile home and single-family units. See Exhibit 7 for additional demographic information.

| EXHIBIT 7<br>Torrington Assessment Area Demographics |                                 |                                  |                        |                  |  |                      |                           |              |
|--|---------------------------------|----------------------------------|------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories                                    | BNA Distribution                |                                  | Families by BNA Income |                  | Families < Poverty Level as % of Families by BNA |                      | Families by Family Income |              |
|  | #                               | %                                | #                      | %                | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0.0                              | 0                      | 0.0              | 0  | 0.0                  | 935                       | 26.9         |
| Moderate-income                                      | 4                               | 66.7                             | 2,255                  | 64.9             | 309  | 13.7                 | 811                       | 23.3         |
| Middle-income  | 2                               | 33.3                             | 1,222                  | 35.1             | 161  | 13.2                 | 784                       | 22.6         |
| Upper-income   | 0                               | 0.0                              | 0                      | 0.0              | 0  | 0.0                  | 947                       | 27.2         |
| <b>Total Assessment Area</b>                         | <b>6</b>                        | <b>100.0</b>                     | <b>3,477</b>           | <b>100.0</b>     | <b>470</b>                                       | <b>13.5</b>          | <b>3,477</b>              | <b>100.0</b> |
|  | Housing Units by BNA            | Housing Types by BNA             |                        |                  |  |                      |                           |              |
|  |                                 | Owner-occupied                   |                        |                  | Rental   |                      | Vacant                    |              |
|  |                                 | #                                | % by AA                | % by Geography   | #  | %                    | #                         | %            |
| Low-income   | 0                               | 0                                | 0.0                    | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Moderate-income                                      | 3,511                           | 2,052                            | 61.1                   | 58.4             | 864  | 24.6                 | 595                       | 17.0         |
| Middle-income  | 2,040                           | 1,304                            | 38.9                   | 63.9             | 570  | 28.0                 | 166                       | 8.1          |
| Upper-income   | 0                               | 0                                | 0.0                    | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>                         | <b>5,551</b>                    | <b>3,356</b>                     | <b>100.0</b>           | <b>60.5</b>      | <b>1,434</b>                                     | <b>25.8</b>          | <b>761</b>                | <b>13.7</b>  |
|  | Total Businesses by BNA         | Businesses by BNA & Revenue Size |                        |                  |  |                      |                           |              |
|  |                                 | Less Than or = \$1 Million       |                        | Over \$1 Million |  | Revenue Not Reported |                           |              |
|  |                                 | #                                | %                      | #                | %  | #                    | %                         |              |
| Low-income   | 0                               | 0                                | 0.0                    | 0                | 0.0  | 0                    | 0.0                       |              |
| Moderate-income                                      | 372                             | 331                              | 60.1                   | 59.5             | 23   | 69.7                 | 18                        | 60.0         |
| Middle-income  | 247                             | 225                              | 39.9                   | 40.5             | 10   | 30.3                 | 12                        | 40.0         |
| Upper-income   | 0                               | 0                                | 0.0                    | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| BNA not reported                                     | 0                               | 0                                | 0.0                    | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total Assessment Area</b>                         | <b>619</b>                      | <b>556</b>                       | <b>100.0</b>           | <b>100.0</b>     | <b>33</b>  | <b>100.0</b>         | <b>30</b>                 | <b>100.0</b> |
|  | Percentage of Total Businesses: |                                  |                        | 89.8             |  | 5.3                  |                           | 4.9          |



**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE TORRINGTON, WYOMING, ASSESSMENT AREA**

The overall conclusions regarding the Lending, Investment, and Service Tests for this assessment area are summarized in the following sections. Supporting information for each test is divided into performance characteristics as described in Appendix A of Regulation BB. Data utilized for this analysis, including the bank's performance, aggregate lending data, and area demographic information, can be found in the Core Tables in Appendix D of this evaluation.

**LENDING TEST**

Pinnacle Bank's lending performance in the Torrington assessment area is rated "Outstanding." The geographic distribution of lending based on the income level of the geography is excellent. The distribution of lending based on borrower profile is also excellent. The bank originated six community development loans and makes use of innovative and flexible lending practices.

**Lending Activity:**

The lending activity for the bank in the Torrington assessment area reflects a good responsiveness to the credit needs in the area. Refer to Table 1 in Appendix D for the information used to evaluate the bank's lending activity. Approximately 29 percent of Wyoming loans are in the Torrington assessment area, which is similar to the percentage of deposits of 28 percent. This indicates the bank is lending in the community where deposits are being accepted.

Government-insured and guaranteed loan programs are utilized as needed to meet customer credit needs. Exhibit 8 details the government-insured loans originated in the Torrington assessment area since the previous CRA evaluation.

| <b>EXHIBIT 8<br/>GOVERNMENT-INSURED LOANS IN THE<br/>TORRINGTON ASSESSMENT AREA</b> |               |                      |
|---|---------------|----------------------|
|   | <b>Number</b> | <b>Dollar Amount</b> |
| FSA   | 8             | 635,523              |
| SBA   | 3             | 233,151              |
| USDA  | 1             | 1,700,000            |
| <b>TOTALS</b>   | <b>12</b>     | <b>2,568,674</b>     |

**Geographic Distribution:**

The geographic distribution of HMDA loans among geographies of various income levels is excellent. Across HMDA product types, the bank originated an average of 59 percent of these loans in the moderate-income geographies. This compares similarly to the demographics of the assessment area, in which 61 percent of owner-occupied units are located in the moderate-income geographies. The assessment area does not contain any low-income BNAs. Refer to Tables 2 through 4 in Appendix D for additional information on the bank's home mortgage lending in this assessment area.

The geographic distribution of small business and farm loans is excellent. The percentage of small business and small farm loans originated was compared to the percentage of small businesses and farms located within geographies of different income levels. As shown in Table 5 of Appendix D, the bank's level of small business lending in the moderate-income geographies was similar to the percentage of businesses located in these geographies. The bank's level of small farm lending in the moderate-income geographies was significantly higher than the percentage of farms located in these geographies, as shown in Table 6 of Appendix D. The bank's level of small farm lending in these geographies also exceeded the performance of the aggregate lenders.

**Distribution by Borrower Income and Revenue Size of the Business:**

The bank's HMDA loan activity to borrowers of different income levels was considered in this analysis. Overall, the bank originated 37 percent of its HMDA loans to low-income borrowers and 23 percent to moderate-income borrowers, which is considered excellent. The bank's penetration to low-income borrowers exceeds the percentage of low-income families in the assessment area. This performance is strong considering low-income borrowers often have financial constraints that inhibit their ability to obtain a mortgage loan. The penetration of loans to moderate-income borrowers mirrors the demographics of the area, which indicate that 23 percent of families are moderate-income. Overall, the bank's penetration of lending in both low- and moderate-income BNAs exceeded the performance of the aggregate lenders. Refer to Tables 7 through 9 in Appendix D for additional details.

The bank's level of lending to businesses with gross annual revenues of \$1 million or less is good. As shown in Table 10 of Appendix D, 90 percent of the businesses operating in the assessment area had revenues of \$1 million or less. Pinnacle Bank's loan penetration of 88 percent is consistent with the percentage of small businesses in the area. In addition, 92 percent of the bank's loans to businesses, regardless of revenue size, are in amounts of \$100,000 or less, indicating willingness by the bank to lend in small dollar amounts.

The bank's level of lending to farms with gross annual revenues of \$1 million or less is excellent. Small farms comprise 92 percent of the total farms in the assessment area and the bank's penetration of 97 percent exceeds the demographics. Once again, the bank originated a large percentage of farm loans in amounts of \$100,000 or less, which are the loan amounts typically needed by the very small farms.

**Community Development Lending:**

The bank originated a high level of community development loans in the Torrington assessment area. Refer to Table 1 in Appendix D for information used to evaluate the bank's community development lending in this assessment area. Six community development loans totaling \$3,759,796 were originated in the Torrington assessment area. Two of the loans were used to finance the construction and permanent mortgage of a residence hall for emotionally disturbed and abused children who are wards of the state. The other four community development loans were to an organization that provides housing, employment, and training programs for developmentally disabled individuals who are LMI.

**INVESTMENT TEST**

This test evaluates the degree to which the institution's qualified investments serve affordable housing needs, assist community services targeted to LMI individuals, or enhance economic development issues in the assessment area. In addition, this criterion evaluates the bank's responsiveness to available opportunities and the use of innovative or complex investments.

Pinnacle Bank's performance in the Torrington assessment area is rated "Low Satisfactory." The bank has an adequate level of qualified community development investments in this assessment area. Although there is limited availability of security and bond investments to purchase, the bank participated in community development grant and donation activities as available. Charitable contributions over a two-year period included nine qualified contributions totaling \$26,025. The bank's donations supported various organizations, including economic development, an organization that provides food and clothing to LMI individuals, and a local nursing home where the majority of residents are LMI. A donation was also made to a scholarship fund for LMI students to attend college. Finally, the bank also supported financial education programs at two local schools located in a moderate-income geography. Refer to Table 12 in Appendix D for additional information on the bank's qualified investments.

Pinnacle Bank also provides IOLTAs to local attorneys. These deposit accounts earn interest and are not charged any service or activity fees. The money earned on these accounts is submitted to the Wyoming Lawyers Trust Account Foundation in order to provide legal services to the state's low-income citizens.

