



Comptroller of the Currency
Administrator of National Banks

SMALL BANK

PUBLIC DISCLOSURE

October 5, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank in Evanston
Charter Number 14570**

**1001 Main Street
Evanston, Wyoming 82931**

**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 in Evanston** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of October 5, 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 in Evanston meets the rating definition of satisfactory because of:

- an excellent distribution of loans to small farm and small business borrowers, and people of different income levels;
- a majority of the loans are made within the assessment area;
- a reasonable loan-to-deposit ratio of 64 percent.

The following table indicates the performance level of **First National Bank in Evanston** with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	First National Bank in Evanston Performance Levels		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does Not Meet Standards for Satisfactory Performance
Loan-to-Deposit Ratio		X	
Lending in Assessment Area		X	
Lending to Borrowers of Different Incomes and to Businesses of Different Sizes	X		
Geographic Distribution of Loans	Not meaningful.		
Response to Complaints	No complaints received since the last examination.		

DESCRIPTION OF INSTITUTION:

The First National Bank in Evanston (FNB) is located in rural Southwestern Wyoming. It is locally owned by First McKinley Corporation, a two bank holding company. On June 30, 1998, FNB had total assets of \$74 million. The bank's main office is located in Evanston, with a branch in Mountain View. FNB also maintains two ATM's at each office. All ATM's are available for customer use 24 hours a day.

The composition of the bank's loan portfolio reflects its diverse customer base. On June 30, 1998, the portfolio was composed of the following types of loans: 35 percent consumer loans; 27 percent commercial and industrial loans; 19 percent residential real estate loans; 19 percent agricultural loans.

The prior Community Reinvestment Act Performance Evaluation was dated October 12, 1995. FNB received a "Satisfactory" rating in that evaluation.

There are no financial or legal impediments which limit the bank's ability to help meet the credit needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREA:

First National Bank in Evanston's assessment area (AA) consists of six block numbering areas (BNAs) which include the towns of Evanston, Mountain View, Lyman and adjacent populated areas. The assessment area does not arbitrarily exclude any low- or moderate-income areas. Approximately 20,430 people live in the assessment area. The population has remained stable over the last five years with about 2% annual growth.

The HUD estimated 1998 Wyoming statewide non-metropolitan median family income (MFI) is \$41,900. FNB's AA includes all of Uinta county and part of Utah's Rich county. For the combined AA of Wyoming and Utah, the adjusted non-metropolitan MFI is \$40,766. The following table summarizes the income levels of individual BNA's and families located within the bank's assessment area:

1990 U.S. Census Income	# of BNAs	% of Families
Low Income (<50% MFI)	0	14%
Moderate Income (50-79% MFI)	0	14%
Middle Income (80-119% MFI)	5	26%
Upper Income (120+% MFI)	1	46%

DESCRIPTION OF ASSESSMENT AREA (continued)

The major employers in Uinta county are Chevron and Amoco. Other sources of employment include the state hospital, local government, the school district and cattle ranching. The oil and gas industry has slowed, but the economy remains stable. Real estate prices continue to increase by approximately 2% annually. The 1998 average home price in Evanston is \$84,000.

We interviewed a local government official and a Realtor during this evaluation. These contacts were made to discuss local economic conditions and credit needs. These individuals indicated that the local economy is generally stable and that the financial institutions are effectively meeting the credit needs of the community. Furthermore the credit needs identified were residential real estate, consumer loans and small business loans.

Competition within the assessment area comes from three branches of large banks, a community bank and a large finance company. Competition amongst these financial institutions is moderate, with FNB as the leader.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Lending to Borrowers of Different Income Levels and Businesses of Different Sizes

FNB's distribution to borrowers reflects excellent distribution among individuals of different income levels and businesses and farms of different sizes. FNB originated 85% of their business loans to entities with gross revenues less than \$250,000. The bank made 40% of their consumer loans and 15% of their residential real estate loans to low-income families, comparing favorably to this group's 14% representation in the assessment area. They also made 28% of their consumer loans and 30% of their residential real estate loans to moderate-income families, comparing favorably to this group's 14% representation in the assessment area.

Consumer and Residential Real Estate Loan Sample Analysis

We reviewed the distribution of consumer and residential real estate loans made from January 30, 1996 to June 30, 1998. We specifically reviewed 21 residential real estate loans and 26 consumer loans and gathered income information from the loan files. The following chart reflects the bank's distribution of these loan originations (number of loans) to families of different income levels:

Family Income	% of Consumer Loans	% of Residential RE Loans	% of Families in Assessment Area
Low (<\$20,383)	40 percent	15 percent	14 percent
Moderate (\$20,384-\$32,613)	28 percent	30 percent	14 percent
Middle (\$33,614-\$48,919)	16 percent	45 percent	26 percent
Upper (>\$48,920)	16 percent	10 percent	46 percent

Business Loan Sample Analysis

The following table shows FNB's excellent record of making loans to small businesses and small farms. We sampled commercial and agriculture loans originated in 1998. Out of the 21 loans, 20 contained income information. All but one loan were made to small farms and small businesses with less than \$1 million in revenues. Seven of the loans went to very small farms and businesses with less than \$100,000 in total revenue.

Gross Business Revenues	# of Loans	% of Loans
Less than \$100,000	7	35 percent
\$100,000 to \$250,000	10	50 percent
\$250,000 to \$500,000	1	5 percent
\$500,000 to \$1,000,000	1	5 percent
Greater than \$1,000,000	1	5 percent

Loan-to-Deposit Ratio

First National Bank in Evanston has maintained a reasonable loan-to-deposit (LTD) ratio when compared to similarly situated banks. The bank's average LTD ratio for the eight quarters ending June 30, 1998 was 64%. The LTD ratio for state and national banks located in Wyoming for the same time period was 62%.

Lending in the Assessment Area

First National Bank in Evanston originated a substantial majority of loans within the assessment area. We sampled 66 loans and found 80% were made within the assessment area. The sample consisted of various types of loans on FNB's books as of October 5, 1998.

Geographic Distribution of Loans

FNB's assessment area contains insufficient diversity to make a geographic distribution analysis meaningful. The assessment area consists of six BNA's, five of which are middle-income and one upper-income.

Record of Complaints and Compliance with Antidiscrimination Laws

The bank did not receive any complaints relating to CRA performance since the last CRA evaluation. Concurrently to this examination, we conducted a review of FNB's compliance with the substantive provisions of antidiscrimination laws and regulations. We found no violations.