



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

February 10, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank of Wyoming
Charter Number 15409**

**2020 Grand Avenue
Laramie, Wyoming 82070**

**Comptroller of the Currency
50 Fremont Street, Suite 3900
San Francisco, California 94105**

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **First National Bank of Wyoming** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of February 10, 1998. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

INSTITUTION'S CRA RATING: This institution is rated “**Satisfactory.**”

First National Bank of Wyoming's (FNB) record of meeting the credit needs of its assessment area is good. A majority of the bank's loans are within its assessment area. Management is committed to making loans to businesses of different sizes and individuals of all income levels. Further, the bank's lending pattern reflects a reasonable dispersion of loans throughout the bank's assessment area.

DESCRIPTION OF INSTITUTION:

FNB is a \$95 million community bank that serves Albany County in southeastern Wyoming. The main office is in Laramie, Wyoming. The bank is owned by First National Bank of Wyoming Bankshares, Inc., a one bank holding company. The bank has one branch located in Laramie, Wyoming, and two loan production offices (LPOs). The loan production offices are in Cheyenne, Wyoming and Ft. Collins, Colorado. The loan production offices are not included in this Performance Evaluation because they are not bank branches and are located outside of the assessment area.

The bank's primary lending focus is business loans. The loan portfolio as of September 30, 1997, is comprised of 73% commercial loans, including commercial real estate, 23% residential real estate loans, and 4% consumer loans. The bank also originates mortgages for the secondary market. As of September 30, 1997, these secondary market loans totaled \$3.6 million.

FNB is one of nine financial institutions in Laramie. This includes five banks, one savings and loan, and three credit unions. There are also several mortgage companies in the city. The bank's financial condition is sound. We last evaluated the bank's CRA performance December 27, 1994.

DESCRIPTION OF ALBANY COUNTY:

Management has designated the bank's assessment area to include all of Albany County. This includes the towns of Laramie, Rock River, Bosler, Woods Landing, Centennial, Tie Siding, and Fox Park. Laramie, with a population of approximately 26,000, is the largest city in Albany County. The other towns in Albany County have populations of less than 1,000. Laramie is the county seat and also the location of the University of Wyoming. The university has approximately 10,000 students.

Albany County is not located in a metropolitan statistical area (MSA). The county is divided into 14 block numbering areas (BNAs). One BNA is designated low income, four BNAs are moderate income, seven BNAs are middle income, one BNA is upper income, and one BNA is designated N/A because no income level has been determined. The table below provides a breakdown of family income levels within the county, based upon the 1990 statewide non-MSA median-family income of \$32,096. Updated 1997 statewide non-MSA median-family income has now increased to \$41,900.

FAMILY INCOME LEVELS WITHIN ASSESSMENT AREA		
<i>Income Classification</i>	<i>Number of Families</i>	<i>Percent of Families</i>
Low Income	1,622	23.27%
Moderate Income	1,221	17.52%
Middle Income	1,574	22.58%
Upper Income	2,553	36.63%
TOTAL	6,970	100.00%

The economy in southeastern Wyoming has improved in recent years, but has not shown the level of growth experienced in neighboring states. Several small and medium-sized companies have recently moved into the Laramie area, and housing construction has increased over previous years. The university has always provided a large degree of stability to the Laramie economy and is the only four-year higher educational institution in Wyoming. Other employers include public administration, service, and retail industries. Cattle ranching also provides employment, along with businesses that service agriculture.

Residential housing costs are high, limiting affordable housing. Bank management is hopeful that new construction will open the market for lower priced properties as people move up. Rental costs have increased steadily in the past several years largely due to the college student population. Some of the moderate-income housing needs were eased in the past year by the construction of a multi-housing development in Laramie.

Recent community contacts reflect that housing for senior citizens continues to be a need. But the general consensus is that area banks are aware of and responsive to the community's needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Loan-to-Deposit Ratio

FNB's loan-to-deposit ratio is reasonable given its size, financial condition, and operating environment. The average loan-to-deposit ratio for the eight quarters ending September 30, 1997, is 67.4%. The loan-to-deposit ratio for another similarly situated bank in the assessment area over the same time period is 61.6%. We also considered seven other similarly situated banks in southeastern Wyoming. The average loan-to-deposit ratio for these banks over the eight quarter period is 70.9%.

Lending in the Assessment Area

FNB originates a majority of its loans within the assessment area. We reviewed all loans originated between January and November of 1997 and found that 64% were originated within the assessment area.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

The bank's distribution of loans reflects reasonable penetration among individuals of different income levels and businesses of different sizes. We sampled 27 of the 119 consumer loans (23%) originated in the assessment area between January and November 1997. The following table summarizes the results of the sample.

DISTRIBUTION OF CONSUMER LOANS BY BORROWER INCOME LEVEL			
<i>Income Category</i>	<i>Loan Sample</i> <i>(Based on updated 1997 median income of \$41,900)</i>		<i>Family Distribution</i> <i>(Based on 1990 median income of \$32,096)</i>
	<i>Number</i>	<i>Percent</i>	<i>Percent</i>
Low Income (< 50% of median income)	12	44%	23.27%
Moderate Income (51%-79% of median income)	7	26%	17.52%
Middle Income (80%-119% of median income)	4	15%	22.58%
Upper Income (120% or more of median income)	4	15%	36.63%
TOTAL CONSUMER LOANS SAMPLED	27	100%	100.00%

The table reflects that FNB actively extends consumer loans to individuals of all income levels. Seventy percent of the loans sampled were made to low- and moderate-income individuals. This is well above the percentage of low- and moderate-income families in the assessment area.