## **SERVICE TEST**

The Torrington assessment area's rating under the Service Test is "Low Satisfactory." The bank's delivery systems are accessible to essentially all portions of its assessment area. Services, products, and business hours do not vary in a way that inconveniences the needs of certain portions of the assessment area. Bank officers and employees contribute their financial expertise to an adequate number of community service organizations.

### **Retail Services:**

This criterion evaluates the accessibility of the bank's branches, availability of alternative delivery systems, services and hours, and changes in branch locations. Refer to Tables 14 and 15 in Appendix D for the information used to evaluate the bank's retail services.

Pinnacle Bank has one branch and one full-service ATM in the Torrington assessment area. Delivery systems are accessible to essentially all portions of the assessment area. Both the branch and the ATM are located in a middle-income geography. In addition, bank services are available through the Internet and over the telephone 24 hours a day. On-line features include branch location and product information, personal deposit account information, interaccount transfers, statement copies, and bill payment.

The bank has not opened or closed any branches in this assessment area. The bank's services do not vary in a way that inconveniences certain portions of the assessment area, particularly LMI individuals. The bank's services and business hours are generally convenient to customers. Branch hours, including drive-up facility hours, are 7:30 a.m. to 5:30 p.m., Monday through Thursday, 7:30 a.m. to 6:00 p.m. on Friday, and 8:30 a.m. to 12:00 p.m. on Saturday.

### **Community Development Services:**

This criterion evaluates the extent of bank personnel's involvement in community development services, the innovativeness of those services, and the degree to which they serve LMI individuals. Qualified community development services include services that have as their primary purpose community development, are related to the provision of financial services, and have not been considered in the evaluation of the bank's other retail banking services.

The bank provides an adequate level of community development services to the assessment area. Bank officers have donated 468 hours to two qualified organizations in the Torrington assessment area. One of these organizations promotes economic development initiatives in the assessment area. The other organization assists small businesses in the area with networking and other services.

STATE OF NEBRASKA

**CRA RATING FOR NEBRASKA:** Satisfactory  
**The Lending Test is rated:** Low Satisfactory  
**The Investment Test is rated:** Low Satisfactory  
**The Service Test is rated:** High Satisfactory

Major factors supporting the institution's rating for the state of Nebraska mirror the analysis for the nonmetropolitan assessment area of Mitchell, Nebraska, as this is the only assessment area in the state. These factors include:

- Lending levels reflect an adequate responsiveness to Nebraska assessment area credit needs, with a substantial majority of the bank's loans made in the designated assessment area.
- The geographic distribution of residential real estate-secured, small business, and small farm loans reflects an adequate penetration of lending in the LMI geographies.
- The distribution of loans by borrower profile reflects good penetration to individuals of different income levels and to businesses and farms of different revenue sizes.
- The level of community development loans in the Nebraska assessment area is good, considering the limited opportunities that are available.
- The level of qualified community development investments is considered adequate. Although no community development securities or bonds were purchased, the availability of these types of investments is limited. However, the bank donated adequately to organizations that promote community development initiatives in the Nebraska assessment area.
- Delivery services are reasonably accessible to essentially all portions of the Nebraska assessment area.
- The bank offers a wide range of retail products and services, which are offered consistently throughout the assessment area.
- Bank personnel provide a relatively high level of community development services in the Nebraska assessment area.

**NONMETROPOLITAN ASSESSMENT AREA  
MITCHELL, NEBRASKA**

The state of Nebraska has only one assessment area. Therefore, the scope, description of operations, area economy, and conclusions of the statewide performance, mirror the analysis of the nonmetropolitan assessment area of Mitchell, Nebraska. The Mitchell assessment area analysis and ratings are the same as those of the state of Nebraska, which are detailed in sections that follow.

**SCOPE OF EXAMINATION**

The scope of the examination for the state of Nebraska and the Mitchell assessment area were consistent with the overall examination scope described on page 6 and page 51 of Appendix A. A full-scope review of the Mitchell assessment area was completed.

**DESCRIPTION OF INSTITUTION'S OPERATIONS AND AREA ECONOMY IN THE  
MITCHELL, NEBRASKA, ASSESSMENT AREA**

The Mitchell assessment area consists of all of Sioux County and the northwest portion of Scotts Bluff County in the northwest panhandle of Nebraska. The area's western edge abuts the state of Wyoming and its northern edge abuts the state of South Dakota. The bank operates one branch and a full-service ATM, both of which are located in a middle-income geography, in this area. As of June 30, 2002, this assessment area accounted for 11 percent of the bank's total deposits and 5 percent of the area market share.

The Mitchell assessment area contains three BNAs. According to 2000 census data, the area population is 7,593, which represents an increase of only .8 percent over the 1990 area population. The population of the area is aging, as 17 percent of the total population is over 64 years old. Agriculture is essential to the area economy, with a concentration on cattle, corn, and sugar beets. The area's largest employers are in Scotts Bluff County and include Regional West Medical Center, Sykes Enterprise (computer services), Western Sugar, KN Energy (electrical work), Head Start (community services), and Wal-Mart.

Prolonged downturns in farm industries over the past few years have adversely effected the regional economy. Severe drought continues to plague the area and resulted in farmers becoming increasingly reliant on government subsidies for income. In addition, the area's nonfarm labor base waned. In 2002, the area had -0.5 percent employment growth after low 1.4 percent employment growth in 2001. However, unemployment was exceptionally low in Sioux County (1.6 percent in 2002) because of the county's declining population. In 2001, the county's population shrank by 6.7 percent and its labor force had null growth from 2001 to 2002.

Area housing stock is in need of rehabilitation. It is substantially older than the housing stock in other parts of the state, especially in the Sioux County part of the area. In Scotts Bluff County, the median housing stock age is 45 years, and 55.3 percent of housing units were built before 1950. In Sioux County, the median housing stock age is 51 years, and 61 percent of housing units were built before 1950. See Exhibit 9 for additional demographic information.

In an effort to obtain a perspective on local economic conditions and possible credit needs in the assessment area, a community contact was made with a local government official. The community contact for the Mitchell assessment area confirmed that drought conditions have strained the local economy. Farmers, however, are becoming more diversified in their operations in order to remain economically viable. The contact also stated that there is a need for housing in the area aimed at LMI individuals. There is a supply of mid-priced housing, but a shortage of affordable units to rent or purchase.

| EXHIBIT 9<br>Mitchell Assessment Area Demographics |                                 |                                  |                        |                |  |              |                           |              |
|--|---------------------------------|----------------------------------|------------------------|----------------|--|--------------|---------------------------|--------------|
| Income Categories                                  | BNA Distribution                |                                  | Families by BNA Income |                | Families < Poverty Level as % of Families by BNA |              | Families by Family Income |              |
|  | #                               | %                                | #                      | %              | #  | %            | #                         | %            |
| Low-income   | 0                               | 0.0                              | 0                      | 0.0            | 0  | 0.0          | 524                       | 23.9         |
| Moderate-income                                    | 1                               | 33.3                             | 470                    | 21.4           | 58   | 12.3         | 526                       | 24.0         |
| Middle-income                                      | 2                               | 66.7                             | 1,726                  | 78.6           | 218  | 12.6         | 454                       | 20.7         |
| Upper-income                                       | 0                               | 0.0                              | 0                      | 0.0            | 0  | 0.0          | 692                       | 31.4         |
| <b>Total Assessment Area</b>                       | <b>3</b>                        | <b>100.0</b>                     | <b>2,196</b>           | <b>100.0</b>   | <b>276</b>                                       | <b>12.6</b>  | <b>2,196</b>              | <b>100.0</b> |
|  | Housing Units by BNA            | Housing Types by BNA             |                        |                |  |              |                           |              |
|  |                                 | Owner-occupied                   |                        |                | Rental   |              | Vacant                    |              |
|  |                                 | #                                | % by AA                | % by Geography | #  | %            | #                         | %            |
| Low-income   | 0                               | 0                                | 0.0                    | 0.0            | 0  | 0.0          | 0                         | 0.0          |
| Moderate-income                                    | 869                             | 393                              | 24.8                   | 45.2           | 219  | 25.2         | 257                       | 29.6         |
| Middle-income                                      | 2,628                           | 1,652                            | 75.2                   | 62.8           | 690  | 26.3         | 286                       | 10.9         |
| Upper-income                                       | 0                               | 0                                | 0.0                    | 0.0            | 0  | 0.0          | 0                         | 0.0          |
| <b>Total Assessment Area</b>                       | <b>3,497</b>                    | <b>2,045</b>                     | <b>100.0</b>           | <b>58.5</b>    | <b>909</b>                                       | <b>26.0</b>  | <b>543</b>                | <b>15.5</b>  |
|  | Total Businesses by BNA         | Businesses by BNA & Revenue Size |                        |                |  |              |                           |              |
|  |                                 | Less Than or = \$1 Million       |                        |                | Over \$1 Million                                 |              | Revenue Not Reported      |              |
|  |                                 | #                                | %                      | #              | %  | #            | %                         | #            |
| Low-income   | 0                               | 0.0                              | 0                      | 0.0            | 0  | 0.0          | 0                         | 0.0          |
| Moderate-income                                    | 38                              | 11.4                             | 37                     | 12.1           | 0  | 0.0          | 1                         | 7.1          |
| Middle-income                                      | 296                             | 88.6                             | 270                    | 87.9           | 13   | 100.0        | 13                        | 92.9         |
| Upper-income                                       | 0                               | 0.0                              | 0                      | 0.0            | 0  | 0.0          | 0                         | 0.0          |
| BNA not reported                                   | 0                               | 0.0                              | 0                      | 0.0            | 0  | 0.0          | 0                         | 0.0          |
| <b>Total Assessment Area</b>                       | <b>334</b>                      | <b>100.0</b>                     | <b>307</b>             | <b>100.0</b>   | <b>13</b>  | <b>100.0</b> | <b>14</b>                 | <b>100.0</b> |
|  | Percentage of Total Businesses: |                                  |                        | <b>91.9</b>    |  | <b>4.0</b>   |                           | <b>4.1</b>   |

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE MITCHELL, NEBRASKA, ASSESSMENT AREA**

The overall conclusions regarding the Lending, Investment, and Service Tests for this assessment area are summarized in the following sections. Supporting information for each test is divided into performance characteristics as described in Appendix A of Regulation BB. Data utilized for this analysis, including the bank's performance,



aggregate lending data, and area demographic information, can be found in the Core Tables in Appendix D of this evaluation.

