



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks

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## **PUBLIC DISCLOSURE**

**February 03, 2003**

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

**First National Bank - West  
Charter Number 14570**

**1001 Main Street  
Evanston, WY 82930**

**Comptroller of the Currency  
ADC - Montana, Wyoming, Idaho & Utah  
2795 East Cottonwood Parkway Suite 390  
Salt Lake City, UT 84121**

**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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## **INSTITUTION'S CRA RATING**

**This institution is rated Satisfactory.**

A satisfactory rating is appropriate given the bank's demonstrated ability to meet the credit needs of the community including loans to low- and moderate-income individuals and small businesses and farms. Specifically:

- The bank's loan-to-deposit ratio is reasonable and meets the standard for satisfactory performance.
- The majority of loans by number and dollar volume are originated within the bank's assessment area.
- The bank's lending patterns reflect a reasonable distribution of credit among borrowers of different income levels and businesses and farms of different revenue size.
- The geographic distribution of loans reflects a reasonable dispersion of loans throughout the AA.

## **DESCRIPTION OF INSTITUTION**

First National Bank-West (FNB) is a community bank headquartered in Evanston, Wyoming. As of September 30, 2002, the bank had \$190 million in assets and net loans totaling nearly \$89 million, or 47 percent of total assets. The bank operates branch offices in Afton, Alpine, Evanston, Kemmerer, Mountain View, and Pinedale, WY. The Alpine office and one Evanston location are branches located in grocery stores. FNB operates 12 proprietary Automated Teller Machines (ATMs). Five ATMs are located at branch offices, and seven others are located in AA grocery stores and convenience stores. While the AA includes a county in Utah, all FNB banking locations are in Wyoming.

During the evaluation period FNB merged with its affiliate bank in Kemmerer. The Kemmerer bank had one branch office in Afton. FNB opened its Alpine, Evanston Wal-Mart, and Pinedale branch offices during this evaluation period. First National Bank-West, Company, a single bank holding company located in Evanston, WY, wholly owns FNB.

This Performance Evaluation (PE) is an assessment of the bank's CRA performance from October 5, 1998, through February 3, 2003. The bank was formerly named First National Bank in Evanston, and it received a "Satisfactory" rating at its October 5, 1998, CRA evaluation. There are no legal or financial impediments to the bank's ability to meet the credit needs of the assessment area.

The bank's primary lending focus is on commercial and consumer loans. Table 1 lists the composition of the bank's loan portfolio by loan type as of September 30, 2002.

<b>Table 1</b>	<b>LOAN PORTFOLIO COMPOSITION</b>	<b>\$ (000)</b>	<b>Percent</b>
	<b>September 30, 2002</b>		
	Commercial Loans	\$26,685	30%
	Commercial Real Estate Loans	16,901	19
	1 – 4 Family Residential Real Estate Loans	11,564	13
	Other Real Estate Loans	3,558	4
	Agriculture Loans	6,227	7
	Consumer Loans	23,126	26
	Other Loans and Leases	890	1
	Total (Gross Loans)	\$88,951	100%

Source: Consolidated Report of Condition for September 30, 2002

## DESCRIPTION OF UINTA, SUBLETTE, LINCOLN, AND RICH COUNTIES

FNB designated four complete adjacent counties as the bank's assessment area (AA). Uinta, Lincoln, and Sublette Counties are located in southwestern Wyoming and include the cities of Afton, Alpine, Evanston, Kemmerer, Lyman, Mountain View, and Pinedale. Rich County is located in northeastern Utah and includes the city of Randolph. The AA meets the requirements of the regulation.

The AA consists of 13 Block Numbering Areas (BNAs). Based on 1990 census data, no BNAs are designated as low-income, one BNA (8 percent) is moderate-income, ten (77 percent) are middle-income, and two (15 percent) are upper-income. The U.S. Department of Housing and Urban Development (HUD) records the updated non-metropolitan statistical area median family income as \$46,538 for 2001 in Wyoming. The U.S. Census Bureau lists the 2000 median value of owner-occupied housing units in the counties at \$94,606.