The bank is also helping to meet the credit needs for home mortgages in its assessment area. We sampled 100% of the residential loans made between January and November 1997. This figure includes all loans in the bank's portfolio and loans originated for the secondary market. The table below illustrates real estate loan penetration by income level in the assessment area.

DISTRIBUTION OF REAL ESTATE LOANS BY BORROWER INCOME LEVEL			
<i>Type of Mortgage Loan</i>	<i>Loan Sample</i> <i>(Based on 1997 median income of \$41,900)</i>		<i>Family Distribution</i> <i>(Based on 1990 median income of \$32,096)</i>
	<i>Number</i>	<i>Percent</i>	<i>Percent</i>
Low Income (< 50% of median income)	1	1.56%	23.27%
Moderate Income (51%-79% of median income)	7	10.94%	17.52%
Middle Income (80%-119% of median income)	12	18.75%	22.58%
Upper Income (120% or more of median income)	44	68.75%	36.63%
TOTAL RESIDENTIAL LOANS SAMPLED	64	100.00%	100.00%

Residential lending is not a major business focus of the bank, but FNB originates a reasonable volume of real estate loans in all income levels when compared to the demographics of the area. The moderately priced home supply is low due to the use of many residences as rentals to college students and the high cost of new construction. In addition, the Wyoming Community Development Authority purchased some of the modest priced properties and rents them to low- and moderate-income level individuals.

We sampled 20% of the business and agricultural loans originated/renewed between January and November of 1997. This was done to determine the bank's level of lending to small businesses. The following table summarizes the results of the sample.

DISTRIBUTION OF BUSINESS/AGRICULTURAL LOANS BY ANNUAL REVENUE		
	<i>Number of Loans Reviewed</i>	<i>Percent of Loans Reviewed</i>
Revenues Less Than \$250M	13	33%
Revenues Between \$250M and \$500M	7	18%
Revenues Between \$500M and \$1,000M	7	18%
Revenues Greater than \$1,000M	12	31%
TOTAL BUSINESS/AGRICULTURAL LOANS SAMPLED	39	100%

The table reflects a majority of commercial/agricultural loans (69.2%) are made to businesses and ranches with annual revenues of less than \$1 million. This demonstrates that FNB is serving the credit needs of small businesses and small agricultural operations.

FNB participates in Small Business Administration (SBA) and Farmers Home Administration (FmHA) government lending programs. The bank currently has 29 SBA loans totaling \$3.4 million and 5 FmHA loans totaling \$760,000 on its books.

Geographic Distribution of Loans

We found the bank's consumer lending within its assessment area to be well distributed, particularly in the moderate-income areas. We reviewed 100% of the consumer loans originated by the bank in 1997. The table below compares the results of this analysis with the 14 BNA tracts for the assessment area.

DISTRIBUTION OF CONSUMER LOANS BY BNA INCOME LEVEL			
<i>Geographic Category</i>	<i>Loan Sample</i>		<i>Percent of Income Tracts in Assessment Area</i>
	<i>Number</i>	<i>Percent</i>	
Low Income Tracts (1)	3	2.5%	7.1%
Moderate Income Tracts (4)	46	38.7%	28.6%
Middle Income Tracts (7)	47	39.5%	50.0%
Upper Income Tracts (1)	23	19.3%	7.1%
N/A (No income designated) (1)	0	0.0%	7.1%
TOTAL	119	100.0%	100.0%

The table reflects that 41% of consumer loans were made to individuals living in low- and moderate-income BNAs. Consumer loans are reasonably dispersed in all income tracts within the bank's assessment area with the exception of the low-income tract. The low-income BNA is the location of the University of Wyoming campus and lending opportunities are limited.

The geographic distribution of residential loans in the bank's assessment area was also analyzed. This review included 100% of residential loans originated and retained in the bank's portfolio and loans sold on the secondary market in 1997. The table below summarizes the distribution of loans by income level of the BNAs.

DISTRIBUTION OF RESIDENTIAL LOANS BY BNA INCOME LEVEL			
<i>Geographic Category</i>	<i>Loan Sample</i>		<i>Percent of Owner Occupied Housing in BNAs</i>
	<i>Number</i>	<i>Percent</i>	<i>Percent</i>
Low Income BNA (1)	0	0.0%	0.83%
Moderate Income BNA (4)	5	7.8%	22.41%
Middle Income BNA (7)	32	50.0%	54.97%
Upper Income BNA (1)	27	42.2%	21.79%
N/A (No income designated) (1)	0	0.0%	0.00%
TOTAL	64	100.0%	100.00%

The table reflects that in 1997 the bank originated or sold loans in the moderate-, middle-, and upper-income census tracts. No residential lending was done in the low-income tract but census data indicates only 0.83% of the low income BNA is owner-occupied housing. Limited residential housing is available in this area. This is the location of the University of Wyoming campus and related student housing. The bank's lending penetration in the moderate-income tracts are below the demographic percentages due to the lack of available housing in these areas. The majority of lending is in the middle- and upper-income tracts.

Response to Complaints

No CRA related complaints have been received by the bank.

Record of Compliance with Antidiscrimination Laws

We did not find any evidence of discrimination, or practices intended to discourage applicants from applying for credit.