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Comptroller of the Currency  
Administrator of National Banks

Small Bank

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**Public Disclosure**

**6/12/2007**

**Community Reinvestment Act  
Performance Evaluation**

**First National Bank of Wyoming  
Charter 15409**

**P.O. Box 490  
Laramie, Wyoming 802070**

**Office of the Comptroller of the Currency  
Denver Field Office  
1225 17<sup>th</sup> Street, Suite 450  
Denver, CO 80202**

**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.**

## **General Information**

Institution's CRA Rating: **This institution is rated "Satisfactory."**

**A satisfactory rating is appropriate in each of the bank's designated assessment areas (AA) given the bank's demonstrated ability to meet the credit needs of the community. Specifically:**

- **The majority of loans by number and dollar volume are originated within the bank's AAs.**
- **The bank's pattern of lending to small businesses reasonably reflects area demographics for the Cheyenne and Ft. Collins MAs.**
- **The bank's pattern of lending in low- and moderate-income census tracts reasonably reflects demographic distribution.**

First National Bank of Wyoming is committed to serving the communities in which it operates and demonstrates satisfactory lending performance.

## **Description of Institution**

First National Bank of Wyoming (FNB) is a \$210 million dollar institution located in south east Wyoming and north central Colorado. The bank is owned by First National Bank of Wyoming Bankshares, Inc., a one-bank holding company located in Laramie, Wyoming.

The bank operates four full-service facilities. Two branches are located in Laramie, Wyoming. One branch is located in the neighboring community of Cheyenne, Wyoming and one branch is located in Fort Collins, Colorado. The Fort Collins location operates under the name Capital West National Bank. All four locations have drive-up facilities. Additionally, the main office in Laramie and each location in Cheyenne and Fort Collins operate deposit taking ATMs. The bank does not operate any stand alone ATMs.

FNB offers a variety of credit products. The primary loan product by dollar volume is commercial real estate secured loans, which represent 36% of total loans. Our rating of the bank's CRA performance is based on an analysis of this product. We reviewed residential real estate lending activities. The volume of residential real estate lending is minimal and would not be reflective of the bank's overall lending performance. An analysis would not have been meaningful.

Other loans offered include construction and development loans (20%), commercial loans (21%), residential real estate (10%), agricultural loans (3%), multi-family (4%), farm land (5%), and other consumer (2%). Net loans represent 66% of average assets. There are no legal or financial impediments to the bank's ability to meet the credit needs of the assessment areas.

FNB received a "Satisfactory" rating at the last CRA examination dated Feb 11, 2002.

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

## **Description of the Wyoming and Colorado Assessment Areas**

Management has designated three assessment areas (AA). They include the Cheyenne Metropolitan Area (MA) and Albany County in Wyoming and the Fort Collins MA in Colorado.

### **Cheyenne MA:**

The Cheyenne MA is comprised of all of Laramie County. Based on 2000 census data, the MA is comprised of 18 census tracts of which six (33%) are designated as moderate-income, nine (50%) as middle-income, and three (17%) as upper-income. There are no low-income tracts. The Department of Housing and Urban Development (HUD) 2007 updated MSA median-family income for this AA is \$59,900. Based on 2000 US Census data, there are 21,825 families residing within the MA, of which 17% are deemed low-income and 20% are deemed moderate-income. Income designations are determined based on annual income as a percentage of the MSA median-family income.

Laramie County is located in the southeastern corner of Wyoming. It includes the city of Cheyenne, and the towns of Albin, Burns, Hillsdale, and Pine Bluffs. Laramie County is the most populated county in Wyoming reporting a total population of 81,607 in 2004. The MA has a low unemployment rate of 3.9%, lower than the national rate of 4.6%. Cheyenne is the capital of Wyoming.

The two strongest industries according to a recent Moody's report are military and health care services. The top employer for the local area is the Warren Air Force Base (4,650) and the United Medical Center (1,330). The economy is considered stable due largely to an increased focus in the energy industry.

We made one community contact in this AA, a city counsel member. The living cost is beginning to rise because of the increasing demand for land. There are two builders in town that are constructing affordable homes (\$120M range) but their supply of land is almost exhausted. This implies that a credit need for the community could be affordable housing.

### **Albany County AA:**

The second AA is comprised of all of Albany County, Wyoming. Based on 2000 U.S. census data, this AA is comprised of ten census tracts of which one (10%) is designated as low-income, two (20%) are designated as moderate-income, six (60%) as middle-income, and one (10%) as upper income. The HUD 2007 updated non-MSA median-family income for this AA is \$58,500. Based on 2000 US Census data, there are 7,077 families residing within the AA of which 23% are deemed low-income and 18% are moderate-income.

Albany County is located in the southeastern corner of Wyoming, adjacent to the west of the Cheyenne MA. It includes the city of Laramie, and the towns of Rock River, Bosler, Woods Landing, Centennial, Tie Siding, and Fox Park. Laramie is the largest

city in the county and home to the University of Wyoming.

The University of Wyoming is by far the largest employer in the county and offers 5,225 jobs. Other major employers in the area include Ivins Memorial Hospital and Super Wal-Mart. The majority of the other businesses in the county are small, independently owned storefronts and service providers. The 2001 unemployment rate for Albany County is approximately 3%.