<b>Table 2</b>	
<b>DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF AA</b>	
<i>Population</i>	
Number of Families	9,518
Number of Households	12,349
Number of Low-Income Families	1,533
% of Low-Income Families	16%
Number of Moderate-Income Families	1,641
% of Moderate-Income Families	17%
Number of Middle-Income Families	2,429
% of Middle-Income Families	26%
Number of Upper-Income Families	3,915
% of Upper-Income Families	41%
<i>Geographies</i>	

Number of BNAs	13
% Low-Income BNAs	0
% Moderate-Income BNAs	8%
% Middle-Income BNAs	77%
% Upper-Income BNAs	15%
<i>Median Family Income (MFI)</i>	
1990 MFI for AA	31,801
2001 HUD-Adjusted MFI	46,538
<i>Economic Indicators</i>	
Unemployment Rate 2002: Lincoln County, WY	7.2%
Unemployment Rate 2002: Rich County, UT	3.9%
Unemployment Rate 2002: Sublette County, WY	2.6%
Unemployment Rate 2002: Uinta County, WY	5.7%
2000 Median Housing Value	\$ 94,606

Source: U.S. Census Bureau

Economic conditions in the AA are static. To better understand community credit needs, we interviewed a local individual with specific knowledge of economics in the AA. The community contact reported instances of some employer outmigration during the evaluation period. The dominant industries based on number of jobs in the AA are government, services, oil and gas production, trade, and agriculture. The AA's unemployment rate in December 2002 varied by county ranging from a low 2.6 percent in Sublette County to 7.2 percent in Lincoln County. The State of Wyoming's unemployment rate was 4.4 percent at the same date.

The financial services sector is competitive. The June 30, 2002, FDIC Deposits Market Share Report shows eight financial institutions competed for \$469 million of insured deposits. The highest market shares were held by FNB (34 percent of total insured deposits), Community First National Bank (23 percent), Wells Fargo Bank Wyoming, National Association (22 percent), and Bank of Star Valley (10 percent).

Examiners contacted one government entity and reviewed community contacts performed by OCC or other regulators. The contacts identified affordable housing and lending for business start-ups as some of the area's primary credit needs. The contacts indicated area financial institutions are satisfactorily meeting the area's credit needs.

## CONCLUSIONS ABOUT PERFORMANCE CRITERIA

FNB does a good job of meeting the credit needs of its AA, including lending to low- and moderate-income individuals and businesses of different revenue size.

### Loan-to-Deposit Ratio

The bank's loan-to-deposit ratio is reasonable and meets the standard for satisfactory performance. As of September 30, 2002, the bank's eight-quarter average loan-to-deposit ratio was 53 percent. The loan-to-deposit ratio over the same time period for similarly situated banks

was 62 percent. Similarly situated banks are those banks of similar business lines and comparable asset size operating in the same geography. Since no banks were similarly sized and operated in FNB's AA, we included for our analysis similarly sized banks in the state of Wyoming and two smaller banks headquartered in geographies within FNB's AA.

Table 3 AVERAGE LOAN-TO-DEPOSIT RATIO		
Institution	Assets as of 9/30/2002 (in 000s)	Average Loan-to-Deposit Ratio
Bank A	\$187,802	72%
Bank B	61,715	66%
Bank C	211,830	71%
Bank D	210,973	38%
Bank E	35,262	56%
Bank F	182,011	73%
First National Bank - West	190,966	53%

Source: Uniform Bank Performance Reports

### Lending in Assessment Area

The bank's level of lending within the AA is satisfactory. Our sample of commercial and consumer loans originated since the previous CRA examination indicates the majority of loans, by number and by dollar volume, are originated within the AA. Table 4 illustrates these findings:

Table 4 TOTAL LOANS REVIEWED								
LOAN TYPE	IN ASSESSMENT AREA				OUT OF ASSESSMENT AREA			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Commercial	19	95	\$781,355	95	1	5.0	\$ 40,085	5
Consumer	18	90	186,147	92	2	10.0	16,835	8
Total Reviewed	37	93	\$967,502	94	5	8.3	\$ 56,920	6

Source: Examiner loan sample.

