

**PUBLIC DISCLOSURE**

August 5, 1996

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

**WYOMING BANK and TRUST COMPANY  
870753  
10-56-0050**

**BUFFALO, WYOMING 82834**

**Federal Reserve Bank of Kansas City  
925 Grand Boulevard  
Kansas City, Missouri 64198**

**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 Wyoming Bank and Trust Company, Buffalo, Wyoming, prepared by Federal Reserve Bank of Kansas City, the institution's supervisory agency, as of August 5, 1996. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.*

**INSTITUTION'S CRA RATING:** *This institution is rated **Outstanding**.*

Wyoming Bank and Trust Company meets the standards to receive an outstanding rating. The bank has been responsive in meeting the credit needs of the community. The bank's performance is characterized by a loan-to-deposit ratio that exceeds satisfactory performance given the bank's size, financial condition, and assessment area credit needs. A substantial majority of the loans and other lending related activities are within its assessment area. The distribution of the loans sampled reflects an outstanding penetration among individuals of different income levels, businesses, and farms of different sizes. No customer complaints, with respect to CRA, have been received.

The following table indicates the performance level of Wyoming Bank and Trust Company with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	Wyoming Bank and Trust Company 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 and Farms of Different Sizes	X		
Geographic Distribution of Loans	X		
Response to Complaints	The bank has not received any complaints regarding its CRA performance.		

The banks performance under the CRA was last evaluated at the October 10, 1993 FDIC examination, at which time it was considered satisfactory.

**DESCRIPTION OF THE INSTITUTION**

The banks financial condition and size allow it to meet the various credit needs of its community. The bank has total assets of \$29,296,000 according to the June 30, 1996 Report of Condition and Income (Call Report). The bank is located in Buffalo, Wyoming, and has no branch facilities or automatic teller machines (ATMs). Since the assessment area is primarily an agricultural area, the bank's major lending activity has been agriculturally-related loans. Such loans comprise 41 percent of the banks total loan portfolio as of the Call Report date. Consumer lending, which has moderately increased over recent years, represents 22 percent of the total portfolio. Commercial and real estate-secured loans comprise 18 percent and 19

percent, respectively.

## **DESCRIPTION OF BANKS ASSESSMENT AREA**

The banks assessment area is Johnson County, Wyoming, which is located in the north central portion of the state. According to the 1990 census data, the county population is 6,145. The bank is located in the town of Buffalo, which is located in the north central portion of the county. Approximately 71 percent (4,410) of the population reside in the town of Buffalo, which is the county seat. The second largest community in the assessment area is Kaycee, Wyoming, (population 256) located approximately 44 miles south of Buffalo. The bank's assessment area also includes the outlying communities of Barnum, Mayoworth, Linch, Sussex, and Ucross. These communities represent 4 percent of the population served.

The county consists of four block numbering areas (BNAs). Three are middle-income BNAs and one is a moderate-income BNA. The moderate-income BNA comprises 9 percent of the county's population. The town of Buffalo is designated as a middle-income BNA.

The banks assessment area meets the requirements of the regulation; it consists of a contiguous political subdivision. Additionally, the assessment area does not arbitrarily exclude any low-income or moderate-income areas.

The county's economy is based mainly upon agriculture, consisting of cattle and sheep ranching. The agricultural economy has been experiencing a downturn due to declining cattle prices. However, sheep ranching is steadily improving and could serve to stabilize the economy. Buffalo also is economically dependent upon seasonal travelers and tourism. Interstate Highways 25 and 90 intersect at Buffalo which lies along the primary route for westbound travelers going to Yellowstone National Park. Major employers in the area are the local and county government, school district, and hospital.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

The banks CRA performance is Outstanding. The rating is based on the favorable assessment of the banks core performance criteria.

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

The banks loan-to-deposit ratio exceeds satisfactory performance expectations given the banks size, financial condition, and assessment area credit needs. The banks average net loan-to-deposit ratio based on the last four quarters ending June 30, 1996, is 64.3 percent. This is an increase from the previous four quarter

average ending June 30, 1995, which was 60.6 percent. The bank's net loan-to-deposit ratio is higher than five other banks located in the northern part of the state. These banks had 4-quarter average net loan-to-deposit ratios ranging from 41.6 percent to 61.4 percent and averaging 52.1 percent.