## **LENDING TEST**

Pinnacle Bank's lending performance in the Mitchell assessment area and in the state of Nebraska is rated "Low Satisfactory." The geographic distribution of lending based on the income level of the geography is adequate. The distribution of lending based on borrower profile is good. The bank originated two community development loans and makes use of innovative and flexible lending practices.

### **Lending Activity:**

The lending activity for the bank in the Mitchell assessment area reflects a good responsiveness to the credit needs in the area. Approximately 12 percent of the total loans of Pinnacle Bank are originated in the Mitchell assessment area, which is similar to the percentage of deposits of 11 percent. This indicates the bank is lending in the community where deposits are being accepted.

Government-insured and guaranteed loan programs are utilized as needed to meet customer credit needs. Exhibit 10 details the government-insured loans originated in the Mitchell assessment area since the previous CRA evaluation.

| <b>EXHIBIT 10<br/>GOVERNMENT-INSURED LOANS IN THE<br/>MITCHELL ASSESSMENT AREA</b> |               |                      |
|--|---------------|----------------------|
|  | <b>Number</b> | <b>Dollar Amount</b> |
| FSA  | 7             | 532,881              |
| SBA  | 4             | 276,410              |
| <b>TOTALS</b>  | <b>11</b>     | <b>809,291</b>       |

### **Geographic Distribution:**

The geographic distribution of HMDA loans among geographies of various income levels is adequate. Although the bank's assessment area contains one moderate-income BNA, the bank did not originate any HMDA loans in this geography. The geography contains 19 percent of the area's owner-occupied units, but demographic information indicates that 22 percent of housing stock in the moderate-income BNA is vacant. This indicates a low housing demand in this BNA, as well as possible issues with the quality of housing. Due to this low housing demand, the bank's lack of lending in this geography is not of concern. The assessment area does not contain any low-income BNAs. Refer to Tables

2 through 4 in Appendix D for additional information on the bank's home mortgage lending in this assessment area.

The geographic distribution of small business and farm loans is good. The percentage of small business and small farm loans originated was compared to the percentage of small businesses and farms located within geographies of different income levels. As shown in Table 5 of Appendix D, the bank's level of small business lending in the moderate-income geography was less than the percentage of businesses located in this geography, although was similar to the performance of the aggregate lenders. The bank's level of small farm lending in the moderate-income geography was significantly higher than the percentage of farms located in these geographies, as shown in Table 6 of Appendix D. The bank's level of small farm lending in this geography also exceeded the performance of the aggregate lenders.

**Distribution by Borrower Income and Revenue Size of the Business:**

The bank's HMDA loan activity to borrowers of different income levels was considered in this analysis. Overall, the bank originated 17 percent of its HMDA loans to low-income borrowers and 20 percent to moderate-income borrowers, which is considered good. The bank's penetration to LMI borrowers is slightly less than the percentage of LMI families in the assessment area. However, LMI borrowers often have financial constraints that inhibit their ability to obtain a mortgage loan. In addition, almost 13 percent of the area's families are below poverty level, and most of these families would be categorized as LMI and would not have the resources with which to obtain a mortgage loan. Overall, the bank's penetration of lending in both low- and moderate-income BNAs exceeded the performance of the aggregate lenders. Refer to Tables 7 through 9 in Appendix D for additional details.

The bank's level of lending to businesses with gross annual revenues of \$1 million or less is good. As shown in Table 10 of Appendix D, 93 percent of the businesses operating in the assessment area had revenues of \$1 million or less. Pinnacle Bank's loan penetration of 90 percent is similar to the percentage of small businesses in the area. In addition, 90 percent of the bank's loans to businesses, regardless of revenue size, are in amounts of \$100,000 or less, indicating willingness by the bank to lend in small dollar amounts. The bank's level of lending to farms with gross annual revenues of \$1 million or less is also good. Small farms comprise 94 percent of the total farms in the assessment area and the bank's penetration of 93 percent is also similar to the demographics. Once again, the bank originated a large percentage of farm loans in amounts of \$100,000 or less, which are the loan amounts typically needed by the very small farms.

**Community Development Lending:**

The bank originated a relatively high level of community development loans in the Mitchell assessment area, especially considering the limited development activity occurring there.

Refer to Table 1 in Appendix D for information used to evaluate the bank's community development lending in this assessment area. Two community development loans totaling \$31,565 were originated in the Mitchell assessment area. One loan was used to finance a portion of the costs of building a low-income housing unit. The other loan was used to fund the purchase of seven vacant lots, which will promote redevelopment of an area in the town of Mitchell.

## **INVESTMENT TEST**

This test evaluates the degree to which the institution's qualified investments serve affordable housing needs, assist community services targeted to LMI individuals, or enhance economic development issues in the assessment area. In addition, this criterion evaluates the bank's responsiveness to available opportunities and the use of innovative or complex investments.

Pinnacle Bank's performance in the Mitchell assessment area is rated "Low Satisfactory." The bank has an adequate level of qualified community development investments in this assessment area. Although there is limited availability of security and bond investments to purchase, the bank participated in community development grant and donation activities as available. Charitable contributions over a two-year period included seven qualified contributions totaling \$3,278. The bank's donations supported various organizations, including an organization that provides food and clothing to LMI individuals, an organization that supports the summer baseball program for LMI children, and an organization that provides transportation to doctor's appointments for LMI veterans. Donations were also made to scholarship funds for LMI students to attend college. Refer to Table 12 in Appendix D for additional information on the bank's qualified investments.

Pinnacle Bank also provides IOLTAs to local attorneys. These deposit accounts earn interest and are not charged any service or activity fees. The money earned on these accounts is submitted to the Nebraska Lawyers Trust Account Foundation in order to provide legal services to the state's low-income citizens.

## **SERVICE TEST**

The Mitchell assessment area's rating under the Service Test is "High Satisfactory." The bank's delivery systems are accessible to essentially all portions of its assessment area. Services, products, and business hours do not vary in a way that inconveniences the needs of certain portions of the assessment area. Bank officers and employees contribute their financial expertise to numerous community service organizations.

**Retail Services:**

This criterion evaluates the accessibility of the bank's branches, availability of alternative delivery systems, services and hours, and changes in branch locations. Refer to Tables 14 and 15 in Appendix D for the information used to evaluate the bank's retail services.

Pinnacle Bank has one branch and one full-service ATM in the Mitchell assessment area. Delivery systems are accessible to essentially all portions of the assessment area. Both the branch and the ATM are located in a middle-income geography. In addition, bank services are available through the Internet and over the telephone 24 hours a day. On-line features include branch location and product information, personal deposit account information, interaccount transfers, statement copies, and bill payment.

The bank has not opened or closed any branches in this assessment area. The bank's services do not vary in a way that inconveniences certain portions of the assessment area, particularly LMI individuals. The bank's services and business hours are generally convenient to customers. Branch hours, including drive-up facility hours, are 7:30 a.m. to 5:30 p.m., Monday through Thursday, 7:30 a.m. to 6:00 p.m. on Friday, and 8:00 a.m. to 12:00 p.m. on Saturday.

**Community Development Services:**

This criterion evaluates the extent of bank personnel's involvement in community development services, the innovativeness of those services, and the degree to which they serve LMI individuals. Qualified community development services include services that have as their primary purpose community development, are related to the provision of financial services, and have not been considered in the evaluation of the bank's other retail banking services.

The bank provides a relatively high level of community development services to the assessment area. Bank officers and employees have donated 363 hours to five qualified organizations in the Mitchell assessment area. Considering the small number of bank employees and the small community within which the bank is located, this is considered very good. One of these organizations promotes economic development initiatives in the assessment area. The second organization assists small businesses in the area with networking and other services. A third organization manages a scholarship fund for LMI students. The other two organizations provide food, clothing, and financial assistance to LMI families.

A community contact stated that Pinnacle Bank has been actively involved in community development initiatives within the area. The contact stated that he was pleased to have such an active bank as a member of the community and believed he could always rely on bank personnel to volunteer their time for important community projects.