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

The bank's lending patterns reflect a reasonable distribution of credit among borrowers of different income levels and businesses and farms of different revenue size. FNB's loan origination distribution is proportionally similar to the income demographics of the AA.

#### Business Purpose Loans

The distribution of business loans reflects, given the demographics of the AA, reasonable penetration of businesses of different sizes. Businesses with annual gross revenues of less than \$1 million are designated as "small businesses." The AA demographic data shows that "small businesses" total 71 percent of all AA businesses. We sampled 20 commercial loans originated in 2001 and 2002 and found that 75 percent of the sample by number and 85 percent by dollar amount were to small businesses, as shown in Table 5. FNB's percentage of loans to small businesses compares favorably to AA demographics.

Business Revenues	≤ \$1,000,000	> \$1,000,000	Not Reported
AA Businesses	71%	3%	26%
% of Bank Loans in AA by #	75%	10%	15%
% of Bank Loans in AA by \$	85%	4%	11%

Source: Examiner loan sample and Dunn and Bradstreet.

### Consumer Loans

The distribution of consumer loans reflects excellent penetration among individuals of different income levels (including low- and moderate-income). The following table indicates FNB's lending to low-income borrowers and moderate-income borrowers significantly exceeds the percentage of households in those income categories.

Borrower Income Level	Loan Distribution by Number of Loans		Loan Distribution by Dollar Amount of Loans		% of AA Households by Income Level Category
	Number	Percent	Dollar Amount	Percent	
Low-income	8	40%	\$ 60,661	30%	16%
Moderate-income	7	35	55,614	27	17
Middle-income	4	20	72,386	36	26
Upper-income	1	5	14,321	7	41
Total	20	100%	\$202,982	100%	100%

Source: Examiner loan sample and updated U.S. Census data.

### Geographic Distribution of Loans

The geographic distribution of loans reflects a reasonable dispersion of loans throughout the AA.

### Commercial Loans

As shown in Table 7, FNB's geographic distribution of loans reasonably reflects the geographic distribution of businesses throughout the AA. Our random sample of new loan originations in the evaluation period did not capture any loans from the moderate-income BNA. This is reasonable because the moderate-income BNA includes just over two percent of the AA population's households, and FNB does not have a branch office in that location. The percentage of business loans in the middle-income BNA exceeds the percentage of businesses in the AA by number of loans, but is less than the percentage of businesses in the AA by dollar volume.

Table 7 GEOGRAPHIC DISTRIBUTION OF COMMERCIAL LOANS								
BNA Income Level	Low		Moderate		Middle		Upper	
% of AA Businesses	0%		2%		79%		19%	
Sampled Loans	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
	0%	0%	0%	0%	85%	70%	15%	30%

Source: Examiner loan sample.

### Consumer Loans

As was the case with business loan originations, our sample of consumer loan originations in the evaluation period did not capture any loans from the moderate-income BNA. We considered this to be reasonable for the reasons noted above. Based on our sample, FNB consumer loans in the middle-income BNAs exceed AA demographics in the relative percentage of households by number and by dollar amount.

Table 8 GEOGRAPHIC DISTRIBUTION OF CONSUMER LOANS								
BNA Income Level	Low		Moderate		Middle		Upper	
% of AA Households	0%		2%		72%		26%	
Sampled Loans	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
	0%	0%	0%	0%	80%	87%	20%	13%

Source: Examiner loan sample and updated U.S. Census data.

### Responses to Complaints

FNB has not received any CRA-related complaints during this evaluation period.

### Fair Lending Review

We reviewed public comments and consumer complaint information from the last four years, following the OCC's risk based fair lending approach. Based on this analysis, the OCC decided that a comprehensive fair lending examination would not be conducted in connection with the CRA evaluation this year. The last comprehensive fair lending examination was performed in 1998.