**Lending in Assessment Area**

To evaluate the bank's lending activity within its assessment area, a sample of loans was reviewed during the examination. Three types of loan products were sampled consisting of 42 consumer loans, 31 small business loans, and 27 small farm loans. Based on this sample, a substantial majority of the bank's lending activity is within its assessment area and, therefore, meets the outstanding performance criteria. Of the consumer loans reviewed, 83 percent by number and, 87 percent by dollar volume were within the bank's assessment area. For small business loans, the sample indicated that 94 percent of the loans by number and 99 percent by dollar volume were within the bank's assessment area. For small farm loans, the sample indicated that 81 percent by number and 90 percent by dollar volume were within the bank's assessment area. Overall, 86 percent of the number loans reviewed and 92 percent by dollar volume were within the bank's assessment area.

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

Given the demographics of the assessment area, the distribution of borrowers reflects excellent penetration among individuals of different income levels (particularly low-income and moderate-income) and to small businesses and farms of different sizes.

According to 1990 U.S. Census data, there are 1,754 families in the bank's assessment area. These families are classified in the following income categories:

Income Category	Percentage of Families
Less than 50 percent of the area family median income	22
At least 50 percent but less than 80 percent of the area family median income	23
At least 80 percent and less than 120 percent of the	23

area family median income	
120 percent or more of the area family median income	32
<b>TOTAL</b>	100

The banks lending to individuals in the low-income category is proportionately higher than the demographic composition of its assessment area. The sample indicated that, of the consumer loans within the bank assessment area, 38 percent were to low-income individuals. The sample also reflected that 31 percent of consumer loans within the assessment area were to moderate-income individuals. Overall, 68 percent of the number of consumer loans and 57 percent by dollar volume, were to low-income or moderate-income individuals, well above the demographic composition of 45 percent. The sample also showed that 14 percent of the number of consumer loans within the assessment area and 17 percent by dollar volume were to middle-income individuals and 17 percent of the number and 26 percent by dollar volume were to upper-income individuals.

According to the loan sample, the bank originates 100 percent of its agricultural loans to small farms and 90 percent of its commercial loans to businesses with annual revenues of less than \$1,000,000. The bank originates loans to farms of different sizes as well. This data is shown in the following table.

DISTRIBUTION OF SMALL FARM AND BUSINESS LOANS BY BORROWER INCOME LEVEL		
Income Category	Percentage of Farm Loans	Percentage of Business Loans
Gross annual revenues less than or equal to \$100,000	64	62
Gross annual revenues greater than \$100,000 and less than \$250,000	32	10
Gross annual revenues greater than \$250,000 and less than \$1,000,000	4	18
Gross annual revenues greater than \$1,000,000	-	10
TOTAL	100	100

This demonstrates satisfactory dispersion of lending activity to farms and businesses of different sizes, particularly to small farms with less than \$250,000 in annual revenues, which comprise a substantial majority of farms in the bank assessment

area.

### **Geographic Distribution of Loans**

The geographic distribution of the bank's loans reflects an excellent dispersion throughout the assessment area. As previously stated, the bank's assessment area of Johnson County consists of only one moderate-income BNA and three middle-income BNAs. The moderate-income BNA is located in the southwestern section of the county and contains only 9 percent of the total number of families in the assessment area. Of the consumer loans originated within the bank's assessment area, 6 percent were to individuals located in the moderate-income BNA. Twenty-three percent of the total number of small farm loans were made in the moderate-income BNA. Given the low percentage of population residing in the moderate-income area, the examination loan sample reflects an excellent distribution throughout the bank's assessment area.



### **Response to Complaints**

The bank has not received complaints about its performance in meeting assessment area credit needs. Therefore, no assessment of the bank's performance in responding to complaints was made.

### **Compliance with Antidiscrimination Laws and Regulations**

No credit practices inconsistent with the substantive provisions of the fair housing and fair lending laws and regulations were identified. Technical violations of the Equal Credit Opportunity Act's Regulation B were noted. However, these findings do not negatively impact the bank's overall CRA rating.