**CRA APPENDIX A  
SCOPE OF EXAMINATION**

In addition to the tables displayed here, please refer to page 6 for additional information on the scope of the evaluation.

| <b>SCOPE OF EXAMINATION</b>                        |   |                          |  |
|--|---|--------------------------|--|
| <b>TIME PERIOD REVIEWED</b>                        | Community Development Loans, Investments, Services, and Branching: July 31, 2001 to August 22, 2003<br>HMDA and CRA Loan Data: July 31, 2001 to December 31, 2002 |                          |  |
| <b>FINANCIAL INSTITUTION</b>                       |   |                          | <b>PRODUCTS REVIEWED</b>   |
| Pinnacle Bank – Wyoming<br>Torrington, Wyoming     |   |                          | <ul style="list-style-type: none"> <li>• Home Purchase Loans</li> <li>• Home Refinance Loans</li> <li>• Home Improvement Loans</li> <li>• Community Development Loans</li> <li>• Business Loans</li> <li>• Farm Loans</li> </ul> |
| <b>AFFILIATE(S)</b>                                | <b>AFFILIATE RELATIONSHIP</b>   | <b>PRODUCTS REVIEWED</b> |  |
| Pinnacle Bancorp – Central City, NE                | Holding Company   | None                     |  |
| Skybank LLC – Harlan, IA                           | Sub of Pinnacle Bancorp   | None                     |  |
| Keene Bancorp – Keene, TX                          | Sub of Pinnacle Bancorp   | None                     |  |
| Nichols Bancshares – Dover, DE                     | Sub of Keene Bancorp  | None                     |  |
| First State Bank – Keene, TX                       | Sub of Nichols Bancshares   | None                     |  |
| Bank of Colorado – Ft. Collins, CO                 | Sub of Pinnacle Bancorp   | None                     |  |
| First National Bank – Abilene, KS                  | Sub of Pinnacle Bancorp   | None                     |  |
| Pinnacle Bank – Papillion, NE                      | Sub of Pinnacle Bancorp   | None                     |  |
| Pinnacle Agency LLC – Central City, NE             | Sub of Pinnacle Bancorp   | None                     |  |
| Pickerell Insurance Agency – Pickerell, NE         | Sub of Pickerell Agency LLC   | None                     |  |
| Pinnacle Financial Services LLC – Central City, NE | Sub of Pinnacle Bancorp   | None                     |  |
| Linden Insurance Agency – Greeley, CO              | Sub of Pinnacle Financial   | None                     |  |
| Ingalls Insurance Agency – Yuma,                   | Sub of Pinnacle Financial   | None                     |  |
| Moffatt Insurance Agency – Central City, NE        | Sub of Pinnacle Financial   | None                     |  |
| Western Bank – Gallup, NM                          | Sub of Pinnacle Bancorp   | None                     |  |

| <b>LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION</b> |                            |  |                          |
|---|----------------------------|--|--------------------------|
| <b>ASSESSMENT AREA</b>                                  | <b>TYPE OF EXAMINATION</b> | <b>BRANCHES VISITED<sup>1</sup></b>  | <b>OTHER INFORMATION</b> |
| Cody, Wyoming   | Full-Scope                 | 1702 17 <sup>th</sup> Street<br>Cody, Wyoming 82414<br><br>644 Big Horn Avenue<br>Worland, Wyoming 82401 |                          |
| Cheyenne MSA, Wyoming                                   | Full-Scope                 | 3518 Dell Range Boulevard<br>Cheyenne, Wyoming<br>82009  |                          |
| Newcastle, Wyoming                                      | Full-Scope                 | None   |                          |
| Torrington, Wyoming                                     | Full-Scope                 | 2000 Main<br>Torrington, Wyoming<br>82240  |                          |
| Mitchell, Nebraska                                      | Full-Scope                 | 1151 Broadway<br>Mitchell, Nebraska 69357  |                          |

**NOTE:** Branches visited indicates where technical compliance with the CRA was confirmed. The evaluation of the bank's CRA performance takes into consideration activity from all branch locations, as described in the Scope of Examination.

<sup>1</sup> There is a statutory requirement that the written evaluation of a multistate institution's performance must list the individual branches examined in each state.

CRA APPENDIX B

Summary of State and Multistate MSA Ratings

| <b>State or Multistate Metropolitan Area Name</b> | <b>Lending Test Rating</b> | <b>Investment Test Rating</b> | <b>Service Test Rating</b> | <b>Overall State Rating</b> |
|---|----------------------------|-------------------------------|----------------------------|-----------------------------|
| Wyoming   | High Satisfactory          | Low Satisfactory              | Low Satisfactory           | Satisfactory                |
| Nebraska  | Low Satisfactory           | Low Satisfactory              | High Satisfactory          | Satisfactory                |

## CRA APPENDIX C

### GLOSSARY

**Aggregate lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Block numbering area ("BNA"):** A statistical subdivision of a county for grouping and numbering blocks in nonmetropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

**Census tract:** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**Consumer loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into "male householder" (a family with a male householder and no wife present) or "female householder" (a family with a female householder and no husband present).



**Full review:** Performance under the lending, investment and service tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity and responsiveness).

**Geography:** A census tract or a block numbering area delineated by the U.S. Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act ("HMDA"):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include data such as race, gender and income of applications, amount of loan requested, and disposition of the application (for example, approved, denied, and withdrawn).

**Home mortgage loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited review:** Performance under the lending, investment and service tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Metropolitan area ("MA"):** Any primary metropolitan statistical area ("PMSA"), metropolitan statistical area ("MSA"), or consolidated metropolitan statistical area ("CMSA"), as defined by the Office of Management and Budget, with a population of 250 thousand or more, and any other area designated as such by the appropriate federal financial supervisory agency.

**Middle-income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-occupied units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified investment:** A qualified investment is defined as any lawful investment, deposit, membership share or grant that has as its primary purpose community development.

**Rated area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Small loan(s) to business(es):** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income ("Call Report") and the Thrift Financial Reporting ("TFR") instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

**Small loan(s) to farm(s):** A loan included in "loans to small farms" as defined in the instructions for preparation of the Call Report. These loans have original amounts of \$500 thousand or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Upper-income:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

**CRA APPENDIX D  
CRA CORE TABLES**

Institution ID: 20000561659 PINNACLE BANK-WYOMING

**Table 1. Lending Volume**

| LENDING VOLUME                |  | Geography: ALL ASSESSMENT AREAS |            |                              |            |                      |            | Evaluation Period: JULY 31, 2001 TO DECEMBER 31, 2002 |            |                      |            |   |
|-------------------------------|--|---------------------------------|------------|------------------------------|------------|----------------------|------------|---|------------|----------------------|------------|---|
| MA/Assessment Area<br>(2002): | % of Rated<br>Area Loans<br>(#) in<br>MA/AA* | Home Mortgage                   |            | Small Loans to<br>Businesses |            | Small Loans to Farms |            | Community<br>Development Loans**                      |            | Total Reported Loans |            | % of Rated Area<br>Deposits in MA/AA*** |
|                               |  | #                               | \$ (000's) | #                            | \$ (000's) | #                    | \$ (000's) | #   | \$ (000's) | #                    | \$ (000's) |   |
| <b>Full Review:</b>           |  |                                 |            |                              |            |                      |            |   |            |                      |            |   |
| CHEYENNE MSA                  | 5.0  | 22                              | 818        | 38                           | 4,101      | 31                   | 2,733      | 0   | 0          | 91                   | 7,652      | 6.5                                     |
| CODY                          | 41.3   | 231                             | 19,345     | 376                          | 24,277     | 102                  | 7,150      | 1   | 750        | 710                  | 51,522     | 45.6                                    |
| NEWCASTLE                     | 12.7   | 71                              | 3,608      | 73                           | 5,606      | 72                   | 5,696      | 0   | 0          | 216                  | 14,910     | 9.1                                     |
| TORRINGTON                    | 28.7   | 47                              | 2,077      | 193                          | 7,583      | 331                  | 22,630     | 6   | 3,760      | 577                  | 36,050     | 27.8                                    |
| MITCHELL, NEBRASKA            | 12.3   | 27                              | 851        | 58                           | 2,493      | 155                  | 9,143      | 2   | 32         | 242                  | 12,519     | 11.0                                    |

\* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From July 31, 2001 to August 22, 2003.

\*\*\* Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: 20000561659 PINNACLE BANK-WYOMING

**Table 2. Geographic Distribution of Home Purchase Loans**

| Geographic Distribution: HOME PURCHASE |                           | Geography: ALL ASSESSMENT AREAS |                        |              |                             |              |                           | Evaluation Period: JULY 31, 2001 TO DECEMBER 31, 2002 |                          |              |   |       |        |       |
|--|---------------------------|---------------------------------|------------------------|--------------|-----------------------------|--------------|---------------------------|---|--------------------------|--------------|---|-------|--------|-------|
| MA/Assessment Area:                    | Total Home Purchase Loans |                                 | Low-Income Geographies |              | Moderate-Income Geographies |              | Middle-Income Geographies |   | Upper-Income Geographies |              | Aggregate HMDA Lending (%) by Tract Income* |       |        |       |
|  | #                         | % of Total**                    | % Owner Occ Units***   | % BANK Loans | % Owner Occ Units***        | % BANK Loans | % Owner Occ Units***      | % BANK Loans  | % Owner Occ Units***     | % BANK Loans | Low   | Mod   | Mid    | Upp   |
| <b>Full Review:</b>                    |                           |                                 |                        |              |                             |              |                           |   |                          |              |   |       |        |       |
| CHEYENNE MSA                           | 9                         | 7.38                            | 0.00                   | 0.00         | 29.11                       | 55.56        | 47.31                     | 33.33   | 23.57                    | 11.11        | 0.00  | 22.99 | 50.59  | 26.42 |
| CODY                                   | 74                        | 60.66                           | 0.24                   | 0.00         | 15.91                       | 20.27        | 83.84                     | 79.73   | 0.00                     | 0.00         | 0.00  | 20.00 | 80.00  | 0.00  |
| NEWCASTLE                              | 28                        | 22.95                           | 0.00                   | 0.00         | 0.00                        | 0.00         | 100.00                    | 100.00  | 0.00                     | 0.00         | 0.00  | 0.00  | 100.00 | 0.00  |
| TORRINGTON                             | 11                        | 9.02                            | 0.00                   | 0.00         | 61.14                       | 54.55        | 38.86                     | 45.45   | 0.00                     | 0.00         | 0.00  | 44.14 | 55.86  | 0.00  |
| MITCHELL, NEBRASKA                     | 7                         | 100.00                          | 0.00                   | 0.00         | 19.22                       | 0.00         | 80.78                     | 100.00  | 0.00                     | 0.00         | 0.00  | 4.69  | 95.31  | 0.00  |

\* Based on 2001 Peer Mortgage Data: US & PR.

