



---

**Comptroller of the Currency  
Administrator of National Banks**

---

Western District  
50 Fremont Street, Suite 3900  
San Francisco, California 94105  
(415) 545-5900

## **PUBLIC DISCLOSURE**

**August 14, 1997**

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**The First National Bank of Buffalo  
Charter Number 3299**

**141 S. Main Street  
Buffalo, Wyoming 82834**

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

<p><b>NOTE:</b> 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.</p>
---

## 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 **The First National Bank of Buffalo** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of August 14, 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 “**Satisfactory.**”

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

SMALL INSTITUTION ASSESSMENT CRITERIA	The First National Bank of Buffalo Performance Levels		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio		✓	
Lending in Assessment Area		✓	
Lending to Borrowers of Different Incomes and to businesses of Different sizes	✓		
Geographic Distribution of Loans	Not Applicable. A meaningful analysis could not be performed.		
Response to Complaints	Not Applicable. There were no complaints related to CRA since the last examination.		

## **DESCRIPTION OF INSTITUTION:**

The First National Bank of Buffalo (FNB) is a community bank located in north-central Wyoming. On June 30, 1997, the bank had \$70 million in assets and \$41 million in loans. The bank is 88 percent owned by First National Buffalo Bankshares, Inc., a one-bank holding company.

FNB's business focus is lending to agriculture (ranching), commercial, commercial real estate and consumer loans. These loans respectively make up 31 percent, 23 percent, 14 percent and 13 percent of the dollar volume of loans originated between January 1, 1996, and June 30, 1997.

## **DESCRIPTION OF THE FIRST NATIONAL BANK OF BUFFALO'S ASSESSMENT AREA:**

FNB's assessment area is in a non-metropolitan statistical area (MSA) and consists of four block numbering areas (BNA), including all of Johnson county. One BNA is designated as moderate income and the other three are designated middle income. Buffalo is the county seat for Johnson County with a population of 6,145 based on 1990 U.S. Census data. The majority of the population is centered in the city of Buffalo. Buffalo is 35 miles from one of Wyoming's major cities, Sheridan.

The demographic makeup of the county is 95 percent White, 3.5 percent Hispanic, 1 percent Native American and the remaining is Other. The 1997 U.S. Census data shows non-MSA median family income for Wyoming is \$41,900.

The economic base of the assessment area is stable. Major industries include small farms, tourism, and mining. The median housing value is \$45,250. Competition within the assessment area includes one bank, a branch of First Interstate Bank and one savings and loan association.

The community contacts interviewed during this examination included a real estate broker and a representative of the Buffalo Chamber of Commerce. Both interviewees indicated the primary credit needs of the community were being met by the local financial institutions. Both contacts did indicate that affordable housing for low- and moderate-income individuals was difficult to obtain due to high land costs. The real estate agent also identified affordable multi-family housing as a need. According to this agent, the average new-home cost year-to-date at July 1997 is \$92,000.

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

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

FNB has maintained a loan-to-deposit ratio that is comparable to that of one similarly situated bank in the geographic area. FNB's average loan-to-deposit ratio (expressed as a percentage) for the eight quarters ending June 30, 1997, is 65 percent. The similarly situated bank in the assessment area had a loan-to-deposit ratio of 64 percent for the eight quarters ending December 31, 1996.

### **Lending in the Assessment Area**

FNB originated a reasonable percentage of loans within the bank's assessment area. Based on our sample of 85 loans, approximately 73 percent of the money lent by the bank during the 18 months ending June 30, 1997, was to borrowers within the assessment area.

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

The bank's distribution of borrowers, given the demographics of the assessment area, reflects good penetration among individuals of different income levels, and business and farms of different sizes.

The following table shows that approximately 45 percent of the families in the assessment are low or moderate income. Our sample included 50 general instalment loans and 10 residential real estate loans. In our sample, 31 general instalment loans and six residential real estate loans were in the assessment area. Of the loans in the assessment area, the bank has originated a greater portion of loans to low- and moderate-income families compared to the demographics of the non-MSA.

<b>Income Category (1995 Annual Income)*</b>	<b>Families in Assessment Area (percent)</b>	<b>Bank Loans to Families by Income Category (percent)</b>
Low- Less than 50% of median family income. (<\$20,950)	22	43
Moderate - 50-80% of median family income. (\$20,951 - \$33,520/yr.)	23	35
Middle - 80-120% of median family income. (\$33,521 - \$50,280/yr.)	23	16
Upper - Greater than 120% of median family income. (>\$50,281/yr.)	32	6
<b>Total</b>	<b>100</b>	<b>100</b>

\* Annual income = 1990 Census median family income of MSA adjusted to 1997 family income estimates by Housing and Urban Development, U.S. Government.

We also reviewed a sample of 15 business-purpose loans and 10 agricultural-purpose loans. The sample was used to assess the distribution of loans to small farms and businesses based on annual revenues. The CRA defines small farms to be those with less than \$500,000 in annual gross revenue. Small businesses are those with less than \$1 million in annual gross revenue. In our sample, seven business-purpose loans and eight agricultural-purpose loans were located within the assessment area and had gross revenue information available. The next chart illustrates that all of the business and agricultural purpose loans were to small farms and businesses.

<b>Gross Revenue (000's)</b>	<b>Business loans (percent)</b>	<b>Agricultural loans (percent)</b>
\$0 - 100,000	58	38
\$100,000 - 250,000	14	50
\$250,000 - 500,000	14	12
\$500,000 - 1,000,000	14	0
>\$1,000,000	0	0
<b>Total</b>	100	100

### **Record of Complaints and Compliance with Antidiscrimination Laws**

There were no complaints about the bank's CRA performance from the public since the previous examination. We did not find any violations of antidiscrimination laws and regulations.