



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

February 28, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**American National Bank of Rock Springs
Charter Number 17656**

**2515 Foothill Boulevard
Rock Springs, Wyoming 82902-1770**

**Office of the 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.
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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 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 **American National Bank of Rock Springs** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of February 28, 1997. 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 “**Outstanding**”.

American National Bank of Rock Springs (ANBRS) demonstrates outstanding performance in meeting its community's credit needs. This is evidenced by a more than reasonable loan-to-deposit ratio and a majority of the bank's loans and lending related activities being within its assessment area. The bank's lending activity also shows very good distribution among businesses of different sizes and individuals of different income levels.

The following table indicates the performance level of *American National Bank of Rock Springs* to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	American National Bank of Rock Springs 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 were received since the prior examination.		

DESCRIPTION OF INSTITUTION:

ANBRS operates with one office located in Rock Springs, Wyoming. It has \$42 million in assets, \$25 million in loans and about \$36 million in deposits. It has no constraints in its ability to meet various credit needs within its assessment area. Lending activity has been vigorous over the past several years. The bank's lending activities meet a variety of credit needs and show a reasonable distribution between different loan types. The loan portfolio is distributed, by percentage, as follows: residential real estate 28%; commercial real estate 28%; commercial 26%; and consumer loans 18%. The bank also ranks among the leaders in its community in the numbers of residential mortgage loans originated and subsequently sold.

DESCRIPTION OF ROCK SPRINGS, WYOMING:

The bank's designated assessment area includes five block numbering areas (BNAs) which comprise the City of Rock Springs and adjacent populated areas. With an estimated population of 22,000, Rock Springs is the largest city in Sweetwater County and the fourth largest city in Wyoming. Two of the BNA's are middle income and three are upper. The estimated non-MSA median family income for Wyoming is \$41,900.

The trona mining industry is a major employer in Sweetwater county. Trona is an ore that is mined for production of soda ash. Other sources of employment include the oil and gas industry, coal mining, local government and cattle ranching. After several years of growth the local economy appears to have stabilized. Long-term projections are for continued growth due to planned expansions at the area's trona mines. Increased natural gas drilling and production is also expected to contribute to long-term growth.

We contacted four community and business leaders in the area to discuss local economic conditions, credit needs and the performance of local lenders in addressing credit needs. These individuals indicated the economy was stable but had slowed since prior years. All individuals expressed concerns about affordable housing because of the high cost of housing. However, affordable housing availability is not a crisis situation and is primarily addressed by the apartment and mobile home markets.

All the community and business leaders made positive comments regarding the availability of credit and the performance of local financial institutions. The general perception of American National Bank of Rock Springs is very good.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

Loan to Deposit Ratio:

ANBRS exhibits a more than reasonable loan-to-deposit (LTD) ratio when considering levels achieved by similarly situated institutions in its community. The LTD ratio has averaged 70% over the past eight quarters and is at 69% as of 12/31/96. Two similarly situated banks in the community reported LTD ratios of 30% and 45% over the same time period. Competition in the area includes three branches of larger banks headquartered outside the assessment area, two community banks headquartered in Rock Springs, two credit unions and several mortgage companies.

The bank also performs well in facilitating credit that is not reflected on its balance sheet. The bulk of residential mortgages originated by the bank are subsequently sold on the secondary market. Reports showing mortgages recorded in Sweetwater County during 1996 indicate ANBRS is among the leaders in facilitating this type of credit. During this time period ANBRS originated 294 loans for \$22MM, of which many were traditional mortgage loans sold in the secondary market.

ANBRS participates actively in the Wyoming Community Development Authority's affordable housing program in Sweetwater County. The bank ranks highly when compared with its competitors in originating home mortgages under this program. For the two-year period ending 12/31/96 ANBRS made 83 loans for \$4.1MM.

Lending Within the Assessment Area:

Based on the bank's internal analysis, a majority of the bank's loans and lending related activities are within its assessment area (AA). Seventy-three percent of the bank's loans as of 6/25/96 are within its assessment area. The bulk of loans outside their AA are in Green River, a community 15 miles West of Rock Springs. Lending within their AA is similar for the bank's mortgage lending operations. We reviewed all mortgages sold in 1996 and found that 70% were in the AA, with the bulk of the difference to customers in Green River. Additional loans outside the bank's AA are generally to borrowers in other communities in Sweetwater County.

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

The bank's lending activity exhibits very good distribution among individuals of different income levels and businesses of different sizes. We sampled 20 residential real estate loans from a population of 112 loans made in 1996 that were subsequently sold. Results show 35% of sampled loans were made to borrowers with low or moderate income levels. We then recorded the income levels of 20 borrowers who were approved for "other consumer" loans and found that

40% of these borrowers reported incomes that are considered low or moderate. The combined rate totals 38%, which compares favorably to the area demographics which show that 28% of families in the five-BNA assessment area have low or moderate income levels. The bank has recently engaged in a mobile home lending program where they will originate loans to be sold to a large national bank. This should further the bank's efforts in providing credit to families with low or moderate income levels.

Income Level	% of Families in Assessment Area	% of Sample Consumer Real Estate	% of Sample Other Consumer
Low	14%	5%	5%
Moderate	14%	30%	35%
Middle	19%	30%	40%
Upper	53%	35%	20%

The bank's lending activity exhibits very good distribution among businesses of varying sizes within its assessment area. Based on a sample of 25 business borrowers (some with multiple notes) with loans originated since our previous CRA exam in March 1994, we found that 88% of loans were to "small" businesses, with revenues less than \$1MM. A distribution of this sample, based on gross annual revenues, follows:

Gross Annual Revenues	Percent of Sample
under \$100,000	32%
\$100,000 to \$499,000	56%
\$500,000 to \$999,000	0%
over \$1,000,000	12%

Geographic Distribution of Loans:

We found the bank's lending within its assessment area to be reasonably well distributed. However, ANBRS's assessment area has only five BNA's, of which two are middle income and three are upper income. Thus, detailed geographic distribution analyses was not considered meaningful.

Other Information:

The bank has not received any written complaints regarding its CRA performance since the prior examination.

No violations of the substantive provisions of antidiscrimination laws and regulations were identified during this examination.