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

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**Table 3. Geographic Distribution of Home Improvement Loans**

| Geographic Distribution: HOME IMPROVEMENT |                              | Geography: ALL ASSESSMENT AREAS |                        |              |                             |              |                           |              |                          | Evaluation Period: JULY 31, 2001 TO DECEMBER 31, 2002 |   |       |        |       |
|---|------------------------------|---------------------------------|------------------------|--------------|-----------------------------|--------------|---------------------------|--------------|--------------------------|---|---|-------|--------|-------|
| MA/Assessment Area:                       | Total Home Improvement Loans |                                 | Low-Income Geographies |              | Moderate-Income Geographies |              | Middle-Income Geographies |              | Upper-Income Geographies |   | Aggregate HMDA Lending (%) by Tract Income* |       |        |       |
|   | #                            | % of Total**                    | % Owner Occ Units***   | % BANK Loans | % Owner Occ Units***        | % BANK Loans | % Owner Occ Units***      | % BANK Loans | % Owner Occ Units***     | % BANK Loans  | Low   | Mod   | Mid    | Upp   |
| <b>Full Review:</b>                       |                              |                                 |                        |              |                             |              |                           |              |                          |   |   |       |        |       |
| CHEYENNE MSA                              | 2                            | 4.00                            | 0.00                   | 0.00         | 29.11                       | 50.00        | 47.31                     | 50.00        | 23.57                    | 0.00  | 0.00  | 19.25 | 43.77  | 36.98 |
| CODY                                      | 18                           | 36.00                           | 0.24                   | 0.00         | 15.91                       | 11.11        | 83.84                     | 88.89        | 0.00                     | 0.00  | 0.00  | 9.30  | 90.70  | 0.00  |
| NEWCASTLE                                 | 9                            | 18.00                           | 0.00                   | 0.00         | 0.00                        | 0.00         | 100.00                    | 100.00       | 0.00                     | 0.00  | 0.00  | 0.00  | 100.00 | 0.00  |
| TORRINGTON                                | 21                           | 42.00                           | 0.00                   | 0.00         | 61.14                       | 76.19        | 38.86                     | 23.81        | 0.00                     | 0.00  | 0.00  | 58.14 | 41.86  | 0.00  |
| MITCHELL, NEBRASKA                        | 9                            | 100.00                          | 0.00                   | 0.00         | 19.22                       | 0.00         | 80.78                     | 100.00       | 0.00                     | 0.00  | 0.00  | 0.00  | 100.00 | 0.00  |

\* Based on 2001 Peer Mortgage Data: US & PR.

\*\* Home improvement loans originated and purchased in the MAAA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

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**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

| Geographic Distribution: HOME MORTGAGE REFINANCE<br>2002 |                                     | Geography: ALL ASSESSMENT AREAS |                        |              |                             |              |                           |              |                          | Evaluation Period: JULY 31, 2001 TO DECEMBER 31,<br>2002 |   |       |        |       |
|--|-------------------------------------|---------------------------------|------------------------|--------------|-----------------------------|--------------|---------------------------|--------------|--------------------------|--|---|-------|--------|-------|
| MA/Assessment Area:                                      | Total Home Mortgage Refinance Loans |                                 | Low-Income Geographies |              | Moderate-Income Geographies |              | Middle-Income Geographies |              | Upper-Income Geographies |  | Aggregate HMDA Lending (%) by Tract Income* |       |        |       |
|  | #                                   | % of Total**                    | % Owner Occ Units***   | % BANK Loans | % Owner Occ Units***        | % BANK Loans | % Owner Occ Units***      | % BANK Loans | % Owner Occ Units***     | % BANK Loans   | Low   | Mod   | Mid    | Upp   |
| <b>Full Review:</b>                                      |                                     |                                 |                        |              |                             |              |                           |              |                          |  |   |       |        |       |
| CHEYENNE MSA   | 11                                  | 5.58                            | 0.00                   | 0.00         | 29.11                       | 63.64        | 47.31                     | 18.18        | 23.57                    | 18.18  | 0.00  | 18.94 | 43.26  | 37.80 |
| CODY   | 137                                 | 69.54                           | 0.24                   | 0.00         | 15.91                       | 22.63        | 83.84                     | 77.37        | 0.00                     | 0.00   | 0.00  | 16.94 | 83.06  | 0.00  |
| NEWCASTLE  | 34                                  | 17.26                           | 0.00                   | 0.00         | 0.00                        | 0.00         | 100.00                    | 100.00       | 0.00                     | 0.00   | 0.00  | 0.00  | 100.00 | 0.00  |
| TORRINGTON   | 15                                  | 7.61                            | 0.00                   | 0.00         | 61.14                       | 46.67        | 38.86                     | 53.33        | 0.00                     | 0.00   | 0.00  | 48.81 | 51.19  | 0.00  |
| MITCHELL, NEBRASKA                                       | 11                                  | 100.00                          | 0.00                   | 0.00         | 19.22                       | 0.00         | 80.78                     | 100.00       | 0.00                     | 0.00   | 0.00  | 3.53  | 96.47  | 0.00  |

\* Based on 2001 Peer Mortgage Data: US & PR.

\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

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**Table 5. Geographic Distribution of Small Loans to Businesses**

| Geographic Distribution: SMALL LOANS TO BUSINESSES<br>2002 |                            | Geography: ALL ASSESSMENT AREAS |                        |              |                             |              |                           | Evaluation Period: JULY 31, 2001 TO DECEMBER 31,<br>2002 |                          |              |  |       |       |       |
|--|----------------------------|---------------------------------|------------------------|--------------|-----------------------------|--------------|---------------------------|--|--------------------------|--------------|--|-------|-------|-------|
| MA/Assessment Area:  | Total Small Business Loans |                                 | Low-Income Geographies |              | Moderate-Income Geographies |              | Middle-Income Geographies |  | Upper-Income Geographies |              | Aggregate Lending (%) by Tract Income* |       |       |       |
|  | #                          | % of Total**                    | % of Businesses**      | % BANK Loans | % of Businesses***          | % BANK Loans | % of Businesses**         | % BANK Loans   | % of Businesses***       | % BANK Loans | Low                                    | Mod   | Mid   | Upp   |
| <b>Full Review:</b>  |                            |                                 |                        |              |                             |              |                           |  |                          |              |  |       |       |       |
| CHEYENNE MSA   | 38                         | 5.59                            | 0.00                   | 0.00         | 49.29                       | 36.84        | 34.18                     | 39.47  | 16.53                    | 23.68        | 0.00                                   | 41.49 | 31.94 | 26.57 |
| CODY   | 376                        | 55.29                           | 0.00                   | 0.00         | 14.68                       | 20.74        | 85.32                     | 79.26  | 0.00                     | 0.00         | 0.28                                   | 16.25 | 83.47 | 0.00  |
| NEWCASTLE  | 73                         | 10.74                           | 0.00                   | 0.00         | 0.00                        | 0.00         | 100.00                    | 100.00   | 0.00                     | 0.00         | 0.00                                   | 8.08  | 91.92 | 0.00  |
| TORRINGTON   | 193                        | 28.38                           | 0.00                   | 0.00         | 60.10                       | 57.51        | 39.90                     | 42.49  | 0.00                     | 0.00         | 0.00                                   | 57.25 | 42.75 | 0.00  |
| MITCHELL, NEBRASKA   | 58                         | 100.00                          | 0.00                   | 0.00         | 11.38                       | 3.45         | 88.62                     | 96.55  | 0.00                     | 0.00         | 0.00                                   | 18.82 | 72.25 | 8.93  |

\* Based on 2001 Peer Small Business Data: WE Region.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2002).

\*\*\* Source Data - Dun and Bradstreet (2002).

\*\*\* Source Data - Dun and Bradstreet (2002).

\*\*\* Source Data - Dun and Bradstreet (2002).