We made one community contact in this AA, a community developer. The contact identified the primary credit needs of the community as small business start up loans. The contact stated much of this credit need is being satisfied by the local banks. They believed the general economy to be growing for the City of Laramie and Albany County in general.

### **Fort Collins MA:**

The Fort Collins-Loveland MA is the third AA. It includes all of Larimer County, Colorado. Based on 2000 census data, this AA is comprised of 55 census tracts of which two (4%) are designated as low-income, twelve (21%) as moderate-income, 30 (55%) as middle-income, and eleven (20%) as upper-income. The HUD 2007 updated MSA median-family income for this AA is \$68,600. Based on 2000 US Census data, there are 62,450 families residing within the AA of which 17% are deemed low-income and 20% deemed moderate-income.

The local economy is driven by two stable institutions. One is the Colorado State University which is the top employer for this city, employing 6,948 individuals. The other top employer is the Poudre Valley Health System with 2,936 employees. There is a strong presence in the health care, construction, and technology services industries within the area. There are a number of other industries in the city that support a diverse job market. The local economy is expected to remain stable.

We made one community contact in the Fort Collins MSA, a representative of the Fort Collins local government. The contact stated that Fort Collins has a stable economy due largely to increased activity in the technology service sector, as well as increased construction in retail and commercial properties. One of the largest credit needs is capital for start up businesses. The contact felt that these needs were being met very well by the local financial institutions.

The bank's defined AAs meet the requirements of the regulation and do not arbitrarily exclude low- or moderate-income geographies. In arriving at an overall conclusion, more weight was given to performance in the Wyoming AAs, as a majority of deposits and loans are derived from this market.

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

## **Conclusions about Performance Criteria**

### **Loan-to-Deposit Ratio**

The bank's loan-to-deposit ratio is good given area competition and credit needs of the community.

The bank's quarterly loan-to-deposit (LTD) ratio since the previous CRA exam is 78 percent. The LTD ratio of similarly situated banks over the same time period ranged between 58 percent and 108 percent. Similarly situated banks are those banks of similar business lines operating within the same geography.

### **Lending in Assessment Area**

The majority of loans by number and dollar volume are originated within the bank's AA.

We sampled 20 commercial real estate loans from within the Cheyenne MA and Albany County and 17 commercial real estate loans from within the Ft. Collins MA. Of the 57 loans sampled 77% by number and 65% by dollar volume were originated within the AA.

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

The bank's pattern of lending to small businesses reasonably reflects area demographics.

#### **Wyoming**

The bank's pattern of lending to businesses of different sizes in Wyoming is satisfactory.

The bank's performance in the Cheyenne MA is satisfactory. The distribution of commercial real estate secured loans originated within the Cheyenne MA indicates good performance in lending to businesses of different sizes. Of the 20 commercial loans sampled, 90% by number and 75% by dollar volume were originated to small businesses. This reasonably reflects area demographics which show that 93% of all businesses for which income information was available reported annual revenues of less than \$1 million.

The bank's performance in Albany County is weak. Of the 20 commercial loans sampled, 80% by number and 51% by dollar volume were originated to small businesses. The bank's performance does not reasonably reflect area demographics which show that 94% percent of all business for which income information was available reported annual revenues of less than \$1 million.

## **Colorado**

The bank's pattern of lending to businesses of different sizes in Colorado is satisfactory.

The distribution of commercial real estate secured loans originated within the Ft. Collins MA indicates satisfactory performance. Our sample size was limited to the 17 commercial real estate secured loans originated by the bank over the review period. Of the 17 commercial loans sampled, 88% by number and 85% by dollar volume were originated to small businesses. This reasonably reflects area demographics which show that 95% of all business for which income information was available reported annual revenues of less than \$1 million.

## **Geographic Distribution of Loans**

The bank's practice of lending in low- and moderate-income geographies is satisfactory.

## **Wyoming**

The geographic distribution of loans within Wyoming is good.

Performance in the Cheyenne MA is excellent. Of the 20 commercial real estate secured loans sampled in Cheyenne MA, 50% by number were originated in moderate-income geographies. This exceeds area demographics in which 33% of the census tracts are designated as moderate-income. There are no low-income tracts in this MA.

Performance in Albany County is satisfactory. Of the 20 commercial real estate secured loans sampled in Albany County, there were no loans originated in low-income tracts. Twenty-five percent by number were originated in moderate-income tracts. Area demographics indicate 10% of census tracts are designated as low-income and 20% as moderate-income. Performance in moderate-income tracts is reflective of area demographics. Performance in low-income tracts is weak.

## **Colorado**

The geographic distribution of loans within Colorado is satisfactory.

Performance in the Ft. Collins MA is satisfactory. Of the 17 commercial real estate secured loans sampled, no loans were originated in low-income tracts. Forty-seven percent by number were originated in moderate-income tracts. Performance in the moderate-income tracts significantly exceeds area demographics which show that 21% of the tracts are designated as moderate income. Only 4% of the area census tracts are designated low-income. The lack of lending performance in these tracts is not of significant concern given the low volume of low-income tracts and the small population of loans available to sample.

## **Responses to Complaints**

FNB has not received any complaints about its performance in helping to meet assessment area needs during this evaluation period.

## **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of illegal discrimination or other illegal credit practices.