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**Table 6. Geographic Distribution of Small Loans to Farms**

| Geographic Distribution: SMALL LOANS TO FARMS |                        | Geography: ALL ASSESSMENT AREAS |                        |              |                             |              |                           |              |                          | Evaluation Period: JULY 31, 2001 TO DECEMBER 31, 2002 |  |       |       |       |
|---|------------------------|---------------------------------|------------------------|--------------|-----------------------------|--------------|---------------------------|--------------|--------------------------|---|--|-------|-------|-------|
| MA/Assessment Area:                           | Total Small Farm Loans |                                 | Low-Income Geographies |              | Moderate-Income Geographies |              | Middle-Income Geographies |              | Upper-Income Geographies |   | Aggregate Lending (%) by Tract Income* |       |       |       |
|   | #                      | % of Total**                    | % of Farms***          | % BANK Loans | % of Farms**                | % BANK Loans | % of Farms**              | % BANK Loans | % of Farms**             | % BANK Loans  | Low                                    | Mod   | Mid   | Upp   |
| <b>Full Review:</b>                           |                        |                                 |                        |              |                             |              |                           |              |                          |   |  |       |       |       |
| CHEYENNE MSA                                  | 31                     | 5.78                            | 0.00                   | 0.00         | 46.63                       | 61.29        | 19.10                     | 6.45         | 34.27                    | 32.26   | 0.00                                   | 60.66 | 8.20  | 31.15 |
| CODY  | 102                    | 19.03                           | 0.65                   | 0.00         | 14.71                       | 10.78        | 84.64                     | 89.22        | 0.00                     | 0.00  | 1.42                                   | 7.09  | 91.49 | 0.00  |
| NEWCASTLE                                     | 72                     | 13.43                           | 0.00                   | 0.00         | 0.00                        | 0.00         | 100.00                    | 100.00       | 0.00                     | 0.00  | 0.00                                   | 13.25 | 86.75 | 0.00  |
| TORRINGTON                                    | 331                    | 61.75                           | 0.00                   | 0.00         | 59.23                       | 75.23        | 40.77                     | 24.77        | 0.00                     | 0.00  | 0.00                                   | 71.96 | 28.04 | 0.00  |
| MITCHELL, NEBRASKA                            | 155                    | 100.00                          | 0.00                   | 0.00         | 13.92                       | 36.13        | 86.08                     | 63.87        | 0.00                     | 0.00  | 0.00                                   | 48.50 | 50.25 | 1.25  |

\* Based on 2001 Peer Small Business Data: WE Region.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2002).



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**Table 7. Borrower Distribution of Home Purchase Loans**

| Borrower Distribution: HOME PURCHASE |                           | Geography: ALL ASSESSMENT AREAS |                      |                  |                           |                  |                         | Evaluation Period: JULY 31, 2001 TO DECEMBER 31, 2002 |                        |                  |                         |       |       |       |
|--------------------------------------|---------------------------|---------------------------------|----------------------|------------------|---------------------------|------------------|-------------------------|---|------------------------|------------------|-------------------------|-------|-------|-------|
| MA/Assessment Area:                  | Total Home Purchase Loans |                                 | Low-Income Borrowers |                  | Moderate-Income Borrowers |                  | Middle-Income Borrowers |   | Upper-Income Borrowers |                  | Aggregate Lending Data* |       |       |       |
|                                      | #                         | % of Total**                    | % Families***        | % BANK Loans**** | % Families***             | % BANK Loans**** | % Families***           | % BANK Loans****                                      | % Families***          | % BANK Loans**** | Low                     | Mod   | Mid   | Upp   |
| <b>Full Review:</b>                  |                           |                                 |                      |                  |                           |                  |                         |   |                        |                  |                         |       |       |       |
| CHEYENNE MSA                         | 9                         | 7.38                            | 18.84                | 11.11            | 19.00                     | 22.22            | 23.75                   | 22.22   | 38.41                  | 44.44            | 6.12                    | 22.74 | 31.86 | 39.27 |
| CODY                                 | 74                        | 60.66                           | 20.18                | 10.00            | 20.79                     | 21.43            | 26.08                   | 25.71   | 32.95                  | 42.86            | 5.90                    | 19.47 | 26.55 | 48.08 |
| NEWCASTLE                            | 28                        | 22.95                           | 17.87                | 7.41             | 17.37                     | 37.04            | 31.80                   | 33.33   | 32.96                  | 22.22            | 7.41                    | 20.37 | 31.48 | 40.74 |
| TORRINGTON                           | 11                        | 9.02                            | 26.89                | 40.00            | 23.32                     | 10.00            | 22.55                   | 10.00   | 27.24                  | 40.00            | 1.94                    | 24.27 | 37.86 | 35.92 |
| MITCHELL, NEBRASKA                   | 7                         | 100.00                          | 23.86                | 16.67            | 23.95                     | 33.33            | 20.67                   | 33.33   | 31.51                  | 16.67            | 13.73                   | 19.61 | 37.25 | 29.41 |

\* Based on 2001 Peer Mortgage Data: US & PR.

\*\* As a percentage of loans with borrower income information available. No information was available for 4.92% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

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**Table 8. Borrower Distribution of Home Improvement Loans**

| Borrower Distribution: HOME IMPROVEMENT |                              |              | Geography: ALL ASSESSMENT AREAS |                  |                           |                  |                         |                  | Evaluation Period: JULY 31, 2001 TO DECEMBER 31, 2002 |                  |                         |       |       |       |
|---|------------------------------|--------------|---------------------------------|------------------|---------------------------|------------------|-------------------------|------------------|---|------------------|-------------------------|-------|-------|-------|
| MA/Assessment Area:                     | Total Home Improvement Loans |              | Low-Income Borrowers            |                  | Moderate-Income Borrowers |                  | Middle-Income Borrowers |                  | Upper-Income Borrowers                                |                  | Aggregate Lending Data* |       |       |       |
|   | #                            | % of Total** | % Families***                   | % BANK Loans**** | % Families***             | % BANK Loans**** | % Families***           | % BANK Loans**** | % Families***   | % BANK Loans**** | Low                     | Mod   | Mid   | Upp   |
| <b>Full Review:</b>                     |                              |              |                                 |                  |                           |                  |                         |                  |   |                  |                         |       |       |       |
| CHEYENNE MSA                            | 2                            | 4.00         | 18.84                           | 0.00             | 19.00                     | 0.00             | 23.75                   | 0.00             | 38.41   | 100.00           | 9.65                    | 13.13 | 25.87 | 51.35 |
| CODY                                    | 18                           | 36.00        | 20.18                           | 11.76            | 20.79                     | 29.41            | 26.08                   | 17.65            | 32.95   | 41.18            | 9.52                    | 26.19 | 26.19 | 38.10 |
| NEWCASTLE                               | 9                            | 18.00        | 17.87                           | 0.00             | 17.37                     | 22.22            | 31.80                   | 33.33            | 32.96   | 44.44            | 18.18                   | 18.18 | 27.27 | 36.36 |
| TORRINGTON                              | 21                           | 42.00        | 26.89                           | 23.81            | 23.32                     | 28.57            | 22.55                   | 23.81            | 27.24   | 23.81            | 23.26                   | 27.91 | 23.26 | 25.58 |
| MITCHELL, NEBRASKA                      | 9                            | 100.00       | 23.86                           | 33.33            | 23.95                     | 16.67            | 20.67                   | 33.33            | 31.51   | 16.67            | 14.29                   | 0.00  | 14.29 | 71.43 |

\* Based on 2001 Peer Mortgage Data: US & PR.

\*\* As a percentage of loans with borrower income information available. No information was available for 4.00% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

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**Table 9. Borrower Distribution of Home Mortgage Refinance Loans**

| Borrower Distribution: HOME MORTGAGE REFINANCE<br>2002 |                                     | Geography: ALL ASSESSMENT AREAS |                      |                  |                           |                  |                         | Evaluation Period: JULY 31, 2001 TO DECEMBER 31,<br>2002 |                        |                  |                         |       |       |       |
|--|-------------------------------------|---------------------------------|----------------------|------------------|---------------------------|------------------|-------------------------|--|------------------------|------------------|-------------------------|-------|-------|-------|
| MA/Assessment Area:                                    | Total Home Mortgage Refinance Loans |                                 | Low-Income Borrowers |                  | Moderate-Income Borrowers |                  | Middle-Income Borrowers |  | Upper-Income Borrowers |                  | Aggregate Lending Data* |       |       |       |
|  | #                                   | % of Total**                    | % Families***        | % BANK Loans**** | % Families***             | % BANK Loans**** | % Families***           | % BANK Loans****   | % Families***          | % BANK Loans**** | Low                     | Mod   | Mid   | Upp   |
| <b>Full Review:</b>                                    |                                     |                                 |                      |                  |                           |                  |                         |  |                        |                  |                         |       |       |       |
| CHEYENNE MSA   | 11                                  | 5.58                            | 18.84                | 18.18            | 19.00                     | 18.18            | 23.75                   | 36.36  | 38.41                  | 27.27            | 4.87                    | 15.21 | 28.33 | 51.58 |
| CODY   | 137                                 | 69.54                           | 20.18                | 5.26             | 20.79                     | 18.05            | 26.08                   | 34.59  | 32.95                  | 42.11            | 7.25                    | 17.37 | 30.34 | 45.04 |
| NEWCASTLE  | 34                                  | 17.26                           | 17.87                | 6.06             | 17.37                     | 15.15            | 31.80                   | 27.27  | 32.96                  | 51.52            | 2.30                    | 21.84 | 36.78 | 39.08 |
| TORRINGTON   | 15                                  | 7.61                            | 26.89                | 46.15            | 23.32                     | 30.77            | 22.55                   | 15.38  | 27.24                  | 7.69             | 15.00                   | 22.86 | 21.43 | 40.71 |
| MITCHELL, NEBRASKA                                     | 11                                  | 100.00                          | 23.86                | 0.00             | 23.95                     | 11.11            | 20.67                   | 33.33  | 31.51                  | 55.56            | 19.05                   | 14.29 | 25.40 | 41.27 |

\* Based on 2001 Peer Mortgage Data: US & PR.

\*\* As a percentage of loans with borrower income information available. No information was available for 3.55% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

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**Table 10. Borrower Distribution of Small Loans to Businesses**

| Borrower Distribution: SMALL LOANS TO BUSINESSES<br>2002 |                                 | Geography: ALL ASSESSMENT AREAS |   |                  |  | Evaluation Period: JULY 31, 2001 TO DECEMBER 31, 2002 |                           |                         |                         |
|--|---------------------------------|---------------------------------|---|------------------|--|---|---------------------------|-------------------------|-------------------------|
| MA/Assessment Area:                                      | Total Small Loans to Businesses |                                 | Businesses With Revenues of \$1 million or less |                  | Loans by Original Amount Regardless of Business Size |   |                           | Aggregate Lending Data* |                         |
|  | #                               | % of Total**                    | % of Businesses***                              | % BANK Loans**** | \$100,000 or less                                    | >\$100,000 to \$250,000                               | >\$250,000 to \$1,000,000 | All                     | Rev\$ 1 Million or Less |
| <b>Full Review:</b>                                      |                                 |                                 |   |                  |  |   |                           |                         |                         |
| CHEYENNE MSA   | 38                              | 5.59                            | 88.00   | 86.84            | 73.68  | 13.16   | 13.16                     | 1,675                   | 697                     |
| CODY   | 376                             | 55.29                           | 89.46   | 87.50            | 85.90  | 8.78  | 5.32                      | 1,089                   | 609                     |
| NEWCASTLE  | 73                              | 10.74                           | 90.07   | 100.00           | 71.23  | 19.18   | 9.59                      | 139                     | 86                      |
| TORRINGTON   | 193                             | 28.38                           | 89.82   | 88.08            | 91.71  | 6.74  | 1.55                      | 276                     | 160                     |
| MITCHELL, NEBRASKA                                       | 58                              | 100.00                          | 91.92   | 89.66            | 89.66  | 6.90  | 3.45                      | 144                     | 92                      |

\* Based on 2001 Peer Small Business Data: WE Region.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.00% of small loans to businesses originated and purchased by the bank.

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**Table 11. Borrower Distribution of Small Loans to Farms**

| Borrower Distribution: SMALL LOANS TO FARMS |                            | Geography: ALL ASSESSMENT AREAS |  |                  |  | Evaluation Period: JULY 31, 2001 TO DECEMBER 31, 2002 |                           |                         |                         |
|---|----------------------------|---------------------------------|--|------------------|--|---|---------------------------|-------------------------|-------------------------|
| MA/Assessment Area:                         | Total Small Loans to Farms |                                 | Farms With Revenues of \$1 million or less |                  | Loans by Original Amount Regardless of Farm Size |   |                           | Aggregate Lending Data* |                         |
|   | #                          | % of Total**                    | % of Farms***                              | % BANK Loans**** | \$100,000 or less                                | >\$100,000 to \$250,000                               | >\$250,000 to \$1,000,000 | All                     | Rev\$ 1 Million or Less |
| <b>Full Review:</b>                         |                            |                                 |  |                  |  |   |                           |                         |                         |
| CHEYENNE MSA                                | 31                         | 5.78                            | 92.70                                      | 90.32            | 70.97  | 25.81   | 3.23                      | 61                      | 52                      |
| CODY  | 102                        | 19.03                           | 91.83                                      | 97.06            | 81.37  | 12.75   | 5.88                      | 141                     | 134                     |
| NEWCASTLE                                   | 72                         | 13.43                           | 98.31                                      | 98.61            | 77.78  | 16.67   | 5.56                      | 62                      | 60                      |
| TORRINGTON                                  | 331                        | 61.75                           | 92.31                                      | 97.28            | 80.66  | 14.80   | 4.53                      | 271                     | 256                     |
| MITCHELL, NEBRASKA                          | 155                        | 100.00                          | 94.30                                      | 92.90            | 83.23  | 12.26   | 4.52                      | 261                     | 245                     |

\* Based on 2001 Peer Small Business Data: WE Region.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2002).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

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**Table 12. Qualified Investments**

| QUALIFIED INVESTMENTS |                           | Geography: ALL ASSESSMENT AREAS |                            |           |                   | Evaluation Period: JULY 31, 2001 TO AUGUST 22, 2003 |            |                        |           |
|-----------------------|---------------------------|---------------------------------|----------------------------|-----------|-------------------|---|------------|------------------------|-----------|
| MA/Assessment Area:   | Prior Period Investments* |                                 | Current Period Investments |           | Total Investments |   |            | Unfunded Commitments** |           |
|                       | #                         | \$(000's)                       | #                          | \$(000's) | #                 | \$(000's)   | % of Total | #                      | \$(000's) |
| <b>Full Review:</b>   |                           |                                 |                            |           |                   |   |            |                        |           |
| CHEYENNE MSA          | 0                         | 0                               | 1                          | .3        | 1                 | .3  | 1.00       | 0                      | 0         |
| CODY                  | 0                         | 0                               | 13                         | 16.8      | 13                | 16.8  | 33.00      | 0                      | 0         |
| NEWCASTLE             | 0                         | 0                               | 6                          | 4.1       | 6                 | 4.1   | 8.00       | 0                      | 0         |
| TORRINGTON            | 0                         | 0                               | 9                          | 26.0      | 9                 | 26.0  | 51.00      | 0                      | 0         |
| MITCHELL, NEBRASKA    | 0                         | 0                               | 7                          | 3.3       | 7                 | 3.3   | 6.00       | 0                      | 0         |

\* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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**Table 13. Distribution of Branch Delivery System and Branch Openings/Closings**

| DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS |                                |                    |                                |   |       |        |      | Geography: WYOMING       |                      |   |     | Evaluation Period: JULY 31, 2001 TO AUGUST 22, 2003 |     |                                       |       |        |       |
|---|--------------------------------|--------------------|--------------------------------|---|-------|--------|------|--------------------------|----------------------|---|-----|---|-----|---------------------------------------|-------|--------|-------|
| MA/Assessment Area:   | Deposits                       | Branches           |                                |   |       |        |      | Branch Openings/Closings |                      |   |     | Population  |     |                                       |       |        |       |
|   | % of Rated Area Deposits in AA | # of BANK Branches | % of Rated Area Branches in AA | Location of Branches by Income of Geographies (%) |       |        |      | # of Branch Openings     | # of Branch Closings | Net change in Location of Branches (+ or -) |     |   |     | % of Population within Each Geography |       |        |       |
|   |                                |                    |                                | Low   | Mod   | Mid    | Upp  |                          |                      | Low   | Mod | Mid   | Upp | Low                                   | Mod   | Mid    | Upp   |
| <b>Full Review:</b>   |                                |                    |                                |   |       |        |      |                          |                      |   |     |   |     |                                       |       |        |       |
| CHEYENNE MSA  | 7.29                           | 2                  | 22.00                          | 0.00  | 50.00 | 50.00  | 0.00 | 1                        | 0                    | 0   | 0   | +1  | 0   | 0.00                                  | 35.12 | 43.92  | 20.96 |
| CODY  | 51.30                          | 4                  | 44.00                          | 0.00  | 0.00  | 100.00 | 0.00 | 0                        | 0                    | 0   | 0   | 0   | 0   | 0.24                                  | 14.26 | 85.50  | 0.00  |
| NEWCASTLE   | 10.18                          | 2                  | 22.00                          | 0.00  | 0.00  | 100.00 | 0.00 | 0                        | 0                    | 0   | 0   | 0   | 0   | 0.00                                  | 0.00  | 100.00 | 0.00  |
| TORRINGTON  | 31.23                          | 1                  | 11.00                          | 0.00  | 0.00  | 100.00 | 0.00 | 0                        | 0                    | 0   | 0   | 0   | 0   | 0.00                                  | 63.19 | 36.81  | 0.00  |
| MITCHELL, NEBRASKA  | 100.00                         | 1                  | 100.00                         | 0.00  | 0.00  | 100.00 | 0.00 | 0                        | 0                    | 0   | 0   | 0   | 0   | 0.00                                  | 20.57 | 79.43  | 0.00  |

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**Table 14. Distribution of Branch and ATM Delivery System**

| DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM<br>22, 2003 |                                |                    |                                | Geography: ALL ASSESSMENT AREAS                   |       |        |      | Evaluation Period: JULY 31, 2001 TO AUGUST |                      |   |       |            |      |                                       |       |        |       |
|--|--------------------------------|--------------------|--------------------------------|---|-------|--------|------|--|----------------------|---|-------|------------|------|---------------------------------------|-------|--------|-------|
| MA/Assessment Area:  | Deposits                       | Branches           |                                |   |       |        |      | ATMs                                       |                      |   |       | Population |      |                                       |       |        |       |
|  | % of Rated Area Deposits in AA | # of BANK Branches | % of Rated Area Branches in AA | Location of Branches by Income of Geographies (%) |       |        |      | # of ATMs                                  | % of Total Bank ATMs | Location of ATMs by Income of Geographies |       |            |      | % of Population within Each Geography |       |        |       |
|  |                                |                    |                                | Low   | Mod   | Mid    | Upp  |  |                      | Low                                       | Mod   | Mid        | Upp  | Low                                   | Mod   | Mid    | Upp   |
| <b>Full Review:</b>  |                                |                    |                                |   |       |        |      |  |                      |   |       |            |      |                                       |       |        |       |
| CHEYENNE MSA   | 7.29                           | 2                  | 22.00                          | 0.00  | 50.00 | 50.00  | 0.00 | 2  | 22.00                | 0.00                                      | 50.00 | 100.00     | 0.00 | 0.00                                  | 35.12 | 43.92  | 20.96 |
| CODY   | 51.30                          | 4                  | 44.00                          | 0.00  | 0.00  | 100.00 | 0.00 | 4  | 44.00                | 0.00                                      | 0.00  | 100.00     | 0.00 | 0.24                                  | 14.26 | 85.50  | 0.00  |
| NEWCASTLE  | 10.18                          | 2                  | 22.00                          | 0.00  | 0.00  | 100.00 | 0.00 | 2  | 22.00                | 0.00                                      | 0.00  | 100.00     | 0.00 | 0.00                                  | 0.00  | 100.00 | 0.00  |
| TORRINGTON   | 31.23                          | 1                  | 11.00                          | 0.00  | 0.00  | 100.00 | 0.00 | 1  | 11.00                | 0.00                                      | 0.00  | 100.00     | 0.00 | 0.00                                  | 63.19 | 36.81  | 0.00  |
| MITCHELL, NEBRASKA   | 100.00                         | 1                  | 100.00                         | 0.00  | 0.00  | 100.00 | 0.00 | 1  | 100.00               | 0.00                                      | 0.00  | 100.00     | 0.00 | 0.00                                  | 20.57 | 79.43  | 0.00  |



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**TORRINGTON**

| Demographic Information for Full Scope Area: TORRINGTON                    |        |               |                                    |                  |                 |               |
|--|--------|---------------|------------------------------------|------------------|-----------------|---------------|
| Demographic Characteristics  | #      | Low<br>% of # | Moderate<br>% of #                 | Middle<br>% of # | Upper<br>% of # | NA*<br>% of # |
| Geographies (Census Tracts/BNAs)   | 6      | 0.00          | 66.67                              | 33.33            | 0.00            | 0.00          |
| Population by Geography  | 12,373 | 0.00          | 63.19                              | 36.81            | 0.00            | 0.00          |
| Owner-Occupied Housing by Geography  | 3,356  | 0.00          | 61.14                              | 38.86            | 0.00            | 0.00          |
| Business by Geography  | 619    | 0.00          | 60.10                              | 39.90            | 0.00            | 0.00          |
| Farms by Geography   | 130    | 0.00          | 59.23                              | 40.77            | 0.00            | 0.00          |
| Family Distribution by Income Level  | 3,477  | 26.89         | 23.32                              | 22.55            | 27.24           | 0.00          |
| Distribution of Low and Moderate Income Families throughout AA Geographies | 1,746  | 0.00          | 69.24                              | 30.76            | 0.00            | 0.00          |
| Median Family Income   |        | 32,096        | Median Housing Value               |                  | 51,733          |               |
| HUD Adjusted Median Family Income for 2002                                 |        | 47,200        | Unemployment Rate (1990 US Census) |                  | 3.63%           |               |
| Households Below Poverty Level   |        | 16.31%        |                                    |                  |                 |               |

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 US Census and 2002 HUD updated MFI

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**NEWCASTLE**

| Demographic Information for Full Scope Area: NEWCASTLE                     |       |               |                            |                  |                 |               |
|--|-------|---------------|----------------------------|------------------|-----------------|---------------|
| Demographic Characteristics  | #     | Low<br>% of # | Moderate<br>% of #         | Middle<br>% of # | Upper<br>% of # | NA*<br>% of # |
| Geographies (Census Tracts/BNAs)   | 3     | 0.00          | 0.00                       | 100.00           | 0.00            | 0.00          |
| Population by Geography  | 7,123 | 0.00          | 0.00                       | 100.00           | 0.00            | 0.00          |
| Owner-Occupied Housing by Geography  | 2,032 | 0.00          | 0.00                       | 100.00           | 0.00            | 0.00          |
| Business by Geography  | 403   | 0.00          | 0.00                       | 100.00           | 0.00            | 0.00          |
| Farms by Geography   | 59    | 0.00          | 0.00                       | 100.00           | 0.00            | 0.00          |
| Family Distribution by Income Level  | 1,975 | 17.87         | 17.37                      | 31.80            | 32.96           | 0.00          |
| Distribution of Low and Moderate Income Families throughout AA Geographies | 696   | 0.00          | 0.00                       | 100.00           | 0.00            | 0.00          |
| Median Family Income   |       | 32,096        | Median Housing Value       |                  | 51,666          |               |
| HUD Adjusted Median Family Income for 2002                                 |       | 47,200        | Unemployment Rate (1990 US |                  | 2.47%           |               |
| Households Below Poverty Level   |       | 11.57%        | Census)                    |                  |                 |               |

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 US Census and 2002 HUD updated MFI

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**CODY**

| Demographic Information for Full Scope Area: CODY                          |        |               |                            |                  |                 |               |
|--|--------|---------------|----------------------------|------------------|-----------------|---------------|
| Demographic Characteristics  | #      | Low<br>% of # | Moderate<br>% of #         | Middle<br>% of # | Upper<br>% of # | NA*<br>% of # |
| Geographies (Census Tracts/BNAs)   | 13     | 7.69          | 15.38                      | 76.92            | 0.00            | 0.00          |
| Population by Geography  | 36,375 | 0.24          | 14.26                      | 85.50            | 0.00            | 0.00          |
| Owner-Occupied Housing by Geography  | 9,495  | 0.24          | 15.91                      | 83.84            | 0.00            | 0.00          |
| Business by Geography  | 2,732  | 0.00          | 14.68                      | 85.32            | 0.00            | 0.00          |
| Farms by Geography   | 306    | 0.65          | 14.71                      | 84.64            | 0.00            | 0.00          |
| Family Distribution by Income Level  | 9,994  | 20.18         | 20.79                      | 26.08            | 32.95           | 0.00          |
| Distribution of Low and Moderate Income Families throughout AA Geographies | 4,095  | 0.49          | 19.90                      | 79.61            | 0.00            | 0.00          |
| Median Family Income   |        | 32,096        | Median Housing Value       |                  | 62,925          |               |
| HUD Adjusted Median Family Income for 2002                                 |        | 47,200        | Unemployment Rate (1990 US |                  | 2.64%           |               |
| Households Below Poverty Level   |        | 11.67%        | Census)                    |                  |                 |               |

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2002 HUD updated MFI

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**CHEYENNE MSA**

| Demographic Information for Full Scope Area: CHEYENNE MSA                  |        |               |                                    |                  |                 |               |
|--|--------|---------------|------------------------------------|------------------|-----------------|---------------|
| Demographic Characteristics  | #      | Low<br>% of # | Moderate<br>% of #                 | Middle<br>% of # | Upper<br>% of # | NA*<br>% of # |
| Geographies (Census Tracts/BNAs)   | 18     | 0.00          | 38.89                              | 38.89            | 22.22           | 0.00          |
| Population by Geography  | 73,142 | 0.00          | 35.12                              | 43.92            | 20.96           | 0.00          |
| Owner-Occupied Housing by Geography  | 18,407 | 0.00          | 29.11                              | 47.31            | 23.57           | 0.00          |
| Business by Geography  | 3,824  | 0.00          | 49.29                              | 34.18            | 16.53           | 0.00          |
| Farms by Geography   | 178    | 0.00          | 46.63                              | 19.10            | 34.27           | 0.00          |
| Family Distribution by Income Level  | 20,127 | 18.84         | 19.00                              | 23.75            | 38.41           | 0.00          |
| Distribution of Low and Moderate Income Families throughout AA Geographies | 7,616  | 0.00          | 49.74                              | 38.16            | 12.11           | 0.00          |
| Median Family Income   |        | 32,588        | Median Housing Value               |                  | 69,831          |               |
| HUD Adjusted Median Family Income for 2002                                 |        | 48,300        | Unemployment Rate (1990 US Census) |                  | 3.21%           |               |
| Households Below Poverty Level   |        | 10.69%        |                                    |                  |                 |               |

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 US Census and 2002 HUD updated MFI

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**MITCHELL, NE**

| Demographic Information for Full Scope Area: MITCHELL, NE                  |       |               |                            |                  |                 |               |
|--|-------|---------------|----------------------------|------------------|-----------------|---------------|
| Demographic Characteristics  | #     | Low<br>% of # | Moderate<br>% of #         | Middle<br>% of # | Upper<br>% of # | NA*<br>% of # |
| Geographies (Census Tracts/BNAs)   | 3     | 0.00          | 33.33                      | 66.67            | 0.00            | 0.00          |
| Population by Geography  | 7,531 | 0.00          | 20.57                      | 79.43            | 0.00            | 0.00          |
| Owner-Occupied Housing by Geography  | 2,045 | 0.00          | 19.22                      | 80.78            | 0.00            | 0.00          |
| Business by Geography  | 334   | 0.00          | 11.38                      | 88.62            | 0.00            | 0.00          |
| Farms by Geography   | 158   | 0.00          | 13.92                      | 86.08            | 0.00            | 0.00          |
| Family Distribution by Income Level  | 2,196 | 23.86         | 23.95                      | 20.67            | 31.51           | 0.00          |
| Distribution of Low and Moderate Income Families throughout AA Geographies | 1,050 | 0.00          | 22.38                      | 77.62            | 0.00            | 0.00          |
| Median Family Income   |       | 27,623        | Median Housing Value       |                  | 32,017          |               |
| HUD Adjusted Median Family Income for 2002                                 |       | 45,800        | Unemployment Rate (1990 US |                  | 2.67%           |               |
| Households Below Poverty Level   |       | 15.47%        | Census)                    |                  |                 |               |

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 US Census and 2002 HUD updated MFI